

Sociedad Química y Minera de Chile S.A.

Annual Report 2020



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2) IDENTIFICATION OF THE ENTITY

2) A) IDENTIFICATION OF THE ENTITY: BASIC IDENTIFICATION

Company Name: Sociedad Química y Minera de Chile S.A.

Abbreviated Company Name: SQM

Legal Address: El Trovador 4285, Las Condes, Santiago, Chile

Chilean Taxpayer ID: 93.007.000-9

Type of Entity: Open stock corporation

2) B) IDENTIFICATION OF THE ENTITY: LEGAL CONSTITUTION

SQM was founded under the laws of the Republic of Chile. The Company was constituted by public deed issued on June 17, 1968 by Mr. Sergio Rodríguez Garcés, Public Notary of Santiago. Its existence was approved by Decree No. 1,164 of June 22, 1968, of the Ministry of Finance, and it was registered on June 29, 1968, in the Business Registry of Santiago, on page 4,537 No. 1,992.

2) C) IDENTIFICATION OF THE ENTITY: CONTACT INFORMATION

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3) DESCRIPTION OF BUSINESS ENVIRONMENT

3) A) DESCRIPTION OF BUSINESS ENVIRONMENT: HISTORICAL INFORMATION

Commercial exploitation of the caliche ore deposits in northern Chile began in the 1830s, when sodium nitrate was extracted from the ore for use in the manufacturing of explosives and fertilizers. By the end of the nineteenth century, nitrate production had become the leading industry in Chile, and the country was the world's leading supplier of nitrates. The accelerated commercial development of synthetic nitrates in the 1920s and the global economic depression in the 1930s caused a serious contraction of the Chilean nitrate business, which did not recover significantly until shortly before the Second World War. After the war, the widespread commercial production of synthetic nitrates resulted in a further contraction of the natural nitrate industry in Chile, which continued to operate at depressed levels into the 1960s.

We were formed in 1968 through a joint venture between Compañía Salitrera Anglo Lautaro S.A. (“Anglo Lautaro”) and the Production Development Corporation (*Corporación de Fomento de la Producción* or “Corfo”), a Chilean government entity. Three years after our formation, in 1971, Anglo Lautaro sold all of its shares to Corfo, and we were wholly owned by the Chilean Government until 1983. In 1983, Corfo began a process of privatization by selling our shares to the public and subsequently listing such shares on the Santiago Stock Exchange. By 1988, all of our shares were publicly owned. Our Series B ADSs have traded on the NYSE under the ticker symbol “SQM” since 1993. We accessed international capital markets again for the issuance of additional ADSs in 1995 and 1999. On December 21, 2006, two groups of shareholders, the “Pampa Group” (which includes the company Sociedad de Inversiones Pampa Calichera S.A. and its related companies, Inversiones Global Mining Chile Limitada and Potasios de Chile S.A.) and Kowa Group (which includes the companies Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A and La Esperanza Delaware Corporation) signed a joint agreement and became the controlling group of SQM.

Since our inception, we have produced nitrates and iodine, which are obtained from the caliche ore deposits in northern Chile. In 1985, we began to use heap leaching processes to extract nitrates and iodine, and in 1986 we started to produce potassium nitrate at our Coya Sur facility. Between 1994 and 1999, we invested approximately US\$300 million in the development of the Salar de Atacama project in northern Chile, which enabled us to produce potassium chloride, lithium carbonate, potassium sulfate and boric acid.

From 2000 through 2004, we principally consolidated the investments carried out in the preceding five years. We focused on reducing costs and improving efficiencies throughout the organization. In addition, in 2001, we signed a commercial distribution agreement with the Norwegian company Yara International ASA, in order to take advantage of cost synergies in the Specialty Plant Nutrition business line.

