

NEWS RELEASE



Methanex Corporation
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For immediate release

April 24, 2024

Except where otherwise noted, all currency amounts are stated in United States dollars.

METHANEX REPORTS HIGHER FIRST QUARTER 2024 EARNINGS AS METHANOL PRICES INCREASE

- Net income attributable to Methanex shareholders of \$53 million and Adjusted EBITDA of \$160 million in the first quarter. Our average realized price in the first quarter was \$343 per tonne compared to \$322 per tonne in the fourth quarter of 2023.
- Work is progressing to safely repair the Geismar 3 ("G3") plant and we believe that the plant is on track to start up in the third quarter of 2024. Repair costs are expected to be \$15 million and the total capital cost for the project is expected to remain at approximately \$1.30 billion. The remaining capital cost of \$70 million is fully funded with cash on hand. The operating cost impact of the delay is approximately \$5 million per month and in the first quarter delay costs were approximately \$25 million due to take-or-pay on utilities contracts, the organization build-up of fixed costs, and the accounting recognition of over-hedged gas costs. These operating costs are included in Adjusted EBITDA.
- Successfully completed repairs at the Egypt plant and reached full operating rates in February.
- In April 2024, the existing \$300 million revolving credit facility was renewed to April 2028 and an additional \$200 million tranche was added which expires in April 2026. This additional financial capacity provides increased flexibility to manage our business.
- Returned \$12.5 million to shareholders through regular dividends in the first quarter and ended the first quarter with \$407 million in cash.

VANCOUVER, BRITISH COLUMBIA - For the first quarter of 2024, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of \$53 million (\$0.77 net income per common share on a diluted basis) compared to net income of \$33 million (\$0.50 net income per common share on a diluted basis) in the fourth quarter of 2023. Net income in the first quarter of 2024 was higher compared to the prior quarter primarily due to a higher average realized price and the positive impact of the mark-to-market portion of share-based compensation due to changes in Methanex's share price. Adjusted EBITDA for the first quarter of 2024 was \$160 million and Adjusted net income was \$44 million (\$0.65 Adjusted net income per common share). This compares with Adjusted EBITDA of \$148 million and Adjusted net income of \$35 million (\$0.52 Adjusted net income per common share) for the fourth quarter of 2023.

Our average realized price in the first quarter was \$343 per tonne compared to \$322 per tonne in the fourth quarter of 2023. In the first quarter, methanol supply was constrained due to the seasonal diversions of natural gas in Iran and China and planned and unplanned outages in the Atlantic leading to lower inventories and increasing methanol prices through the quarter.

In the first quarter, we returned \$12.5 million to shareholders through the regular dividend. We ended the quarter with \$407 million in cash, or approximately \$378 million in cash excluding non-controlling interests and including our share of cash in the Atlas joint venture. We also have an undrawn \$300 million revolving credit facility with a new \$200 million tranche that was added to provide additional financial flexibility.

Rich Sumner, President & CEO of Methanex, said, "Our global team responded well to the delay in the start-up of G3, maintaining safe operations and a flexible supply chain while we investigated the root cause of the incident. We will continue to focus on safety and ensuring the G3 plant meets our quality expectations. Our business delivered a strong operational and financial quarter in the midst of a dynamic global landscape."

FURTHER INFORMATION

The information set forth in this news release summarizes Methanex's key financial and operational data for the first quarter of 2024. It is not a complete source of information for readers and is not in any way a substitute for reading the first quarter 2024 Management's Discussion and Analysis ("MD&A") dated April 24, 2024 and the unaudited condensed consolidated interim financial statements for the period ended March 31, 2024, both of which are available from the Investor Relations section of our website at www.methanex.com. The MD&A and the unaudited condensed consolidated interim financial statements for the period ended March 31, 2024 are also available on the Canadian Securities Administrators' SEDAR+ website at www.sedarplus.ca and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

FINANCIAL AND OPERATIONAL DATA

	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
(\$ millions except per share amounts and where noted)			
Production (thousands of tonnes) (attributable to Methanex shareholders) ¹	1,721	1,779	1,660
Sales volume (thousands of tonnes)			
Methanex-produced methanol	1,681	1,712	1,649
Purchased methanol	807	890	848
Commission sales	182	260	308
Total sales volume ¹	2,670	2,862	2,805
Methanex average non-discounted posted price (\$ per tonne) ²	471	421	471
Average realized price (\$ per tonne) ³	343	322	371
Revenue	916	922	1,038
Net income (attributable to Methanex shareholders)	53	33	60
Adjusted net income ⁴	44	35	76
Adjusted EBITDA ⁴	160	148	209
Cash flows from operating activities	91	195	162
Basic net income per common share	0.78	0.50	0.87
Diluted net income per common share	0.77	0.50	0.87
Adjusted net income per common share ⁴	0.65	0.52	1.11
Common share information (millions of shares)			
Weighted average number of common shares	67	67	69
Diluted weighted average number of common shares	68	68	69
Number of common shares outstanding, end of period	67	67	68

¹ Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own.

² Methanex average non-discounted posted price represents the average of our non-discounted posted prices in North America, Europe, China and Asia Pacific weighted by sales volume. Current and historical pricing information is available at www.methanex.com.

³ The Company has used Average realized price ("ARP") throughout this document. ARP is calculated as revenue divided by the total sales volume. It is used by management to assess the realized price per unit of methanol sold, and is relevant in a cyclical commodity environment where revenue can fluctuate in response to market prices.

⁴ Note that Adjusted net income, Adjusted net income per common share, and Adjusted EBITDA are non-GAAP measures and ratios that do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Refer to the *Additional Information - Non-GAAP Measures* section on page 13 of our first quarter MD&A dated April 24, 2024 for a description of each non-GAAP measure.

- A reconciliation from net income attributable to Methanex shareholders to Adjusted EBITDA, Adjusted net income and the calculation of Adjusted net income per common share is as follows:

(\$ millions)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Net income attributable to Methanex shareholders	\$ 53	\$ 33	\$ 60
Mark-to-market impact of share-based compensation	(10)	3	20
Depreciation and amortization	95	100	98
Finance costs	28	30	31
Finance income and other	(3)	(11)	(11)
Income tax expense (recovery)	6	(14)	14
Earnings of associate adjustment	9	15	19
Non-controlling interests adjustment	(18)	(8)	(22)
Adjusted EBITDA	\$ 160	\$ 148	\$ 209

(\$ millions except number of shares and per share amounts)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Net income attributable to Methanex shareholders	\$ 53	\$ 33	\$ 60
Mark-to-market impact of share-based compensation, net of tax	(9)	3	17
Impact of Egypt gas contract revaluation, net of tax	—	(1)	(1)
Adjusted net income	\$ 44	\$ 35	\$ 76
Diluted weighted average shares outstanding (millions)	68	68	69
Adjusted net income per common share	\$ 0.65	\$ 0.52	\$ 1.11

- We recorded net income attributable to Methanex shareholders of \$53 million in the first quarter of 2024 compared to net income of \$33 million in the fourth quarter of 2023. Net income in the first quarter of 2024 was higher compared to the prior quarter primarily due to a higher average realized price and the positive impact of the mark-to-market portion of share-based compensation due to changes in Methanex's share price, offset by the one-time impact of the ineffective portion of natural gas hedges at our Geismar site recognized during the first quarter of 2024.
- We recorded Adjusted EBITDA of \$160 million for the first quarter of 2024 compared to \$148 million for the fourth quarter of 2023. We recorded Adjusted net income of \$44 million for the first quarter of 2024 compared to Adjusted net income of \$35 million for the fourth quarter of 2023. Adjusted EBITDA was higher in the first quarter of 2024 primarily due to a higher average realized price, partially offset by the one-time impact of the ineffective portion of natural gas hedges for our Geismar site.
- We sold 2,670,000 tonnes in the first quarter of 2024 compared to 2,862,000 tonnes in the fourth quarter of 2023. Sales of Methanex-produced methanol were 1,681,000 tonnes in the first quarter of 2024 compared to 1,712,000 tonnes in the fourth quarter of 2023. The restart of Egypt in February led to a slight build in produced inventory in the first quarter.
- Production for the first quarter of 2024 was 1,721,000 tonnes compared to 1,779,000 tonnes for the fourth quarter of 2023. Production was slightly lower in the first quarter of 2024 compared to the fourth quarter of 2023 mainly due to lower production in New Zealand which was partially offset by higher production in Egypt.
- Work is progressing to safely repair the Geismar 3 ("G3") plant and we believe that the plant is on track to start up in the third quarter of 2024. Repair costs are expected to be \$15 million and the total capital cost for the project is expected to remain at approximately \$1.30 billion. The remaining capital cost is fully funded with cash on hand. The operating cost impact of the delay is approximately \$5 million per month and in the first quarter delay costs were approximately \$25 million due to take-or-pay on utilities contracts, the organization build-up of fixed costs, and the accounting recognition of over-hedged gas costs. These operating costs are included in Adjusted EBITDA.
- In the first quarter of 2024 we paid a quarterly dividend of \$0.185 per common share for a total of \$12.5 million.
- At March 31, 2024, we had a strong liquidity position including a cash balance of \$407 million, or approximately \$378 million excluding non-controlling interests and including our share of cash in the Atlas joint venture. With the renewal of our revolving

credit facility, along with the addition of the \$200 million tranche in April, we have a total of \$500 million of facilities providing financial flexibility.

PRODUCTION HIGHLIGHTS

	Q1 2024		Q4 2023	Q1 2023
(thousands of tonnes)	Operating Capacity ¹	Production	Production	Production
USA (Geismar)	550	571	587	449
New Zealand ²	430	277	344	403
Trinidad (Methanex interest) ³	490	258	283	256
Chile	425	391	403	249
Egypt (50% interest)	158	83	20	161
Canada (Medicine Hat)	150	141	142	142
	2,203	1,721	1,779	1,660

¹ The operating capacity of our production facilities may be higher or lower than original nameplate capacity as, over time, these figures have been adjusted to reflect ongoing operating efficiencies at these facilities. Actual production for a facility in any given year may be higher or lower than operating capacity due to a number of factors, including natural gas availability, feedstock composition, the age of the facility's catalyst, turnarounds and access to CO₂ from external suppliers for certain facilities. We review and update the operating capacity of our production facilities on a regular basis based on historical performance.

² The operating capacity of New Zealand is made up of the two Motunui facilities.

³ The operating capacity of Trinidad is made up of the Titan (100% interest) and Atlas (63.1% interest) facilities. Refer to the *Trinidad* section below.

Key production and operational highlights during the first quarter include:

United States

Geismar produced 571,000 tonnes in the first quarter of 2024 compared to 587,000 tonnes in the fourth quarter of 2023.

New Zealand

New Zealand produced 277,000 tonnes in the first quarter of 2024 compared to 344,000 tonnes in the fourth quarter of 2023. Production in the first quarter was lower compared to the fourth quarter because of lower gas deliveries due to planned natural gas infrastructure maintenance at our suppliers' gas fields. Our production guidance for 2024 is between 1.0 - 1.1 million tonnes. 2024 natural gas supply is expected to be impacted by a combination of our suppliers' planned natural gas infrastructure maintenance outages as well as lower than expected output from existing wells. While upstream investment has been made by our gas suppliers in New Zealand over the past two years, recent gas production results have been lower than expected and we are closely monitoring production results in 2024.

Trinidad

Atlas produced 258,000 tonnes (Methanex interest) in the first quarter of 2024 compared to 283,000 tonnes in the fourth quarter of 2023. Production was lower in the first quarter due to an unplanned outage. In October 2023, Methanex signed a two-year natural gas supply agreement with the National Gas Company of Trinidad and Tobago (NGC) for its currently idled, wholly owned, Titan methanol plant (875,000 tonnes per year capacity) to restart operations in September 2024. Simultaneously, the Atlas plant (Methanex interest 63.1% or 1,085,000 tonnes per year capacity) will be idled in September 2024, when its legacy 20-year natural gas supply agreement expires. We are planning for the Titan restart with minimal capital required.

Chile

Chile produced 391,000 tonnes in the first quarter of 2024 compared to 403,000 tonnes in the fourth quarter of 2023. Production was similar in the first quarter compared to the fourth quarter with full gas deliveries from Argentina, although the resulting production was at lower than capacity due to catalyst constraints. We estimate production for 2024 will be between 1.1 - 1.2 million tonnes which is underpinned by year-round natural gas supply from Chile for about 30 – 35% of our requirements with the remaining 65 – 70% being delivered from Argentina during the Southern hemisphere non-winter months. Over the coming months we will be replacing the catalyst in Chile IV which we expect will improve efficiency and increase production compared

to the first quarter of 2024 when it is expected to restart in September 2024. Natural gas development and related infrastructure investments in Argentina continue to progress and we are working with our natural gas suppliers on extending the period of full gas availability to our plants.

Egypt

Egypt produced 166,000 tonnes (Methanex interest - 83,000 tonnes) in the first quarter of 2024 compared to 40,000 tonnes (Methanex interest - 20,000 tonnes) in the fourth quarter of 2023. The plant restarted and reached full operating rates in February after an unplanned outage in mid-October caused by a mechanical failure in the synthesis gas compressor.

Canada

Medicine Hat produced 141,000 tonnes in the first quarter of 2024 compared to 142,000 tonnes in the fourth quarter of 2023.

2024 Production Outlook

We are updating our expected production guidance for 2024 to approximately 7.0 million tonnes (Methanex interest). Our 2024 production guidance has been lowered primarily because of the Geismar 3 start-up delay. This expected production guidance is based on the mid-point of Chile and New Zealand production guidance, G3 starting up in the third quarter and operating at full rates in the fourth quarter, Egypt restart in the first half of February, and all other plants operating at full rates. Actual production may vary by quarter based on timing of turnarounds, gas availability, unplanned outages and unanticipated events.

CONFERENCE CALL

A conference call is scheduled for April 25, 2024 at 11:00 am ET (8:00 am PT) to review these first quarter results. To access the call, dial the conferencing operator fifteen minutes prior to the start of the call at (646) 307-1963, or toll free at (800) 715-9871. The conference ID for the call is #9072911. A simultaneous audio-only webcast of the conference call can be accessed from our website at www.methanex.com/investor-relations/events and will also be available following the call.

ABOUT METHANEX

Methanex is a Vancouver-based, publicly traded company and is the world's largest producer and supplier of methanol to major international markets. Methanex shares are listed for trading on the Toronto Stock Exchange in Canada under the trading symbol "MX" and on the NASDAQ Global Market in the United States under the trading symbol "MEOH".

FORWARD-LOOKING INFORMATION WARNING

This first quarter 2024 press release contains forward-looking statements with respect to us and the chemical industry. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control. Readers are cautioned that undue reliance should not be placed on forward-looking information as actual results may vary materially from the forward-looking information. Methanex does not undertake to update, correct or revise any forward-looking information as a result of any new information, future events or otherwise, except as may be required by applicable law. Refer to *Forward-Looking Information Warning* in the first quarter 2024 Management's Discussion and Analysis for more information which is available from the Investor Relations section of our website at www.methanex.com, the Canadian Securities Administrators' SEDAR+ website at www.sedarplus.ca and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

NON-GAAP MEASURES

The Company has used the terms Adjusted EBITDA, Adjusted net income, and Adjusted net income per common share throughout this document. These items are non-GAAP measures and ratios that do not have any standardized meaning prescribed by GAAP. These measures represent the amounts that are attributable to Methanex Corporation shareholders and are calculated by excluding the mark-to-market impact of share-based compensation as a result of changes in our share price, the impact of the Egypt gas contract revaluation and the impact of certain items associated with specific identified events. Refer to *Additional Information - Non-GAAP Measures* on page 13 of the Company's MD&A for the period ended March 31, 2024 for reconciliations to the most comparable GAAP measures. Unless otherwise indicated, the financial information presented in this release is

prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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For further information, contact:

Sarah Herriott

Director, Investor Relations

Methanex Corporation

604-661-2600

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**Management's Discussion and
Analysis for the
Three Months Ended
March 31, 2024**

At April 23, 2024 the Company had 67,387,492 common shares issued and outstanding and stock options exercisable for 1,588,317 additional common shares.

Share Information

Methanex Corporation's common shares are listed for trading on the Toronto Stock Exchange under the symbol MX and on the Nasdaq Global Market under the symbol MEOH.

Transfer Agents & Registrars

TSX Trust Company
320 Bay Street
Toronto, Ontario Canada
M5H 4A6
Toll free in North America:
1-800-387-0825

Investor Information

All financial reports, news releases and corporate information can be accessed on our website at www.methanex.com.

Contact Information

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E-mail: invest@methanex.com
Methanex Toll-Free:
1-800-661-8851

FIRST QUARTER MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

Except where otherwise noted, all currency amounts are stated in United States dollars.

This First Quarter 2024 Management's Discussion and Analysis dated April 24, 2024 for Methanex Corporation ("the Company") should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended March 31, 2024 as well as the 2023 Annual Consolidated Financial Statements and MD&A included in the Methanex 2023 Annual Report. Unless otherwise indicated, the financial information presented in this interim report is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Methanex 2023 Annual Report and additional information relating to Methanex is available on our website at www.methanex.com, the Canadian Securities Administrators' SEDAR+ website at www.sedarplus.ca and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

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Adjusted EBITDA ⁴	160	148	209
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¹ Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own.

² Methanex average non-discounted posted price represents the average of our non-discounted posted prices in North America, Europe, China and Asia Pacific weighted by sales volume. Current and historical pricing information is available at www.methanex.com.

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

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- We sold 2,670,000 tonnes in the first quarter of 2024 compared to 2,862,000 tonnes in the fourth quarter of 2023. Sales of Methanex-produced methanol were 1,681,000 tonnes in the first quarter of 2024 compared to 1,712,000 tonnes in the fourth quarter of 2023. Refer to the *Supply/Demand Fundamentals* section on page 11 of the MD&A for more information.
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We are updating our expected production guidance for 2024 to approximately 7.0 million tonnes (Methanex interest). Our 2024 production guidance has been lowered primarily because of the Geismar 3 start-up delay. This expected production guidance is based on the mid-point of Chile and New Zealand production guidance, G3 starting up in the third quarter and operating at full rates in the fourth quarter, Egypt restart in the first half of February, and all other plants operating at full rates. Actual production may vary by quarter based on timing of turnarounds, gas availability, unplanned outages and unanticipated events.

FINANCIAL RESULTS

For the first quarter of 2024, we reported net income attributable to Methanex shareholders of \$53 million (\$0.77 net income per common share on a diluted basis) compared to net income attributable to Methanex shareholders for the fourth quarter of 2023 of \$33 million (\$0.50 net income per common share on a diluted basis) and net income attributable to Methanex shareholders for the first quarter of 2023 of \$60 million (\$0.87 net income per common share on a diluted basis). Net income in the first quarter of 2024 was higher compared to the prior quarter primarily due to a higher average realized price and the positive impact of the mark-to-market portion of share-based compensation due to changes in Methanex's share price, offset by the one-time impact of the ineffective portion of natural gas hedges at our Geismar site recognized during the first quarter of 2024. Net income was lower compared to the first quarter of 2023 primarily due to a lower average realized price, partially offset by higher sales of Methanex-produced methanol as well as the positive impact of the mark-to-market portion of share-based compensation due to changes in Methanex's share price in the first quarter of 2024.

For the first quarter of 2024, we recorded Adjusted EBITDA of \$160 million and Adjusted net income of \$44 million (\$0.65 Adjusted net income per common share). This compares with Adjusted EBITDA of \$148 million and Adjusted net income of \$35 million (\$0.52 Adjusted net income per common share) for the fourth quarter of 2023 and Adjusted EBITDA of \$209 million and Adjusted net income of \$76 million (\$1.11 Adjusted net income per common share) for the first quarter of 2023.

We calculate Adjusted EBITDA and Adjusted net income by including amounts related to our equity share of the Atlas facility (63.1% interest) and by excluding the non-controlling interests' share, the mark-to-market impact of share-based compensation as a result of changes in our share price, the impact of the Egypt gas contract revaluation included in finance income and other and the impact of certain items associated with specific identified events. Refer to *Additional Information - Non-GAAP Measures* on page 13 for a further discussion on how we calculate these measures. Our analysis of depreciation and amortization, finance costs, finance income and other and income taxes is consistent with the presentation of our consolidated statements of income and excludes amounts related to Atlas.

We review our financial results by analyzing changes in Adjusted EBITDA, mark-to-market impact of share-based compensation, depreciation and amortization, gas contract settlement, finance costs, finance income and other and income taxes. A summary of our consolidated statements of income is as follows:

(\$ millions)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Consolidated statements of income:			
Revenue	\$ 916	\$ 922	\$ 1,038
Cost of sales and operating expenses	(736)	(772)	(841)
Mark-to-market impact of share-based compensation	(10)	3	20
Adjusted EBITDA attributable to associate	21	30	44
Amounts excluded from Adjusted EBITDA attributable to non-controlling interests	(31)	(35)	(52)
Adjusted EBITDA	160	148	209
Mark-to-market impact of share-based compensation	10	(3)	(20)
Depreciation and amortization	(95)	(100)	(98)
Finance costs	(28)	(30)	(31)
Finance income and other	3	11	11
Income tax recovery (expense)	(6)	14	(14)
Earnings of associate adjustment ¹	(9)	(15)	(19)
Non-controlling interests adjustment ²	18	8	22
Net income attributable to Methanex shareholders	\$ 53	\$ 33	\$ 60
Net income	\$ 66	\$ 60	\$ 90

¹ This adjustment represents the deduction of depreciation and amortization, finance costs, finance income and other and income taxes associated with our 63.1% interest in the Atlas methanol facility which are excluded from adjusted EBITDA but included in net income attributable to Methanex shareholders.

² This adjustment represents the add-back of the portion of depreciation and amortization, finance costs, finance income and other and income taxes associated with our non-controlling interests' share which has been deducted above but is excluded from net income attributable to Methanex shareholders.

Adjusted EBITDA

Our operations consist of a single operating segment - the production and sale of methanol. We review the results of operations by analyzing changes in the components of Adjusted EBITDA. For a discussion of the definitions used in our Adjusted EBITDA analysis, refer to *How We Analyze Our Business* on page 17. Changes in these components - average realized price, sales volume and total cash costs - similarly impact net income attributable to Methanex shareholders. The changes in Adjusted EBITDA resulted from changes in the following:

(\$ millions)	Q1 2024 compared with Q4 2023	Q1 2024 compared with Q1 2023
Average realized price	\$ 52	\$ (69)
Sales volume	(8)	(1)
Geismar 3 delay costs	(22)	(20)
Total cash costs	(10)	41
Increase (decrease) in Adjusted EBITDA	\$ 12	\$ (49)

Average realized price

(\$ per tonne)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Methanex average non-discounted posted price	471	421	471
Methanex average realized price	343	322	371

Methanex's average realized price for the first quarter of 2024 was \$343 per tonne compared to \$322 per tonne in the fourth quarter of 2023 and \$371 per tonne in the first quarter of 2023, resulting in an increase of \$52 million and a decrease of \$69 million in Adjusted EBITDA, respectively. In the first quarter, methanol supply was constrained due to the seasonal diversions of natural gas in Iran and China and planned and unplanned outages in the Atlantic leading to lower inventories and increasing methanol prices through the quarter. Refer to the *Supply/Demand Fundamentals* section on page 11 of the MD&A for more information.