Starting in 2005, we began strengthening our leadership position in our core businesses through a combination of capital expenditures and advantageous acquisitions and divestitures. Our acquisitions have included the Kemira Emirates Fertiliser Company (“Kefco”) in Dubai in 2005 and the iodine business of Royal DSM N.V. (“DSM”) in 2006. We also entered into a number of joint ventures, including a joint venture with Migao Corporation (“Migao”), signed in 2008, for the production of potassium nitrate, and SQM VITAS, our joint venture with the French Roullier Group. Pursuant to the latter joint venture, in 2010, we launched a new line of soluble phosphate products, and in 2012 we built new plants for the production of water-soluble fertilizers in Brazil (Candeias), Peru and South Africa (Durban). We have also sold: (i) Fertilizantes Olmeca, our former Mexican subsidiary, in 2006, (ii) our stake in Impronta S.R.L., our former Italian subsidiary, in 2007 and (iii) our former butyllithium plant located in Houston, Texas, in 2008. These sales allowed us to concentrate our efforts on our core products.

The capital expenditure program has allowed us to add new products to our product lines and increase the production capacity of our existing products. In 2005, we started production of lithium hydroxide at a

3) DESCRIPTION OF BUSINESS ENVIRONMENT

plant in the Salar del Carmen, near the city of Antofagasta in the north of Chile. In 2007, we completed the construction of a new prilling and granulating plant. In 2011, we completed expansions of our lithium carbonate capacity, achieving 48,000 metric tons of capacity per year. Since 2010, we have continued to expand our production capacity of potassium products in our operations in the Salar de Atacama. In 2011, we completed the construction of a new potassium nitrate facility in Coya Sur, increasing our overall production capacity of potassium nitrate by 300,000 metric tons per year. In 2013, we completed expansions in the production capacity of our iodine plants in Nueva Victoria. Our capital expenditure program also includes exploration for metallic minerals. Our exploration efforts have led to discoveries that in some cases may result in sales of the discovery and the generation of royalty income in the future. Within this context, in 2013 we sold our royalty rights to the Antucoya mining project to Antofagasta Minerals. In 2013 we also opened a trading office in Thailand.

In 2014, we invested in the development of new extraction sectors and production increases in both nitrates and iodine at Nueva Victoria, reaching an approximate production capacity (including the Iris facility) of 8,500 metric tons per year of iodine at the facility. We also issued a bond in the international capital markets for US\$250 million, primarily to refinance existing indebtedness.

In 2015, we focused on increasing the efficiency of our operations. Within this context, we announced a plan to restructure our iodine and nitrate operations. In an effort to take advantage of our highly efficient production facilities at our Nueva Victoria site, we decided to suspend the mining and nitrate operations and reduce iodine production at our Pedro de Valdivia site. During the year, we increased our iodine production capacity at Nueva Victoria to approximately 9,000 metric tons per year.

In 2015, we focused on increasing the efficiency of our operations. Within this context, we announced a plan to restructure our iodine and nitrate operations. In an effort to take advantage of our highly efficient production facilities at our Nueva Victoria site, we decided to suspend the mining and nitrate operations and reduce iodine production at our Pedro de Valdivia site. During 2017, we increased our iodine production capacity at Nueva Victoria to approximately 10,000 metric tons per year. We continued expanding in 2018, and today, including Pedro de Valdivia and Nueva Victoria, our current effective iodine capacity is approximately 14,000 metric tons per year.

In 2016, we entered into a 50/50 joint venture with Lithium Americas to develop the Minera Exar lithium project in Caucharí-Olaroz in the Jujuy province of Argentina. Our interest was sold to Ganfeng Lithium Netherlands Co., BV in 2018. Ganfeng is responsible for a US\$50 million deferred payment to us if certain sales goals are met by the project. In 2016, we also made a capital contribution of US\$20 million to Elemental Minerals Limited (“Elemental Minerals”), an Australian based company whose main assets are various potassium deposits in the Republic of Congo. We invested approximately US\$20 million in exchange for 18% of the company, and a right of first refusal for approximately 20% of the total potash production of Elemental Minerals. Following this transaction at the end of 2016, Elemental Minerals changed its name to Kore Potash Limited. The State General Reserve Fund of Oman invested US\$20 million.

In 2017, we continued to expand our operations outside Chile and, together with our subsidiary SQM Australia Pty, we entered into an agreement to acquire 50% of the assets of the Mt. Holland lithium project in Western Australia. We entered into a 50/50 unincorporated joint venture with Kidman Resources Limited (“Kidman”), with respect to the Mt. Holland lithium project, to design, construct and operate a mine, concentrator and refinery to produce approximately 45,000 metric tons of lithium hydroxide per year. SQM Australia Pty committed to pay a price of US\$110 million for the 50% of the Mt. Holland assets, which was split into an initial payment of US\$25 million and a deferred payment of US\$87.5 million, both payments subject to certain conditions precedent. SQM Australia Pty paid an additional (i) US\$10 million as part of the initial payment, and (ii) US\$30 million once the deferred payment took place. All payments subject to conditions under the purchase agreement with Kidman were executed by

3) DESCRIPTION OF BUSINESS ENVIRONMENT

December 2018. These investments are not included in the capital expenditure program amounts discussed in the section below. These investments were carried out with internal financing.

On September 23, 2019, Wesfarmers Limited (“Wesfarmers”) acquired all the issued ordinary shares in Kidman, becoming a 50% partner in the Mt. Holland lithium project in the joint venture with SQM Australia Pty.

In September 2020, in the Salar de Atacama, we began a self-assessment process, which is the first step in the Initiative for Responsible Mining Assurance’s (“IRMA”) rigorous responsible mining certification process.

In October 2020, we announced our Sustainable Development Plan, which includes voluntarily expanding our monitoring systems, promoting better and more meaningful conversations with neighboring communities, becoming carbon neutral and reducing water by 65% and brine extraction by 50%. As part of this plan, we also set a goal to obtain international certifications and participate in international sustainability indices.

In November 2020, we were accepted into the Dow Jones Sustainability Chile and the Dow Jones Sustainability MILA Pacific Alliance Indices.

On February 16, 2021, our Board approved the investment of approximately US\$700 million for our 50% share of the development costs of the Mt. Holland lithium hydroxide project in the joint venture with Wesfarmers.

3) B) DESCRIPTION OF BUSINESS ENVIRONMENT: INDUSTRIAL SECTOR

i) PRODUCTS AND SERVICES

SQM is an integrated producer and seller of specialty plant nutrients, iodine, lithium, potassium fertilizers, and industrial chemicals. Our products are based on the development of high quality natural resources that make us a cost leader, supported by an international trading network specialized in sales in approximately 110 countries. SQM’s development strategy aims to maintain and enhance our global leadership in all of our business lines.

For further information, see section 3) C) Description of Business Environment: Activities and Businesses.

ii) COMPETITION AND MARKET SHARE

See section 3) C) Description of Business Environment: Activities and Businesses.

iii) LEGAL FRAMEWORK

Government Regulations

Regulations in Chile Generally

We are subject to the full range of government regulations and supervision generally applicable to companies engaged in business in Chile, including labor laws, social security laws, public health laws, consumer protection laws, tax laws, environmental laws, free competition laws and securities laws. These include regulations to ensure sanitary and safety conditions in manufacturing plants.

We conduct our mining operations pursuant to judicial exploration concessions and exploitation concessions granted pursuant to applicable Chilean law. Exploitation concessions essentially grant a

3) DESCRIPTION OF BUSINESS ENVIRONMENT

perpetual right (with the exception of the Salar de Atacama rights, which have been leased to us until 2030) to conduct mining operations in the areas covered by such concessions, provided that annual concession fees are paid. Exploration concessions permit us to explore for mineral resources on the land covered thereby for a specified period of time, and to subsequently request a corresponding exploitation concession.