Sales volume

Methanol sales volume excluding commission sales volume in the first quarter of 2024 was 114,000 tonnes lower than the fourth quarter of 2023 and 9,000 tonnes lower than the first quarter of 2023. The decrease in sales volume in the first quarter of 2024 compared to the fourth quarter of 2023 decreased Adjusted EBITDA by \$8 million. The decrease in sales volume for the first quarter of 2024 compared to the same period in 2023 decreased Adjusted EBITDA by \$1 million. Sales volume may vary quarter to quarter depending on customer requirements and inventory levels as well as the available commission sales volume.

Geismar 3 delay costs

The operating costs related to the delay in start-up of our Geismar 3 project include organizational build-up, take-or-pay obligations on utilities contracts as well as additional recognition of gas hedges. The total delay costs were \$22 million higher in first quarter of 2024 compared to the fourth quarter of 2023 and \$20 million higher compared to the first quarter of 2023 as detailed below.

(\$ millions)	Three Months Ended			Q1 2024 compared with Q4 2023	Q1 2024 compared with Q1 2023
	Mar 31 2024	Dec 31 2023	Mar 31 2023		
Organizational build-up and take-or-pay obligations	9	3	5	6	4
Over-hedged gas costs	16	—	—	16	16
Total	25	3	5	22	20

Over-hedged gas costs

Due to the delayed start-up of the Geismar 3 plant, a portion of our existing natural gas hedges exceeded the expected Geismar site production requirements. For the first quarter of 2024, the over-hedged gas cost associated with the delay was \$16 million, including \$12 million reclassified to the statement of income on the discontinuation of the hedging relationship for gas forward contracts. For additional information, refer to Note 9 of the condensed consolidated interim financial statements.

Total cash costs

The primary drivers of changes in our total cash costs are changes in the cost of Methanex-produced methanol and changes in the cost of methanol we purchase from others ("purchased methanol"). We supplement our production with methanol produced by others through methanol offtake contracts and purchases on the spot market to meet customer needs and to support our marketing efforts within the major global markets.

We apply the first-in, first-out method of accounting for inventories and it generally takes between 30 and 60 days to sell the methanol we produce or purchase. Accordingly, the changes in Adjusted EBITDA as a result of changes in Methanex-produced and purchased methanol costs primarily depend on changes in methanol pricing and the timing of inventory flows.

In a rising price environment, our margins at a given price are higher than in a stable price environment as a result of timing of methanol purchases and production versus sales. Generally, the opposite applies when methanol prices are decreasing.

The changes in Adjusted EBITDA due to changes in total cash costs were due to the following:

(\$ millions)	Q1 2024 compared with Q4 2023	Q1 2024 compared with Q1 2023
Methanex-produced methanol costs	\$ (10)	\$ 35
Proportion of Methanex-produced methanol sales	5	4
Purchased methanol costs	(1)	22
Logistics costs	(5)	(19)
Other, net	1	(1)
Increase (decrease) in Adjusted EBITDA due to changes in total cash costs	\$ (10)	\$ 41

Methanex-produced methanol costs

Natural gas is the primary feedstock at our methanol facilities and is the most significant component of Methanex-produced methanol costs. We purchase natural gas for more than half of our production under agreements where the unique terms of each contract include a base price and a variable price component linked to methanol price to reduce our commodity price risk exposure. The variable price component is adjusted by a formula linked to methanol sales prices above a certain level. We also purchase natural gas in North America and are exposed to natural gas spot price fluctuations for the unhedged portion of our gas needs in the region.

For the first quarter of 2024 compared to the fourth quarter of 2023, higher Methanex-produced methanol costs decreased Adjusted EBITDA by \$10 million. For the first quarter of 2024 compared to the same period in 2023, lower Methanex-produced methanol costs increased Adjusted EBITDA by \$35 million. Changes in Methanex-produced methanol costs for all periods presented are primarily due to the impact of changes in realized methanol prices on the variable portion of our natural gas cost, changes in spot gas prices which impact the unhedged portion of our North American operations, timing of inventory flows and changes in the mix of production sold from inventory.

Proportion of Methanex-produced methanol sales

The cost of purchased methanol is linked to the selling price for methanol at the time of purchase and the cost of purchased methanol is generally higher than the cost of Methanex-produced methanol. Accordingly, an increase (decrease) in the proportion of Methanex-produced methanol sales results in a decrease (increase) in our overall cost structure for a given period. For the first quarter of 2024 compared to the fourth quarter of 2023 and the first quarter of 2023, a higher proportion of Methanex-produced methanol sales increased Adjusted EBITDA by \$5 million and \$4 million, respectively.

Purchased methanol costs

Changes in purchased methanol costs for all periods presented are primarily a result of changes in methanol pricing and the timing of purchases sold from inventory, as well as the volume and regional mix of sourcing for purchased methanol. For the first quarter of 2024 compared to the fourth quarter of 2023, the impact of higher purchased methanol costs decreased Adjusted EBITDA by \$1 million. For the first quarter of 2024 compared to the first quarter of 2023, the impact of lower purchased methanol costs increased Adjusted EBITDA by \$22 million.

Logistics costs

Logistics costs include the cost of transportation, storage and handling of product, and can vary from period to period primarily depending on the levels of production from each of our production facilities, the resulting impact on our supply chain, and variability in bunker fuel costs. Logistics costs for the first quarter of 2024, compared with the fourth quarter of 2023, were higher by \$5 million. For the first quarter of 2024 compared to the first quarter of 2023, logistics costs were higher by \$19 million. Higher logistics costs for all periods presented were due to the mix of production from various plants, unplanned outages including at our Egypt facility, and the impact on ocean freight of longer supply routes.

Other, net

Other, net relates to unabsorbed fixed costs, selling, general and administrative expenses and other operational items. Other costs were \$1 million lower during the first quarter of 2024 compared to the fourth quarter of 2023 and \$1 million higher compared to the first quarter of 2023.

Mark-to-Market Impact of Share-based Compensation

We grant share-based awards as an element of compensation. Share-based awards granted include stock options, share appreciation rights, tandem share appreciation rights, deferred share units, restricted share units and performance share units. For all share-based awards, share-based compensation is recognized over the related vesting period for the proportion of the service that has been rendered at each reporting date. Share-based compensation includes an amount related to the grant-date value and a mark-to-market impact as a result of subsequent changes in the fair value of the share-based awards primarily driven by the Company's share price. The grant-date value amount is included in Adjusted EBITDA and Adjusted net income. The mark-to-market impact of share-based compensation as a result of changes in our share price is excluded from Adjusted EBITDA and Adjusted net income and analyzed separately.

(\$ millions except share price)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Methanex Corporation share price ¹	\$ 44.63	\$ 47.36	\$ 46.53
Grant-date fair value expense included in Adjusted EBITDA and Adjusted net income	6	4	6
Mark-to-market impact ²	(10)	3	20
Total share-based compensation expense, before tax	\$ (4)	\$ 7	\$ 26

¹ US dollar share price of Methanex Corporation as quoted on the NASDAQ Global Market on the last trading day of the respective period.

² For all periods presented, the mark-to-market impact on share-based compensation is primarily due to changes in the Methanex Corporation share price.

Depreciation and Amortization

Depreciation and amortization was \$95 million for the first quarter of 2024 compared to \$100 million for the fourth quarter of 2023 and \$98 million for the first quarter of 2023. Compared to the fourth quarter of 2023, depreciation and amortization in 2024 was lower due to the lower sales of Methanex-produced product and higher amounts of depreciation capitalized in the ending inventory.

Finance Costs

(\$ millions)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Finance costs before capitalized interest	\$ 44	\$ 45	\$ 43
Less capitalized interest	(16)	(15)	(12)
Finance costs	\$ 28	\$ 30	\$ 31

Finance costs are primarily comprised of interest on borrowings and lease obligations.

Finance costs were lower for the first quarter of 2024 compared to the fourth quarter of 2023 and the first quarter 2023 primarily due to additional interest capitalized for the Geismar 3 project. Refer to the *Liquidity and Capital Resources* section on page 12.

Finance Income and Other

(\$ millions)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Finance income and other	\$ 3	\$ 9	\$ 8
Egypt gas supply contract mark-to-market impact	—	2	3
	\$ 3	\$ 11	\$ 11

Finance income and other was lower during the first quarter of 2024 compared to the fourth quarter of 2023 and the first quarter of 2023 primarily due to lower interest income earned on lower cash balances and other non-recurring income changes. Refer to Note 9 of the first quarter 2024 condensed consolidated interim financial statements for more information on the mark-to-market impact on the Egypt gas supply contract.

Income Taxes

A summary of our income taxes for the first quarter of 2024 compared to the first quarter of 2023 is as follows:

(\$ millions except where noted)	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
	Per consolidated statement of income	Adjusted ^{1, 2, 3, 4}	Per consolidated statement of income	Adjusted ^{1, 2, 3, 4}
Net income before income tax	\$ 72	\$ 55	\$ 104	\$ 103
Income tax expense	(6)	(11)	(14)	(27)
Net income after income tax	\$ 66	\$ 44	\$ 90	\$ 76
Effective tax rate	8 %	20 %	14 %	26 %

¹ Adjusted net income before income tax reflects amounts required for the inclusion of 63.1% of Atlas income, 50% of Egypt and 60% of Waterfront Shipping, as well as amounts required to exclude the mark-to-market impact of share-based compensation expense or recovery, the impact of the Egypt gas contract revaluation. The most directly comparable measure in the financial statements is net income before tax.

² Adjusted income tax expense reflects amounts required for the inclusion of 63.1% of Atlas income, 50% of Egypt and 60% of Waterfront Shipping, as well as amounts required to exclude the tax impact of mark-to-market impact of share-based compensation expense or recovery, and the impact of the Egypt gas contract revaluation calculated at the appropriate applicable tax rate for their respective jurisdictions. The most directly comparable measure in the financial statements is income tax expense.

³ Adjusted effective tax rate is a non-GAAP ratio and is calculated as adjusted income tax expense or recovery, divided by adjusted net income before tax.

⁴ Adjusted net income before income tax and Adjusted income tax expense are non-GAAP measures. Adjusted effective tax rate is a non-GAAP ratio. These do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Management uses these to assess the effective tax rate. These measures and ratios are useful as they are a better measure of our underlying tax rate across the jurisdictions in which we operate.

We earn the majority of our income in the United States, New Zealand, Trinidad, Chile, Egypt and Canada. Including applicable withholding taxes, the statutory tax rate applicable to Methanex in the United States is 22%, New Zealand is 28%, Trinidad is 38%, Chile is 35%, Egypt is 30% and Canada is 24.5%. We accrue for withholding taxes that will be incurred upon distributions from our subsidiaries when it is probable that the earnings will be repatriated. As the Atlas entity is accounted for using the equity method, any income taxes related to Atlas are included in earnings of associate and therefore excluded from total income taxes but included in the calculation of Adjusted net income.

The effective tax rate based on Adjusted net income was 20% for the first quarter of 2024 and 26% for the first quarter of 2023. Adjusted net income represents the amount that is attributable to Methanex shareholders and excludes the mark-to-market impact of share-based compensation and the impact of certain items associated with specific identified events. The effective tax rate differs from period to period depending on the source of earnings and the impact of foreign exchange fluctuations against the United States dollar.