Under Law No. 16,319 that created the Chilean Nuclear Energy Commission (*Comisión Chilena de Energía Nuclear* or “CCHEN”), we have an obligation to the CCHEN regarding the exploitation and sale of lithium from the Salar de Atacama, which prohibits the use of lithium for nuclear fusion. In addition, CCHEN has imposed annual quotas that limit the total tonnage of lithium authorized to be sold.

We also hold water use rights granted by the respective administrative authorities and which enable us to have a supply of water from rivers or wells near our production facilities sufficient to meet our current operating requirements. See section 3) E) Description of Business Environment: Risk Factors. The Chilean Constitution, the Water Code and related regulations are subject to change, which could have a material adverse impact on our business, financial condition and results of operations.

We operate port facilities at Tocopilla, Chile for the shipment of products and the delivery of raw materials in conformity with maritime concessions, which have been granted by the respective administrative authority. These concessions are normally renewable on application, provided that such facilities are used as authorized and annual concession fees are paid.

In 2005, Law No. 20,026, known as the Law to Establish a Specific Tax on Mining Activity” (*Ley que Establece un Impuesto Específico a la Actividad Minera* or the “Royalty Law”), established a royalty tax to be applied to mining activities developed in Chile. In 2010, modifications were made to the law and taxes were increased.

On September 29, 2014, the Tax Reform was published, introducing significant changes to the Chilean taxation system and strengthening the powers of the SII to control and prevent tax avoidance. Subsequently, on February 8, 2016, Law No. 20,899 that simplifies the income tax system and modifies other legal tax provisions was published. On February 24, 2020, Law No. 21,210 to modernize the tax legislation was published. As a result of these reforms, open stock corporations, such as SQM, are subject to the shareholder tax regime. The corporate tax rate that applies to us increased to 27% in 2018.

The Chilean government may again decide to levy additional taxes on mining companies or other corporations in Chile, and such taxes could have a material adverse impact on our business, financial condition and results of operations.

We are also subject to the Chilean Labor Code and the Subcontracting Law, which are overseen by the Labor Authority (*Dirección del Trabajo*), the National Geology and Mining Service (*Servicio Nacional de Geología y Minería* or “Sernageomin”), and the National Health Service. Recent changes to these laws and their application may have a material adverse effect on our business, financial condition and results of operations. See “Section 3E. Description of Business Environment: Risk Factors – We are exposed to labor strikes and labor liabilities that could impact our production levels and costs”.

In addition, we are subject to Law No. 20,393, which establishes criminal liability for legal entities, for the crimes of (a) asset laundering, (b) financing terrorism and (c) bribery. Potential sanctions for violations under this law could include (i) fines, (ii) loss of certain governmental benefits during a given period, (iii) a temporary or permanent bar against the corporation executing contracts with governmental entities, and (iv) dissolution of corporation.

Finally, we are governed by the Securities Law and Law No. 18,046 on Corporations (*Ley de Sociedades Anónimas* or the “Chilean Corporations Act”), which regulates corporate governance. Specifically, the

Chilean Corporations Act regulates, among other things, independent director requirements, disclosure obligations to the general public and to the CMF, as well as regulations relating to the use of inside information, the independence of external auditors, and procedures for the analysis of transactions with related parties.

There are currently no material legal or administrative proceedings pending against us except as discussed in Note 22.1 and 23 to our Consolidated Financial Statements and below under “Safety, Health and Environmental Regulations in Chile.”

Safety, Health and Environmental Regulations in Chile

Our operations in Chile are subject to both national and local regulations related to safety, health and environmental protection. In Chile, the main regulations on these matters that are applicable to us are the Mine Health and Safety Act of 1989 (*Reglamento de Seguridad Minera* or the “Mine Health and Safety Act”), the Health Code (*Código Sanitario*), the Health and Basic Conditions Act of 1999 (*Reglamento sobre Condiciones Sanitarias y Ambientales Básicas en los Lugares de Trabajo* or the “Health and Basic Conditions Act”), the Subcontracting Law and the Environmental Law of 1994, amended in 2010 (*Ley sobre Bases Generales del Medio Ambiente* or the “Environmental Law”).