The following table shows a reconciliation of Net income to Adjusted net income before tax, and of Income taxes to Adjusted income tax expense:

(\$ millions)	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Net income	\$ 66	\$ 90
Adjusted for:		
Income tax expense	6	14
Earnings from associate	(12)	(25)
Share of associate's income before tax	15	38
Net income before tax of non-controlling interests	(10)	(33)
Mark-to-market impact of share-based compensation	(10)	20
Impact of Egypt gas contract revaluation	—	(1)
Adjusted net income before tax	\$ 55	\$ 103
Income tax expense	\$ (6)	\$ (14)
Adjusted for:		
Inclusion of our share of associate's adjusted tax expense	(3)	(12)
Removal of non-controlling interest's share of tax expense (recovery)	(3)	2
Tax on mark-to-market impact of share-based compensation	1	(3)
Tax on impact of Egypt gas contract revaluation	—	—
Adjusted income tax expense	\$ (11)	\$ (27)

SUPPLY/DEMAND FUNDAMENTALS

Demand

Global methanol demand in the first quarter of 2024 was marginally lower compared to the fourth quarter of 2023 due to lower methanol-to-olefins (MTO) demand. In the first quarter, traditional chemical applications and energy-related methanol demand was steady as restocking activity offset the impact of the Lunar New Year on Chinese manufacturing activity. MTO demand was lower compared to the previous quarter with two large coastal units undergoing planned maintenance and turnarounds in the first quarter.

Over the long term, we believe that traditional chemical demand for methanol is influenced by the strength of global and regional economies and industrial production levels. We believe that demand for energy-related applications will be influenced by energy prices, pricing of end products, and government policies that are playing an increasing role in encouraging new applications for methanol due to its emissions benefits as a fuel. The demand outlook for methanol as a marine fuel continues to grow. Based on current dual-fueled vessels operating coupled with the order book for new builds and retrofits, there will be over 280 ships capable of running on methanol on the water in the next five years. Actual methanol consumption from marine applications will depend on regulations, relative economics versus other fuels, and other factors. The future operating rates and methanol consumption from MTO producers will depend on a number of factors including the pricing for their various final products, the degree of downstream integration of these units with other products, the impact of olefin industry feedstock costs, including naphtha, on relative competitiveness and plant maintenance schedules.

Supply

In the first quarter, operating rates in Iran and China were constrained by seasonal natural gas restrictions. Atlantic operating rates were lower due to planned maintenance and unplanned outages. Lower operating rates in the first quarter of 2024 compared to the fourth quarter of 2023 led to lower inventory levels and increasing methanol prices.

We expect limited capacity additions in the next five years. In North America, we believe our new 1.8 million tonne Geismar 3 facility is on track to start up in the third quarter of 2024. In Malaysia, a 1.8 million tonne plant is under construction with a

scheduled start up in 2024. We expect to see increased supply from new capacities to be partially offset by rationalization of existing supply in the market in 2024. With the shutdown of Atlas and the restart of Titan in September 2024 the overall production in Trinidad will be lower by approximately 1 million tonnes annually and we continue to monitor other factors that could further impact supply such as the announced gas diversion from methanol to LNG in Equatorial Guinea. In China, there are planned capacity additions over the near-to-medium term which we expect will be somewhat offset by the closure of some small-scale, inefficient and older plants. New capacity built in China is expected to be consumed domestically as China requires methanol imports to meet growing demand.

Methanol Price

Our average realized price in the first quarter of 2024 was \$343 per tonne compared to \$322 per tonne in the fourth quarter of 2023. In the first quarter, methanol supply was constrained due to the seasonal diversions of natural gas in Iran and China and planned and unplanned outages in the Atlantic leading to lower inventories and increasing methanol prices through the quarter.

Future methanol prices will depend on the strength of the global economy, industry operating rates, global energy prices, new supply additions and the strength of global demand.

The following table outlines our recent regional non-discounted posted prices. Methanol is a global commodity and future methanol prices are directly impacted by changes in methanol supply and demand. Based on the diversity of end products in which methanol is used, demand for methanol is driven by a number of factors including: strength of global and regional economies, industrial production levels, energy and derivatives prices, pricing of end products and government regulations and policies. Methanol industry supply is impacted by the cost and availability of feedstock, methanol industry operating rates and new methanol industry capacity additions.

Methanex Non-Discounted Regional Posted Prices ¹

(US\$ per tonne)	Apr 2024	Mar 2024	Feb 2024	Jan 2024
North America	632	609	575	575
Europe ²	568	575	575	575
Asia Pacific	400	400	390	380
China	380	370	360	360

¹ Discounts from our posted prices are offered to customers based on various factors.

² €525 for Q2 2024 (Q1 2024 – €525) converted to United States dollars.

LIQUIDITY AND CAPITAL RESOURCES

We operate in a highly competitive commodity industry and therefore are committed to maintaining a strong balance sheet and financial flexibility. At March 31, 2024, our cash balance was \$407 million, or approximately \$378 million excluding non-controlling interest portion of \$37 million but including our share of cash held by the Atlas joint venture of \$8 million. We invest our cash only in highly rated instruments that have maturities of three months or less to ensure preservation of capital and appropriate liquidity. We continuously evaluate the liquidity requirements needed to achieve our strategic objectives, including our capital expenditures.

We have access to a \$300 million committed revolving credit facility, which is with a syndicate of highly rated financial institutions. In April, the \$300 million revolving credit facility was renewed to April 2028 and an additional \$200 million tranche was added which expires in April 2026. This additional financial capacity provides increased flexibility to manage our business. Our intent remains to repay rather than re-finance the \$300 million bond due at the end of 2024.

A summary of our sources and uses of cash for the three months ended March 31, 2024, compared to the same period in 2023, is as follows:

(\$ millions)	Three Months Ended		
	Mar 31 2024	Mar 31 2023	Variance
Cash provided by operating activities	\$ 91	\$ 162	\$ (71)
Cash used in financing activities	(80)	(115)	35
Cash used in investing activities	(62)	(126)	64
Increase (decrease) in cash and cash equivalents	\$ (51)	\$ (79)	\$ 28

Cash flows from operating activities in the first quarter of 2024 were \$91 million compared to \$162 million for the first quarter of 2023. Cash flows from operating activities were lower in the first quarter of 2024 compared to the first quarter of 2023 primarily due to lower earnings and changes in working capital including the timing of tax payments. We experienced a working capital build in the first quarter of 2024 primarily due to the impact of a higher methanol price on receivables and timing of customer collections and payables towards the end of the quarter.

Cash flows used in financing activities in the first quarter of 2024 were \$80 million compared to \$115 million for the first quarter of 2023 as the outflows in the first quarter of 2023 included payments for shares repurchased under our normal course issuer bid and higher distributions to non-controlling interests. This was partially offset by a negative impact of working capital changes in the first quarter of 2024 compared to the first quarter of 2023.

In the first quarter of 2024 we paid a quarterly dividend of \$0.185 per common share for a total of \$12.5 million.

Cash used in investing activities relates to capital spend on maintenance and major projects including our Geismar 3 plant. For more information on our capital projects, please see *Capital Projects and Growth Opportunities* below.

Capital Projects and Growth Opportunities

Work is progressing to safely repair the Geismar 3 ("G3") plant and we believe that the plant is on track to start up in the third quarter of 2024. Repair costs are expected to be \$15 million and the total capital cost for the project is expected to remain at approximately \$1.30 billion. The remaining cash capital expenditure of approximately \$70 million is fully funded with cash on hand. The monthly operating cost resulting from the delay is approximately \$5 million per month.

Our planned operational capital expenditure directed towards maintenance, turnarounds, and catalyst changes, including our 63.1% share of Atlas and 50% of Egypt, is currently estimated to be approximately \$115 million for the remainder of 2024.

CONTROLS AND PROCEDURES

During the first quarter of 2024, no changes were made in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ADDITIONAL INFORMATION – NON-GAAP MEASURES

In addition to providing measures prepared in accordance with IFRS, we present certain additional non-GAAP measures and ratios throughout this document. These are Adjusted EBITDA, Adjusted net income, Adjusted net income per common share, Adjusted net income before income tax, Adjusted income tax expense, and Adjusted effective tax rate. These non-GAAP financial measures and ratios reflect our 63.1% economic interest in the Atlas Facility, our 50% economic interest in the Egypt Facility and our 60% economic interest in Waterfront Shipping, and are useful as they are a better measure of our underlying performance, and assist in assessing the operating performance of the Company's business. These measures, at our share of our facilities, are a better measure of our underlying performance, as we fully run the operations on our partners' behalf, despite having less than full share of the economic interest. Adjusted EBITDA is also frequently used by securities analysts and investors when comparing our results with those of other companies. These measures do not have any standardized meaning prescribed by generally accepted accounting principles ("GAAP") and therefore are unlikely to be comparable to similar measures presented by other companies. These supplemental non-GAAP measures and ratios are provided to assist readers in determining our ability to generate cash from operations and improve the comparability of our results from one period to another.

These measures should be considered in addition to, and not as a substitute for, net income and revenue reported in accordance with IFRS.

Adjusted EBITDA

Adjusted EBITDA differs from the most comparable GAAP measure, net income attributable to Methanex shareholders, because it excludes the mark-to-market impact of share-based compensation, depreciation and amortization, gas contract settlement, finance costs, finance income and other and income taxes. Adjusted EBITDA includes an amount representing our 63.1% share of the Atlas facility and excludes the non-controlling shareholders' interests in entities which we control but do not fully own.

Adjusted EBITDA and Adjusted net income exclude the mark-to-market impact of share-based compensation related to the impact of changes in our share price on SARs, TSARs, deferred share units, restricted share units and performance share units. The mark-to-market impact related to share-based compensation that is excluded from Adjusted EBITDA and Adjusted net income is calculated as the difference between the grant-date value and the fair value recorded at each period-end. As share-based awards will be settled in future periods, the ultimate value of the units is unknown at the date of grant and therefore the grant-date value recognized in Adjusted EBITDA and Adjusted net income may differ from the total settlement cost.

The following table shows a reconciliation from net income attributable to Methanex shareholders to Adjusted EBITDA:

(\$ millions)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Net income attributable to Methanex shareholders	\$ 53	\$ 33	\$ 60
Mark-to-market impact of share-based compensation	(10)	3	20
Depreciation and amortization	95	100	98
Finance costs	28	30	31
Finance income and other	(3)	(11)	(11)
Income tax expense (recovery)	6	(14)	14
Earnings of associate adjustment ¹	9	15	19
Non-controlling interests adjustment ²	(18)	(8)	(22)
Adjusted EBITDA	\$ 160	\$ 148	\$ 209

¹ This adjustment represents the add-back of depreciation and amortization, finance costs, finance income and other and income taxes associated with our 63.1% interest in the Atlas methanol facility which are included in net income attributable to Methanex shareholders but excluded from Adjusted EBITDA.

² This adjustment represents the deduction of the portion of depreciation and amortization, finance costs, finance income and other and income taxes associated with our non-controlling interests' share which has been added back above but is excluded from Adjusted EBITDA.

Adjusted Net Income and Adjusted Net Income per Common Share

Adjusted net income and Adjusted net income per common share are a non-GAAP measure and a non-GAAP ratio, respectively, because they exclude the mark-to-market impact of share-based compensation, the impact of the Egypt gas contract revaluation included in finance income and other and the impact of certain items associated with specific identified events. The following table shows a reconciliation of net income attributable to Methanex shareholders to Adjusted net income and the calculation of Adjusted net income per common share:

(\$ millions except number of shares and per share amounts)	Three Months Ended		
	Mar 31 2024	Dec 31 2023	Mar 31 2023
Net income attributable to Methanex shareholders	\$ 53	\$ 33	\$ 60
Mark-to-market impact of share-based compensation, net of tax	(9)	3	17
Impact of Egypt gas contract revaluation, net of tax	—	(1)	(1)
Adjusted net income	\$ 44	\$ 35	\$ 76
Diluted weighted average shares outstanding (millions)	68	68	69
Adjusted net income per common share	\$ 0.65	\$ 0.52	\$ 1.11

Management uses these measures to analyze net income and net income per common share after adjusting for our economic interest in the Atlas and Egypt facilities and Waterfront Shipping, for reasons as described above. The exclusion of the mark-to-market portion of the impact of share-based compensation is due to these amounts not being seen as indicative of operational performance and can fluctuate in the intervening periods until settlement. The exclusion of the impact of the Egypt gas contract revaluation is due to the change in the derivative being unrealized with the fair value of the derivative expected to fluctuate in the intervening periods until settlement.