Health and safety at work are fundamental aspects in the management of mining operations, which is why we have made constant efforts to maintain good health and safety conditions for the people working at our mining sites and facilities. In addition to the role played by us in this important matter, the Chilean government has a regulatory role, enacting and enforcing regulations in order to protect and ensure the health and safety of workers. The Chilean government, acting through the Ministry of Health and the Sernageomin, performs health and safety inspections at the mining sites and oversees mining projects, among other tasks, and it has exclusive powers to enforce standards related to environmental conditions and the health and safety of the people performing activities related to mining.

The Mine Health and Safety Act protects workers and nearby communities against health and safety hazards, and it provides for enforcement of the law where compliance has not been achieved. Our Internal Mining Standards (*Reglamentos Internos Mineros*) establish our obligation to maintain a workplace where safety and health risks are managed appropriately. We are subject to the general provisions of the Health and Basic Conditions Act, our own internal standards and the provisions of the Mine Health and Safety Act. In the event of non-compliance, the Ministry of Health and particularly the Sernageomin are entitled to use their enforcement powers to ensure compliance with the law.

In November 2011, the Ministry of Mining enacted Law No. 20,551 that Regulates the Closure of Mining Sites and Facilities (*Ley que Regula el Cierre de Faenas e Instalaciones Mineras*). This statute entered in force in November 2012 and required all mining sites to present or update their closure plans as of November 2014. SQM has fulfilled this requirement for all of its mining sites and facilities. The main requirements of the law are related to disclosures to the Sernageomin regarding decommissioning plans for each mining site and its facilities, along with the estimated cost to implement such plans. The mining site closure plans are approved by Sernageomin and the corresponding financial assurances are subject to approval by the CMF. In both cases, SQM has received the requisite approvals.

We continuously monitor the impact of our operations on the environment and on the health of our employees and other persons who may be affected by such operations. We have made modifications to our facilities in an effort to eliminate any adverse impacts. Also, over time, new environmental standards and regulations have been enacted, which have required minor adjustments or modifications of our operations. We anticipate that additional laws and regulations will be enacted over time with respect to environmental matters. There can be no assurance that future legislative or regulatory developments will not impose new restrictions on our operations. We are committed to continuously improving our environmental performance through our Environmental Management System (“EMS”). We strive to be

leaders in sustainability at a national and international level. In 2020, we began the ISO 14.001 certification process for our operations in the Salar de Atacama and Salar del Carmen. This certification is being overseen by TÜV-Rheinland.

We participate in voluntary evaluations with companies such as Ecovadis and seek international certifications such as the Responsible Conduct certification from the Chilean Industrial Chemicals Association, which applies to our operations at Nueva Victoria, and the Protect & Sustain certification from the International Fertilizer Association, which applies to our operations at Coya Sur, the Salar de Atacama, Tocopilla, Antofagasta and Santiago. In September 2020, in the Salar de Atacama, we began a self-assessment process, which is the first step in IRMA's rigorous responsible mining certification process.

We have submitted and will continue to submit several environmental impact assessment studies related to our projects to the governmental authorities. We require the authorization of these submissions in order to maintain and to increase our production capacity.

International Regulations

We are subject to complex regulatory requirements in the various jurisdictions in which we operate, including the following implemented during 2020:

The European Union's European Food Safety Authority initiated a revision of the perchlorate limits in food that have been in force and effect since June 2015. On May 20, 2020, the European Commission adopted Regulation (EU) 2020/685 which sets out limits for perchlorate in certain foods. Regulation (EU) 2020/685 did not alter the previously established limit of 50 parts-per-million for perchlorate in fertilizer (as set forth in Regulation (EU) 2019/1102), and thus will allow our fertilizer products to be sold in the European Union without issue.

In addition, Regulation (EU) 2017/542 came into force in the European Union, pursuant to which SQM notified the European Union's Poison Notification Centre (PCN) of the classification and labelling information for 83 mixtures from our specialty plant nutrition and potassium business lines sold by our three European subsidiaries.

On March 12, 2019, Australia approved the new Industrial Chemicals (General) Rules 2019, which regulates the import and production of industrial chemicals and replaces the current regulations. This new regulation which entered into force on July 1, 2020, establishes the import requirements for chemical substances for the product and the importer. It applies to iodine imports by SQM Oceania in Australia. The SQM Oceania registry for the importation of iodine was updated under "Industrial Chemicals (General) Rules 2019", in June 2020 and before the deadline of July 1, 2020.

On May 25, 2019, Japan updated its standards for classification and labeling of chemical products (JIS Z 7252: 2019 and 7253: 2019) to certify them with the sixth version of the UN-GHS. This update has a transition period of three years and will require review of safety data sheets and labeling of the products that SQM sells in Japan, in 2020-2021. The process of reviewing Safety Data Sheets and labeling of the products that SQM markets in Japan began, under the JIS Z 7252: 2019 & 7253: 2019 standards, which has a deadline until May 2022. The safety sheets were updated in February 2021 and the labels will be updated to December 2021.

In 2020 in South Korea, we began the registration process for three products under the K-REACH regulations, using an Exclusive Representative in order to facilitate the regulatory compliance of our customers in this market. Additionally, with the establishment of SQM's commercial office in Seoul, South Korea in 2020, the Korean Chemical Management Association (KCMA) was notified of all products to be imported from our lithium and iodine business lines. In 2021, we will begin the process of providing

3) DESCRIPTION OF BUSINESS ENVIRONMENT

the respective competent authorities, including the Korean Ministry of Labor and Employment, with safety data sheets for all products sold in South Korea under the K-OSHA regulations.

In 2020 in China, we completed the standardization of the registration of all of our lithium, iodine and nitrate products.

As a result of the occurrence of Brexit in 2020, the chemical regulations set forth in EU REACH (Registration, Evaluation, Authorisation and restriction of Chemicals) were brought into United Kingdom law on January 1, 2021 and entitled UK REACH. SQM will be required to complete a second registration process for products sold in the United Kingdom. We are currently preparing the relevant survey and expect to complete the pre-registration process in 2021.

In compliance with the Technical Regulation of the Eurasian Economic Union on Safety of Chemical Products (TR EAEU 041/2017), also known as Eurasia REACH (Eurasia's equivalent to EU REACH), in 2020 we reported all direct agricultural and industrial products, and also fertilizer mixtures, of all of our business lines sold in the Eurasian Economic Union, which includes Russia. With this reporting, we are not required to register under TR EAEU 041/2017.

In December 2020, we completed the pre-registration of all of our products sold in Turkey in compliance with the deadline under Turkey's "KKDIK" (Turkey's equivalent to EU REACH).

In October 2020, we provided an updated notification of all of our products sold in the United States under the TSCA-CDR regulations before the United States Environmental Protection Agency.

On November 27, 2020, Chilean Customs issued exempt resolution No. 3421, pursuant to which Chile's lithium export control procedures have been modified to include the export of lithium carnalite, lithium sulfate and lithium phosphate.

3) C) DESCRIPTION OF BUSINESS ENVIRONMENT: ACTIVITIES AND BUSINESSES

The Company

We believe that we are the world's largest producer of potassium nitrate and iodine and one of the world's largest lithium producers. We also produce specialty plant nutrients, iodine derivatives, lithium derivatives, potassium chloride, potassium sulfate and certain industrial chemicals (including industrial nitrates and solar salts). Our products are sold in approximately 110 countries through our worldwide distribution network, with 91% of our sales in 2020 derived from countries outside Chile.