QUARTERLY FINANCIAL DATA (UNAUDITED)

Our operations consist of a single operating segment - the production and sale of methanol. Quarterly results vary due to the average realized price of methanol, sales volume and total cash costs. A summary of selected financial information is as follows:

	Three Months Ended			
	Mar 31 2024	Dec 31 2023	Sep 30 2023	Jun 30 2023
(\$ millions except per share amounts)				
Revenue	\$ 916	\$ 922	\$ 823	\$ 939
Net income attributable to Methanex shareholders	53	33	24	57
Basic net income per common share	0.78	0.50	0.36	0.84
Diluted net income per common share	0.77	0.50	0.36	0.73
Adjusted EBITDA	160	148	105	160
Adjusted net income	44	35	1	41
Adjusted net income per common share	0.65	0.52	0.02	0.60

	Three Months Ended			
	Mar 31 2023	Dec 31 2022	Sep 30 2022	Jun 30 2022
(\$ millions except per share amounts)				
Revenue	\$ 1,038	\$ 986	\$ 1,012	\$ 1,137
Net income attributable to Methanex shareholders	60	41	69	125
Basic net income per common share	0.87	0.59	0.99	1.74
Diluted net income per common share	0.87	0.59	0.87	1.41
Adjusted EBITDA	209	160	192	243
Adjusted net income	76	51	49	84
Adjusted net income per common share	1.11	0.73	0.69	1.16

Methanex Corporation
Quarterly History *(unaudited)*

	Q1 2024	2023	Q4	Q3	Q2	Q1	2022	Q4	Q3	Q2	Q1
METHANOL SALES VOLUME <i>(thousands of tonnes)</i>											
Methanex-produced ¹	1,681	6,455	1,712	1,473	1,621	1,649	6,141	1,360	1,350	1,634	1797
Purchased methanol	807	3,527	890	905	884	848	3,688	1,095	1,113	798	682
Commission sales ¹	182	1,187	260	342	277	308	945	192	214	260	279
	2,670	11,169	2,862	2,720	2,782	2,805	10,774	2,647	2,677	2,692	2,758
METHANOL PRODUCTION <i>(thousands of tonnes)</i>											
New Zealand	277	1,381	344	226	408	403	1,230	395	205	244	386
USA (Geismar)	571	2,142	587	574	532	449	2,041	437	492	556	556
Trinidad (63.1% interest)	258	1,074	283	287	248	256	981	225	249	249	258
Egypt (50% interest)	83	504	20	160	163	161	385	96	35	150	104
Canada (Medicine Hat)	141	548	142	130	134	142	593	147	130	155	161
Chile	391	993	403	168	173	249	888	226	141	197	324
	1,721	6,642	1,779	1,545	1,658	1,660	6,118	1,526	1,252	1,551	1,789
AVERAGE REALIZED METHANOL PRICE ²											
(\$/tonne)	343	333	322	303	338	371	397	373	377	422	425
(\$/gallon)	1.03	1.00	0.97	0.91	1.02	1.12	1.19	1.12	1.13	1.27	1.28
ADJUSTED EBITDA	160	622	148	105	160	209	932	160	192	243	337
PER SHARE INFORMATION (\$ per common share attributable to Methanex shareholders)											
Basic net income	0.78	2.57	0.50	0.36	0.84	0.87	4.95	0.59	0.99	1.74	1.60
Diluted net income	0.77	2.57	0.50	0.36	0.73	0.87	4.86	0.59	0.87	1.41	1.60
Adjusted net income	0.65	2.25	0.52	0.02	0.60	1.11	4.79	0.73	0.69	1.16	2.16

¹ Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own.

² Average realized price is calculated as revenue divided by the total sales volume.

HOW WE ANALYZE OUR BUSINESS

Our operations consist of a single operating segment - the production and sale of methanol. We review our financial results by analyzing changes in the components of Adjusted EBITDA, mark-to-market impact of share-based compensation, depreciation and amortization, finance costs, finance income and other and income taxes.

The Company has used the terms Adjusted EBITDA, Adjusted net income and Adjusted net income per common share throughout this document. These items are non-GAAP measures that do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. Refer to the *Additional Information - Non-GAAP Measures* section on page 13 for a description of each non-GAAP measure and reconciliations to the most comparable GAAP measures.

In addition to the methanol that we produce at our facilities, we also purchase and re-sell methanol produced by others and we sell methanol on a commission basis. We analyze the results of all methanol sales together, excluding commission sales volume. The key drivers of changes in Adjusted EBITDA are average realized price, cash costs and sales volume, which are defined and calculated as follows:

PRICE The change in Adjusted EBITDA as a result of changes in average realized price is calculated as the difference from period to period in the selling price of methanol multiplied by the current period total methanol sales volume, excluding commission sales volume.

CASH COSTS The change in Adjusted EBITDA as a result of changes in cash costs is calculated as the difference from period to period in cash costs per tonne multiplied by the current period total methanol sales volume, excluding commission sales volume in the current period. The cash costs per tonne is the weighted average of the cash cost per tonne of Methanex-produced methanol and the cash cost per tonne of purchased methanol. The cash cost per tonne of Methanex-produced methanol includes absorbed fixed cash costs per tonne and variable cash costs per tonne. The cash cost per tonne of purchased methanol consists principally of the cost of methanol itself. In addition, the change in Adjusted EBITDA as a result of changes in cash costs includes the changes from period to period in unabsorbed fixed production costs, consolidated selling, general and administrative expenses and fixed storage and handling costs.

SALES VOLUME The change in Adjusted EBITDA as a result of changes in sales volume is calculated as the difference from period to period in total methanol sales volume, excluding commission sales volume, multiplied by the margin per tonne for the prior period. The margin per tonne for the prior period is the weighted average margin per tonne of Methanex-produced methanol and margin per tonne of purchased methanol. The margin per tonne for Methanex-produced methanol is calculated as the selling price per tonne of methanol less absorbed fixed cash costs per tonne and variable cash costs per tonne. The margin per tonne for purchased methanol is calculated as the selling price per tonne of methanol less the cost of purchased methanol per tonne.

We own 63.1% of the Atlas methanol facility and market the remaining 36.9% of its production through a commission offtake agreement. A contractual agreement between us and our partners establishes joint control over Atlas. As a result, we account for this investment using the equity method of accounting, which results in 63.1% of the net assets and net earnings of Atlas being presented separately in the consolidated statements of financial position and consolidated statements of income, respectively. For purposes of analyzing our business, Adjusted EBITDA, Adjusted net income and Adjusted net income per common share include an amount representing our 63.1% equity share in Atlas. Our analysis of depreciation and amortization, finance costs, finance income and other and income taxes is consistent with the presentation of our consolidated statements of income and excludes amounts related to Atlas.

We own 50% of the 1.26 million tonne per year Egypt methanol facility and market the remaining 50% of its production through a commission offtake agreement. We own 60% of Waterfront Shipping, which provides service to Methanex for the ocean freight component of our distribution and logistics costs. We consolidate both Egypt and Waterfront Shipping, which results in 100% of the financial results being included in our financial statements. Non-controlling interests are included in the Company's consolidated financial statements and represent the non-controlling shareholders' interests in the Egypt methanol facility and Waterfront Shipping. For purposes of analyzing our business, Adjusted EBITDA, Adjusted net income and Adjusted net income per common share exclude the amounts associated with non-controlling interests.

FORWARD-LOOKING INFORMATION WARNING

This First Quarter 2024 Management's Discussion and Analysis ("MD&A") as well as comments made during the First Quarter 2024 investor conference call contain forward-looking statements with respect to us and our industry. These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. Statements that include the words "believes," "expects," "may," "will," "should," "potential," "estimates," "anticipates," "aim," "goal," "targets," "plan," "predict" or other comparable terminology and similar statements of a future or forward-looking nature identify forward-looking statements.

More particularly and without limitation, any statements regarding the following are forward-looking statements:

- expected demand for methanol, including demand for methanol for energy uses, and its derivatives,
- expected new methanol supply or restart of idled capacity and timing for start up of the same,
- expected shutdowns (either temporary or permanent) or restarts of existing methanol supply (including our own facilities), including, without limitation, the timing and length of planned maintenance outages,
- expected methanol and energy prices,
- expected levels of methanol purchases from traders or other third parties,
- expected levels, timing and availability of economically priced natural gas supply to each of our plants,
- capital committed by third parties towards future natural gas exploration and development in the vicinity of our plants,
- our expected capital expenditures and anticipated timing and rate of return of such capital expenditures,
- anticipated operating rates of our plants,
- expected operating costs, including natural gas feedstock costs and logistics costs,
- expected tax rates or resolutions to tax disputes,
- expected cash flows, cash balances, earnings capability, debt levels and share price,
- availability of committed credit facilities and other financing,
- our ability to meet covenants associated with our long-term debt obligations,
- our shareholder distribution strategy and anticipated distributions to shareholders,
- commercial viability and timing of, or our ability to execute future projects, plant restarts, capacity expansions, plant relocations or other business initiatives or opportunities, including our Geismar 3 project,
- our financial strength and ability to meet future financial commitments,
- expected global or regional economic activity (including industrial production levels) and GDP growth,
- expected outcomes of litigation or other disputes, claims and assessments, and
- expected actions of governments, governmental agencies, gas suppliers, courts, tribunals or other third parties.

We believe that we have a reasonable basis for making such forward-looking statements. The forward-looking statements in this document are based on our experience, our perception of trends, current conditions and expected future developments as well as other factors. Certain material factors or assumptions were applied in drawing the conclusions or making the forecasts or projections that are included in these forward-looking statements, including, without limitation, future expectations and assumptions concerning the following:

- the supply of, demand for and price of methanol, methanol derivatives, natural gas, coal, oil and oil derivatives,
- our ability to procure natural gas feedstock on commercially acceptable terms,
- operating rates of our facilities,
- receipt or issuance of third-party consents or approvals or governmental approvals related to rights to purchase natural gas,
- the establishment of new fuel standards,
- operating costs, including natural gas feedstock and logistics costs, capital costs, tax rates, cash flows, foreign exchange rates and interest rates,

- the availability of committed credit facilities and other financing,
- the expected timing and capital cost of our Geismar 3 project,
- global and regional economic activity (including industrial production levels) and GDP growth,
- absence of a material negative impact from major natural disasters,

- absence of a material negative impact from changes in laws or regulations,
- absence of a material negative impact from political instability in the countries in which we operate, and
- enforcement of contractual arrangements and ability to perform contractual obligations by customers, natural gas and other suppliers and other third parties.

However, forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. The risks and uncertainties primarily include those attendant with producing and marketing methanol and successfully carrying out major capital expenditure projects in various jurisdictions, including, without limitation:

- conditions in the methanol and other industries, including fluctuations in the supply, demand and price for methanol and its derivatives, including demand for methanol for energy uses,
- the price of natural gas, coal, oil and oil derivatives,
- our ability to obtain natural gas feedstock on commercially acceptable terms to underpin current operations and future production growth opportunities,
- the ability to carry out corporate initiatives and strategies,
- actions of competitors, suppliers and financial institutions,
- conditions within the natural gas delivery systems that may prevent delivery of our natural gas supply requirements,
- our ability to meet timeline and budget targets for the Geismar 3 project, including the impact of any cost pressures arising from tightening construction labour market conditions,

- competing demand for natural gas, especially with respect to any domestic needs for gas and electricity,
- actions of governments and governmental authorities, including, without limitation, implementation of policies or other measures that could impact the supply of or demand for methanol or its derivatives,
- changes in laws or regulations,
- import or export restrictions, anti-dumping measures, increases in duties, taxes and government royalties and other actions by governments that may adversely affect our operations or existing contractual arrangements,
- world-wide economic conditions, and
- other risks described in our 2023 Annual Management's Discussion and Analysis and this First Quarter 2024 Management's Discussion and Analysis.

Having in mind these and other factors, investors and other readers are cautioned not to place undue reliance on forward-looking statements. They are not a substitute for the exercise of one's own due diligence and judgment. The outcomes implied by forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.

Methanex Corporation
Consolidated Statements of Income *(unaudited)*
(thousands of U.S. dollars, except number of common shares and per share amounts)

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Revenue	\$ 915,711	\$ 1,038,412
Cost of sales and operating expenses	(736,321)	(841,163)
Depreciation and amortization	(95,210)	(97,973)
Operating income	84,180	99,276
Earnings of associate (note 3)	12,141	25,169
Finance costs (note 4)	(27,676)	(30,678)
Finance income and other	3,445	10,659
Income before income taxes	72,090	104,426
Income tax recovery (expense):		
Current	(19,489)	(15,572)
Deferred	13,768	1,242
	(5,721)	(14,330)
Net income	\$ 66,369	\$ 90,096
Attributable to:		
Methanex Corporation shareholders	\$ 52,617	\$ 59,770
Non-controlling interests	13,752	30,326
	\$ 66,369	\$ 90,096
Income per common share for the period attributable to Methanex Corporation shareholders		
Basic net income per common share	\$ 0.78	\$ 0.87
Diluted net income per common share (note 6)	\$ 0.77	\$ 0.87
Weighted average number of common shares outstanding (note 6)	67,387,492	68,777,893
Diluted weighted average number of common shares outstanding (note 6)	67,561,585	68,789,347

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation
Consolidated Statements of Comprehensive Income (Loss) *(unaudited)*
(thousands of U.S. dollars)

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Net income	\$ 66,369	\$ 90,096
Other comprehensive income (loss):		
Items that may be reclassified to income:		
Changes in cash flow hedges and excluded forward element (note 9)	(22,512)	(129,734)
Realized losses (gains) on foreign exchange hedges reclassified to revenue	(631)	2,767
Amounts reclassified on discontinuation of hedging relationship (note 9)	11,702	—
Taxes on above items	(2,085)	29,218
	(13,526)	(97,749)
Comprehensive income (loss)	\$ 52,843	\$ (7,653)
Attributable to:		
Methanex Corporation shareholders	\$ 39,091	\$ (37,979)
Non-controlling interests	13,752	30,326
	\$ 52,843	\$ (7,653)

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation
Consolidated Statements of Financial Position *(unaudited)*
(thousands of U.S. dollars)

AS AT	Mar 31 2024	Dec 31 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 407,069	\$ 458,015
Trade and other receivables	580,021	533,615
Inventories	395,247	426,774
Prepaid expenses	48,089	58,024
Other assets	11,527	3,893
	1,441,953	1,480,321
Non-current assets:		
Property, plant and equipment (note 2)	4,423,203	4,411,768
Investment in associate (note 3)	162,929	184,249
Deferred income tax assets	165,777	152,250
Other assets (note 9)	185,623	197,967
	4,937,532	4,946,234
	\$ 6,379,485	\$ 6,426,555
LIABILITIES AND EQUITY		
Current liabilities:		
Trade, other payables and accrued liabilities	\$ 691,242	\$ 771,867
Current maturities on long-term debt (note 5)	314,898	314,716
Current maturities on lease obligations	131,373	120,731
Current maturities on other long-term liabilities	90,077	94,992
	1,227,590	1,302,306
Non-current liabilities:		
Long-term debt (note 5)	1,824,355	1,827,085
Lease obligations	750,750	751,389
Other long-term liabilities	136,646	154,918
Deferred income tax liabilities	219,666	217,840
	2,931,417	2,951,232
Equity:		
Capital stock	391,924	391,924
Contributed surplus	1,870	1,838
Retained earnings	1,554,414	1,514,264
Accumulated other comprehensive income	21,669	22,901
Shareholders' equity	1,969,877	1,930,927
Non-controlling interests	250,601	242,090
Total equity	2,220,478	2,173,017
	\$ 6,379,485	\$ 6,426,555

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation
Consolidated Statements of Changes in Equity (unaudited)

(thousands of U.S. dollars, except number of common shares)

	Number of Common Shares	Capital Stock	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity	Non- Controlling Interests	Total Equity
Balance, December 31, 2022	69,239,136	\$401,295	\$1,904	\$1,466,872	\$241,942	\$2,112,013	\$317,444	\$2,429,457
Net income	—	—	—	59,770	—	59,770	30,326	90,096
Other comprehensive loss	—	—	—	—	(97,749)	(97,749)	—	(97,749)
Compensation expense recorded for stock options	—	—	30	—	—	30	—	30
Issue of shares on exercise of stock options	33,067	1,144	—	—	—	1,144	—	1,144
Reclassification of grant date fair value on exercise of stock options	—	190	(190)	—	—	—	—	—
Payments for repurchase of shares	(1,030,659)	(5,975)	—	(42,487)	—	(48,462)	—	(48,462)
Dividend payments to Methanex Corporation shareholders	—	—	—	(11,983)	—	(11,983)	—	(11,983)
Distributions made and accrued to non-controlling interests	—	—	—	—	—	—	(20,350)	(20,350)
Realized hedge gain recognized in cash flow hedges	—	—	—	—	(275)	(275)	—	(275)
Balance, March 31, 2023	68,241,544	\$396,654	\$1,744	\$1,472,172	\$143,918	\$2,014,488	\$327,420	\$2,341,908
Net income	—	—	—	114,370	—	114,370	79,656	194,026
Other comprehensive loss	—	—	—	(1,976)	(143,817)	(145,793)	—	(145,793)
Compensation expense recorded for stock options	—	—	94	—	—	94	—	94
Issue of shares on exercise of stock options	10,000	293	—	—	—	293	—	293
Payments for repurchase of shares	(864,052)	(5,023)	—	(32,907)	—	(37,930)	—	(37,930)
Dividend payments to Methanex Corporation shareholders	—	—	—	(37,395)	—	(37,395)	—	(37,395)
Distributions made and accrued to non-controlling interests	—	—	—	—	—	—	(164,986)	(164,986)
Realized hedge losses recognized in cash flow hedges	—	—	—	—	22,800	22,800	—	22,800
Balance, December 31, 2023	67,387,492	\$391,924	\$1,838	\$1,514,264	\$22,901	\$1,930,927	\$242,090	\$2,173,017
Net income	—	—	—	52,617	—	52,617	13,752	66,369
Other comprehensive loss	—	—	—	—	(13,526)	(13,526)	—	(13,526)
Compensation expense recorded for stock options	—	—	32	—	—	32	—	32
Dividend payments to Methanex Corporation shareholders	—	—	—	(12,467)	—	(12,467)	—	(12,467)
Distributions made and accrued to non-controlling interests	—	—	—	—	—	—	(5,241)	(5,241)
Realized hedge losses recognized in cash flow hedges	—	—	—	—	12,294	12,294	—	12,294
Balance, March 31, 2024	67,387,492	\$391,924	\$1,870	\$1,554,414	\$21,669	\$1,969,877	\$250,601	\$2,220,478

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation
Consolidated Statements of Cash Flows *(unaudited)*
(thousands of U.S. dollars)

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net income	\$ 66,369	\$ 90,096
Deduct earnings of associate	(12,141)	(25,169)
Dividends and loan repayment received from associate	33,443	27,764
Add (deduct) non-cash items:		
Depreciation and amortization	95,210	97,973
Income tax expense	5,721	14,330
Share-based compensation expense (recovery)	(3,385)	26,129
Finance costs	27,676	30,678
Other	6,519	(9,132)
Interest received	3,547	6,908
Income taxes paid	(21,749)	(12,218)
Other cash payments, including share-based compensation	(19,059)	(31,274)
Cash flows from operating activities before undernoted	182,151	216,085
Changes in non-cash working capital (note 8)	(91,633)	(53,879)
	90,518	162,206
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Payments for repurchase of shares	—	(48,462)
Dividend payments to Methanex Corporation shareholders	(12,467)	(11,983)
Interest paid	(17,140)	(18,327)
Repayment of long-term debt and financing fees (note 5)	(3,206)	(5,614)
Repayment of lease obligations	(34,190)	(28,292)
Distributions to non-controlling interests	(5,241)	(20,350)
Proceeds on issue of shares on exercise of stock options	—	1,144
Restricted cash for debt service accounts	(261)	6
Changes in non-cash working capital related to financing activities (note 8)	(7,270)	17,291
	(79,775)	(114,587)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Property, plant and equipment	(20,144)	(40,501)
Geismar plant under construction	(27,058)	(86,094)
Changes in non-cash working capital related to investing activities (note 8)	(14,487)	935
	(61,689)	(125,660)
Decrease in cash and cash equivalents	(50,946)	(78,041)
Cash and cash equivalents, beginning of period	458,015	857,747
Cash and cash equivalents, end of period	\$ 407,069	\$ 779,706

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

Except where otherwise noted, tabular dollar amounts are stated in thousands of U.S. dollars.

1. Basis of presentation:

Methanex Corporation ("the Company") is an incorporated entity with corporate offices in Vancouver, Canada. The Company's operations consist of the production and sale of methanol, a commodity chemical. The Company is the world's largest producer and supplier of methanol to the major international markets of Asia Pacific, North America, Europe and South America.

These condensed consolidated interim financial statements are prepared in accordance with *International Accounting Standards ("IAS") 34, Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB") on a basis consistent with those followed in the most recent annual consolidated financial statements except for the adoption of amendments to *IAS 1, Presentation of Financial Statements* regarding the classification of liabilities as current or non-current, *IFRS 16, Leases* regarding sale-and-leaseback transactions and *IAS 7, Statement of Cash Flows* regarding supplier finance arrangements. The amendments did not have a material impact on the Company's consolidated financial statements.

Pillar Two model rules were published by the Organization for Economic Co-operation and Development ("Pillar Two rules") and establish a global minimum fifteen percent top-up tax regime. Under currently proposed legislation, Pillar Two rules are expected to be implemented in Canada and be effective for tax years beginning January 1, 2024. The Company is in scope of the proposed legislation. In May 2023, the IASB issued an amendment to IAS 12, establishing a mandatory exception for recognition and disclosure of deferred taxes related to the Pillar Two rules. The amendment also includes current tax disclosure requirements in the periods the rules are effective. The Company has adopted the IAS 12 amendment and our first quarter 2024 results do not indicate any significant amount of Pillar Two top-up taxes.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Audit, Finance & Risk Committee of the Board of Directors on April 24, 2024.

These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2023.

2. Property, plant and equipment:

		Owned Assets (a)		Right-of-use assets (b)		Total
Net book value at March 31, 2024	\$	3,656,831	\$	766,372	\$	4,423,203
Net book value at December 31, 2023	\$	3,654,475	\$	757,293	\$	4,411,768

a) Owned assets:

	Buildings, Plant Installations & Machinery	Plants Under Construction ¹	Ocean Going Vessels	Other	Total
Cost at March 31, 2024	\$ 4,884,841	\$ 1,398,568	\$ 240,723	\$ 128,867	\$ 6,652,999
Accumulated depreciation at March 31, 2024	2,836,742	—	64,398	95,028	2,996,168
Net book value at March 31, 2024	\$ 2,048,099	\$ 1,398,568	\$ 176,325	\$ 33,839	\$ 3,656,831
Cost at December 31, 2023	\$ 4,880,207	\$ 1,355,497	\$ 240,723	\$ 128,663	\$ 6,605,090
Accumulated depreciation at December 31, 2023	2,794,702	—	61,390	94,523	2,950,615
Net book value at December 31, 2023	\$ 2,085,505	\$ 1,355,497	\$ 179,333	\$ 34,140	\$ 3,654,475

¹ The Company is constructing a 1.8 million tonne methanol plant in Geismar, Louisiana adjacent to its Geismar 1 and Geismar 2 facilities. Included in cost of Plants Under Construction are \$166 million of capitalized interest and finance charges as at March 31, 2024.

b) Right-of-use assets:

	Ocean Going Vessels	Terminals and Tanks	Other	Total
Cost at March 31, 2024	\$ 940,456	\$ 344,775	\$ 55,826	\$ 1,341,057
Accumulated depreciation at March 31, 2024	340,320	201,790	32,575	574,685
Net book value at March 31, 2024	\$ 600,136	\$ 142,985	\$ 23,251	\$ 766,372
Cost at December 31, 2023	\$ 910,721	\$ 332,441	\$ 58,621	\$ 1,301,783
Accumulated depreciation at December 31, 2023	314,324	196,303	33,863	544,490
Net book value at December 31, 2023	\$ 596,397	\$ 136,138	\$ 24,758	\$ 757,293

3. Interest in Atlas joint venture:

a) Stand-alone financial information:

The Company has a 63.1% equity interest in Atlas Methanol Company Unlimited ("Atlas"). Atlas owns a 1.8 million tonne per year methanol production facility in Trinidad. The Company accounts for its interest in Atlas using the equity method. Summarized financial information of Atlas (100% basis) is as follows:

Statements of financial position	Mar 31 2024	Dec 31 2023
Cash and cash equivalents	\$ 12,021	\$ 126,392
Other current assets	204,004	189,062
Non-current assets	166,930	149,354
Current liabilities	(110,719)	(157,835)
Other long-term liabilities, including current maturities	(122,992)	(135,940)
Net assets at 100%	\$ 149,244	\$ 171,033
Net assets at 63.1%	\$ 94,173	\$ 107,921
Long-term receivable from Atlas	68,756	76,328
Investment in associate	\$ 162,929	\$ 184,249

	Three Months Ended	
Statements of income	Mar 31 2024	Mar 31 2023
Revenue	\$ 98,683	\$ 147,399
Cost of sales and depreciation and amortization	(73,068)	(85,465)
Operating income	25,615	61,934
Finance costs, finance income and other	(1,887)	(2,474)
Income tax expense ^(b)	(4,488)	(19,571)
Net earnings at 100%	\$ 19,240	\$ 39,889
Earnings of associate at 63.1%	\$ 12,141	\$ 25,169
Dividends received from associate	\$ 25,871	\$ 27,764

b) Atlas tax assessments:

The Board of Inland Revenue of Trinidad and Tobago ("the BIR") has audited and issued assessments against Atlas in respect of the 2005 to 2017 financial years. All subsequent tax years remain open to assessment. The assessments relate to the pricing arrangements of certain long-term fixed-price sales contracts that commenced in 2005 and continued with affiliates through 2014 and with an unrelated third party through 2019.

The long-term fixed-price sales contracts with affiliates were established as part of the formation of Atlas and management believes these were reflective of market considerations at that time.

During the periods under assessment and continuing through 2014, approximately 50% of Atlas-produced methanol was sold under these fixed-price contracts. From late 2014 through 2019 fixed-price sales to an unrelated third party represented approximately 10% of Atlas-produced methanol. Atlas had partial relief from corporation income tax until late July 2014.

The Company believes it is impractical to disclose a reasonable estimate of the potential contingent liability due to the wide range of assumptions and interpretations implicit in the assessments.

The Company has lodged objections to the assessments. No deposits have been required to lodge objections. Based on the merits of the cases and advice from legal counsel, the Company believes its position should be sustained, that Atlas has filed its tax returns and paid applicable taxes in compliance with Trinidadian tax law, and as such has not accrued for any amounts relating to these assessments. Contingencies inherently involve the exercise of significant judgment, and as such the outcomes of these assessments and the financial impact to the Company could be material.

The Company anticipates the resolution of this matter through the court systems to be lengthy and, at this time, cannot predict a date as to when this matter is expected to be ultimately resolved.

4. Finance costs:

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Finance costs	\$ 43,671	\$ 43,047
Less capitalized interest related to Geismar plant under construction	(15,995)	(12,369)
	\$ 27,676	\$ 30,678

Finance costs are primarily comprised of interest on the unsecured notes, limited recourse debt facilities, finance lease obligations, amortization of deferred financing fees, and accretion expense associated with site restoration costs. Interest during construction projects is capitalized until the plant is substantially completed and ready for productive use.

5. Long-term debt:

As at	Mar 31 2024	Dec 31 2023
Unsecured notes		
\$300 million at 4.25% due December 1, 2024	\$ 299,397	\$ 299,283
\$700 million at 5.125% due October 15, 2027	695,153	694,844
\$700 million at 5.25% due December 15, 2029	695,963	695,824
\$300 million at 5.65% due December 1, 2044	295,735	295,709
	1,986,248	1,985,660
Other limited recourse debt facilities		
5.58% due through June 30, 2031	55,234	56,637
5.35% due through September 30, 2033	63,986	65,300
5.21% due through September 15, 2036	33,785	34,204
Total long-term debt ¹	2,139,253	2,141,801
Less current maturities ¹	(314,898)	(314,716)
	\$ 1,824,355	\$ 1,827,085

¹ Long-term debt and current maturities are presented net of deferred financing fees.

The Company has access to a \$300 million committed revolving credit facility, which is with a syndicate of highly rated financial institutions. In April, the \$300 million revolving credit facility was renewed to April 2028 and an additional \$200 million tranche was added which expires in April 2026, increasing the total available to \$500 million. The revolving credit facility was entered into with the following significant covenants and default provisions:

- a) the obligation to maintain a minimum EBITDA to interest coverage ratio of greater than or equal to 2:1 calculated on a four-quarter trailing basis and a debt to capitalization ratio of less than or equal to 60%, both calculated in accordance with definitions in the credit agreement that include adjustments to limited recourse subsidiaries,
- b) a default if payment is accelerated by a creditor on any indebtedness of \$50 million or more of the Company and its subsidiaries, except for the limited recourse subsidiaries, and
- c) a default if a default occurs that permits a creditor to demand repayment on any other indebtedness of \$50 million or more of the Company and its subsidiaries, except for the limited recourse subsidiaries.

The revolving credit facility is secured by certain assets of the Company, and also includes other customary covenants including restrictions on the incurrence of additional indebtedness.

Other limited recourse debt facilities relate to financing for certain of our ocean going vessels which we own through less than wholly-owned entities under the Company's control. The limited recourse debt facilities are described as limited recourse as they are secured only by the assets of the entity that carries the debt. Accordingly, the lenders to the limited recourse debt facilities have no recourse to the Company or its other subsidiaries.

The covenants governing the Company's unsecured notes, which are specified in an indenture, apply to the Company and its subsidiaries, excluding the Egypt entity and the Atlas joint venture entity, and include restrictions on liens, sale and lease-back transactions, a merger or consolidation with another corporation or sale of all or substantially all of the Company's assets. The indenture also contains customary default provisions.

Failure to comply with any of the covenants or default provisions of the long-term debt facilities described above could result in a default under the applicable credit agreement that would allow the lenders to not fund future loan requests, accelerate the due date of the principal and accrued interest on any outstanding loans, or restrict the payment of cash or other distributions.

As at March 31, 2024, management believes the Company was in compliance with all covenants related to long-term debt obligations.

6. Net income per common share:

Diluted net income per common share is calculated by considering the potential dilution that would occur if outstanding stock options and, under certain circumstances, tandem share appreciation rights ("TSARs") were exercised or converted to common shares.

Outstanding TSARs may be settled in cash or common shares at the holder's option and for purposes of calculating diluted net income per common share, the more dilutive of the cash-settled and equity-settled method is used, regardless of how the plan is accounted for. Accordingly, TSARs that are accounted for using the cash-settled method will require adjustments to the numerator and denominator if the equity-settled method is determined to have a dilutive effect on diluted net income per common share as compared to the cash-settled method. The equity-settled method was more dilutive for the three months ended March 31, 2024, and an adjustment was required for both the numerator and denominator. The cash-settled method was more dilutive for the three months ended March 31, 2023, and no adjustment was required for the numerator or the denominator.

Stock options and, if calculated using the equity-settled method, TSARs are considered dilutive when the average market price of the Company's common shares during the period disclosed exceeds the exercise price of the stock option or TSAR. For the three months ended March 31, 2024 and 2023, stock options were dilutive, resulting in an adjustment to the denominator. For the three months ended March 31, 2024, TSARs were dilutive, resulting in an adjustment to the denominator. For the three months ended March 31, 2023, TSARs were not dilutive, resulting in no adjustment to the denominator.

A reconciliation of the numerator used for the purposes of calculating diluted net income per common share is as follows:

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Numerator for basic net income per common share	\$ 52,617	\$ 59,770
Adjustment for the effect of TSARs:		
Cash-settled recovery included in net income	564	—
Equity-settled expense	(1,253)	—
Numerator for diluted net income per common share	\$ 51,928	\$ 59,770

A reconciliation of the denominator used for the purposes of calculating diluted net income per common share is as follows:

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Denominator for basic net income per common share	67,387,492	68,777,893
Effect of dilutive stock options	4,921	11,454
Effect of dilutive TSARs	169,172	—
Denominator for diluted net income per common share	67,561,585	68,789,347

7. Share-based compensation:

a) Share appreciation rights ("SARs") and TSARs:

(i) Outstanding units:

Information regarding units outstanding at March 31, 2024 is as follows:

(per share amounts in USD)	SARs		TSARs	
	Number of Units	Weighted Average Exercise Price	Number of Units	Weighted Average Exercise Price
Outstanding at December 31, 2023	402,532	\$ 46.65	2,007,470	\$ 45.10
Granted	55,100	42.34	245,730	42.34
Expired	(87,120)	50.15	(236,062)	50.17
Outstanding at March 31, 2024	370,512	\$ 45.19	2,017,138	\$ 44.17

Range of Exercise Prices (per share amounts in USD)	Units Outstanding at March 31, 2024			Units Exercisable at March 31, 2024	
	Weighted Average Remaining Contractual Life (Years)	Number of Units Outstanding	Weighted Average Exercise Price	Number of Units Exercisable	Weighted Average Exercise Price
SARs:					
\$29.27 to \$38.79	3.27	112,962	\$ 32.60	112,962	\$ 32.60
\$42.34 to \$50.49	6.09	138,990	46.79	38,873	49.37
\$54.65 to \$78.59	1.14	118,560	55.30	118,560	55.30
	3.65	370,512	\$ 45.19	270,395	\$ 44.96
TSARs:					
\$29.27 to \$38.79	3.32	776,194	\$ 33.05	776,194	\$ 33.05
\$42.34 to \$50.49	5.87	682,984	46.74	237,530	48.87
\$54.65 to \$78.59	1.41	557,960	56.48	557,960	56.48
	3.66	2,017,138	\$ 44.17	1,571,684	\$ 43.76

(ii) Compensation expense related to SARs and TSARs:

Compensation expense for SARs and TSARs is measured based on their fair value and is recognized over the vesting period. Changes in fair value each period are recognized in net income for the proportion of the service that has been rendered at each reporting date. The fair value at March 31, 2024 was \$27.0 million compared to the recorded liability of \$21.8 million. The difference between the fair value and the recorded liability is \$5.2 million and will be recognized over the weighted average remaining vesting period of approximately 1.7 years. The weighted average fair value was estimated at March 31, 2024 using the Black-Scholes option pricing model.

For the three months ended March 31, 2024, compensation expense related to SARs and TSARs included a recovery in cost of sales and operating expense of \$3.2 million (2023 - an expense of \$13.2 million). This included a recovery of \$4.8 million (2023 - an expense of \$11.9 million) related to the effect of the change in the Company's share price for the three months ended March 31, 2024 and 2023 respectively.

b) Deferred, restricted and performance share units:

Deferred, restricted and performance share units outstanding at March 31, 2024 are as follows:

	Number of Deferred Share Units	Number of Restricted Share Units	Number of Performance Share Units
Outstanding at December 31, 2023	157,700	310,854	631,122
Granted	23,038	134,080	234,430
Performance factors impact on redemption ¹	—	—	47,473
Granted in-lieu of dividends	745	1,426	2,617
Redeemed	—	(108,090)	(297,331)
Cancelled	—	(2,157)	(3,221)
Outstanding at March 31, 2024	181,483	336,113	615,090

¹ The number of performance share units that ultimately vest are determined by performance factors as described below. The performance factors impact relates to performance share units redeemed in the quarter ended March 31, 2024.

Performance share units are redeemable for cash based on the market value of the Company's common shares and are non-dilutive to shareholders. Units vest over three years and include two equally weighted performance factors: (i) relative total shareholder return of Methanex shares versus a specific market index (the market performance factor) and (ii) three year average modified return on capital employed (the non-market performance factor). The market performance factor is measured by the Company at the grant date and reporting date using a Monte-Carlo simulation model to determine fair value. The non-market performance factor reflects management's best estimate to determine the expected number of units to vest. Based on these performance factors, the performance share unit payout will range between 0% to 200%.

Compensation expense for deferred, restricted and performance share units is measured at fair value based on the market value of the Company's common shares and is recognized over the vesting period. Changes in fair value are recognized in net income for the proportion of the service that has been rendered at each reporting date. The fair value of deferred, restricted and performance share units at March 31, 2024 was \$50.1 million compared to the recorded liability of \$30.0 million. The difference between the fair value and the recorded liability of \$20.1 million will be recognized over the weighted average remaining vesting period of approximately 2.2 years.

For the three months ended March 31, 2024, compensation expense related to deferred, restricted and performance share units included in cost of sales and operating expenses was a recovery of \$0.5 million (2023 - an expense of \$12.9 million). This included a recovery of \$5.3 million (2023 - an expense of \$8.3 million) related to the effect of the change in the Company's share price for the three months ended March 31, 2024 and 2023 respectively.

8. Changes in non-cash working capital:

Changes in non-cash working capital for the three months ended March 31, 2024 and 2023 were as follows:

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Changes in non-cash working capital:		
Trade and other receivables	\$ (46,406)	\$ (38,035)
Inventories	31,527	10,660
Prepaid expenses	9,935	(3,618)
Trade, other payables and accrued liabilities	(80,625)	22,555
	(85,569)	(8,438)
Adjustments for items not having a cash effect and working capital changes relating to taxes and interest paid	(27,821)	(27,215)
Changes in non-cash working capital having a cash effect	\$ (113,390)	\$ (35,653)
These changes relate to the following activities:		
Operating	\$ (91,633)	\$ (53,879)
Financing	(7,270)	17,291
Investing	(14,487)	935
Changes in non-cash working capital	\$ (113,390)	\$ (35,653)

9. Financial instruments:

Financial instruments are either measured at amortized cost or fair value.

In the normal course of business, the Company's assets, liabilities and forecasted transactions, as reported in U.S. dollars, are impacted by various market risks including, but not limited to, natural gas prices and currency exchange rates. The time frame and manner in which the Company manages those risks varies for each item based on the Company's assessment of the risk and the available alternatives for mitigating risks.

The Company uses derivatives as part of its risk management program to mitigate variability associated with changing market values. Changes in fair value of derivative financial instruments are recorded in earnings unless the instruments are designated as cash flow hedges. The Company designates as cash flow hedges derivative financial instruments to hedge its risk exposure to fluctuations in natural gas prices and fluctuations in the Euro compared to the U.S. dollar.

The fair value of derivative instruments is determined based on industry-accepted valuation models with those using market observable inputs classified within Level 2 of the fair value hierarchy and those using significant unobservable inputs classified as Level 3. The fair value of all of the Company's derivative contracts as presented in the consolidated statements of financial position are determined based on present values and the discount rates used are adjusted for credit risk. The effective portion of the changes in fair value of derivative financial instruments designated as cash flow hedges is recorded in other comprehensive income as the change in fair value of cash flow hedges. The change in the fair value of the forward element of forward contracts is recorded separately in other comprehensive income as the forward element is excluded from the hedging relationships. Once a commodity hedge settles, the amount realized during the period and not recognized immediately in the statement of income is reclassified from accumulated other comprehensive income (equity) to inventory and ultimately through cost of goods sold. Foreign currency hedges settled, are realized during the period directly to the statement of income, reclassified from the statement of other comprehensive income.

Until settled, the fair value of Level 2 derivative financial instruments will fluctuate based on changes in commodity prices or foreign currency exchange rates and the fair value of Level 3 derivative financial instruments will fluctuate based on changes in the observable and unobservable valuation model inputs.

North American natural gas forward contracts

The Company manages its exposure to changes in natural gas prices for a portion of its North American natural gas requirements by executing a number of fixed price forward contracts: both financial and physical.

The Company has entered into forward contracts designated as cash flow hedges to manage its exposure to changes in natural gas prices for Geismar. Natural gas is fungible across the Geismar plants. Other costs incurred to transport natural gas from the contracted delivery point Henry Hub to the relevant production facility represent an insignificant portion of the overall underlying risk and are recognized as incurred outside of the hedging relationship.

As at	Mar 31 2024	Dec 31 2023
Maturities	2024-2032	2024-2032
Notional quantity ¹	339,020	347,190
Notional quantity per day, annualized ¹	50 - 170	50 - 170
Notional amount	\$ 1,155,549	\$ 1,183,319
Net fair value	\$ 26,576	\$ 29,925

¹ In thousands of Million British Thermal Units (MMBtu)

Information regarding the gross amounts of the Company's natural gas forward contracts designated as cash flow hedges in the unaudited consolidated statements of financial position is as follows:

As at	Mar 31 2024	Dec 31 2023
Other current assets	\$ 7,077	\$ 470
Other non-current assets	111,533	120,638
Other current liabilities	(66,308)	(60,532)
Other long-term liabilities	(25,726)	(30,651)
Net fair value	\$ 26,576	\$ 29,925

For the three months ended March 31, 2024, the Company reclassified \$11.7 million from other comprehensive income to cost of sales and operating expenses within the statement of income on discontinuation of the hedging relationship for certain gas forward contracts where the hedged future cash flows are no longer highly probable to occur.

Euro forward exchange contracts

The Company manages its foreign currency exposure to euro denominated sales by executing a number of forward contracts which it has designated as cash flow hedges for its highly probable forecast euro collections.

As at March 31, 2024, the Company had outstanding forward exchange contracts designated as cash flow hedges to sell a notional amount of 25.1 million euros (December 31, 2023 - 12.2 million euros). The euro contracts had a positive fair value of \$0.5 million included in Other current assets (December 31, 2023 - negative fair value of \$0.5 million included in Other current liabilities).

Changes in cash flow hedges and excluded forward element

Information regarding the impact of changes in cash flow hedges and cost of hedging reserve in the consolidated statement of comprehensive income is as follows:

	Three Months Ended	
	Mar 31 2024	Mar 31 2023
Change in fair value of cash flow hedges	\$ (317,031)	\$ (380,240)
Forward element excluded from hedging relationships	294,519	250,506
	\$ (22,512)	\$ (129,734)

Fair value - Level 2 instruments

The fair value of the Company's North American natural gas forward contracts and Euro forward exchange contracts are derivative financial instruments determined based on Bloomberg quoted market prices and confirmations received from counterparties, which are adjusted for credit risk.

The table below shows the nominal net cash flows for derivative hedging instruments, excluding credit risk adjustments, based upon contracted settlement dates. The amounts reflect the maturity profile of the hedging instruments and are subject to change based on the prevailing market rate at each of the future settlement dates. Financial asset derivative positions are held with investment-grade counterparties and therefore the settlement day risk exposure is considered to be minimal.

	Carrying amount	Contractual cash flows	Cash inflows (outflows) by term to maturity - undiscounted			
			1 year or less	1-3 years	3-5 years	More than 5 years
Natural gas forward contracts assets	\$ 118,610	\$ 138,995	\$ 7,375	\$ 61,857	\$ 48,210	\$ 21,553
Natural gas forward contracts liabilities	(92,034)	(99,185)	(67,531)	(15,908)	(5,432)	(10,314)
Euro forward exchange contracts	514	514	514	—	—	—
	\$ 27,090	\$ 40,324	\$ (59,642)	\$ 45,949	\$ 42,778	\$ 11,239

The carrying values of the Company's financial instruments approximate their fair values, except as follows:

As at	March 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt excluding deferred financing fees	\$ 2,153,387	\$ 2,048,155	\$ 2,156,534	\$ 2,063,661

Long-term debt consists of limited recourse debt facilities and unsecured notes. There is no publicly traded market for the limited recourse debt facilities. The fair value of the limited recourse debt facilities as disclosed on a recurring basis and categorized as Level 2 within the fair value hierarchy is estimated by reference to current market rates as at the reporting date. The fair value of the unsecured notes disclosed on a recurring basis and also categorized as Level 2 within the fair value hierarchy is estimated using quoted prices and yields as at the reporting date. The fair value of the Company's long term debt will fluctuate until maturity.

Fair value - Level 3 instrument - Egyptian natural gas supply contract

The Company holds a long-term natural gas supply contract expiring in 2035 with the Egyptian Natural Gas Holding Company, a State-Owned enterprise in Egypt. The natural gas supply contract includes a base fixed price plus a premium based on the realized price of methanol for the full volume of natural gas to supply the plant through 2035. As a result of an amendment in 2022, the contract is being treated as a derivative measured at fair value.

There is no observable, liquid spot market or forward curve for natural gas in Egypt. In addition, there are limited observable prices for natural gas in Egypt as all natural gas purchases and sales are controlled by the government and the observed prices differ based on the produced output or usage.

Due to the absence of an observable market price for an equivalent or similar contract to measure fair value, the contract's fair value is estimated using a Monte-Carlo model. The Monte-Carlo model includes significant unobservable inputs and as a result is classified within Level 3 of the fair value hierarchy. We consider market participant assumptions in establishing the model inputs and determining fair value, including adjusting the base fixed price and methanol based premium at the valuation date to consider estimates of inflation since contract inception.

At March 31, 2024 the fair value of the derivative associated with the remaining term of the natural gas supply contract is \$20.1 million recorded in Other non-current assets (December 31, 2023 - \$20.4 million). Changes in fair value of the contract are recognized in Finance income and other.

The table presents the Level 3 inputs and the sensitivities of the Monte-Carlo model valuation to changes in these inputs:

Valuation input	Sensitivities		Resulting change in valuation
	Input value or range	Change in input	
Methanol price volatility (before impact of mean reversion)	35%	+/- 5%	\$+/-7 million
Methanol price forecast	\$315 - \$415 per MT	+/- \$25 per MT	\$-5/+7 million
Discount rate	7.4%	+/- 1%	\$-/ +1 million

It is possible that the assumptions used in establishing fair value amounts will differ from future outcomes and the impact of such variations could be material.