Our products are mainly derived from mineral deposits found in northern Chile. We mine and process caliche ore and brine deposits. The caliche ore in northern Chile contains the only known nitrate and iodine deposits in the world and is the world's largest commercially exploited source of natural nitrates. The brine deposits of the Salar de Atacama, a salt-encrusted depression in the Atacama Desert in northern Chile, contain high concentrations of lithium and potassium as well as significant concentrations of sulfate and boron.

From our caliche ore deposits, we produce a wide range of nitrate-based products used for specialty plant nutrients and industrial applications, as well as iodine and iodine derivatives. At the Salar de Atacama, we extract brines rich in potassium, lithium, sulfate and boron in order to produce potassium chloride, potassium sulfate, lithium solutions and bischofite (magnesium chloride). We produce lithium carbonate and lithium hydroxide at our plant near the city of Antofagasta, Chile, from the solutions brought from the Salar de Atacama. We market all of these products through an established worldwide distribution network.

3) DESCRIPTION OF BUSINESS ENVIRONMENT

Our products are divided into six categories: specialty plant nutrients; iodine and its derivatives; lithium and its derivatives; potassium chloride and potassium sulfate; industrial chemicals and other commodity fertilizers. Specialty plant nutrients are premium fertilizers that enable farmers to improve yields and the quality of certain crops. Iodine and its derivatives are mainly used in the X-ray contrast media and biocides industries and in the production of polarizing film, which is an important component in LCD screens. Lithium and its derivatives are mainly used in batteries, greases and frits for production of ceramics. Potassium chloride is a commodity fertilizer that is produced and sold by us worldwide. Potassium sulfate is a specialty fertilizer used primarily in crops such as vegetables, fruits and industrial crops. Industrial chemicals have a wide range of applications in certain chemical processes such as the manufacturing of glass, explosives and ceramics, and, more recently, industrial nitrates are being used in concentrated solar power plants as a means for energy storage. In addition, we complement our portfolio of plant nutrients through the buying and selling of other commodity fertilizers for use mainly in Chile.

For the year ended December 31, 2020, we had revenues of US\$1,817.2 million, gross profit of US\$482.9 million and profit attributable to controlling interests of US\$164.5 million. Our worldwide market capitalization as of December 31, 2020 was approximately US\$11.0 billion.

Specialty Plant Nutrition: We produce four main types of specialty plant nutrients: potassium nitrate, sodium nitrate, sodium potassium nitrate and specialty blends. We also sell other specialty fertilizers including third party products. All of these specialty plant nutrients are used in either solid or liquid form mainly on high value crops such as vegetables, fruits and flowers. Our nutrients are widely used in crops that employ modern agricultural techniques such as hydroponics, green housing, fertigation (where fertilizer is dissolved in water prior to irrigation) and foliar application. Specialty plant nutrients have certain advantages over commodity fertilizers, such as rapid and effective absorption (without requiring nitrification), superior water solubility, increased soil pH (which reduces soil acidity) and low chloride content. One of the most important products in this business line is potassium nitrate, which is sold in crystalline or prill form, allowing for multiple application methods. Crystalline potassium nitrate products are ideal for application by fertigation and foliar sprays, and potassium nitrate prills are suitable for soil applications.

We have developed brands for marketing according to the different applications and uses of our products. Our main brands are: UltrasolR (fertigation), QropR (soil application), SpeedfolR (foliar application) and AllganicR (organic agriculture).

The new needs of more sophisticated customers demand that the industry provide integrated solutions rather than individual products. Our products, including customized specialty blends that meet specific needs along with the agronomic service provided, allow to create plant nutrition solutions that add value to crops through higher yields and better quality production. Because our products are derived from natural nitrate compounds or natural potassium brines, they have certain advantages over synthetically produced fertilizers, including the presence of certain beneficial trace elements, which makes them more attractive to customers who prefer products of natural origin. As a result, specialty plant nutrients are sold at a premium price compared to commodity fertilizers.

Iodine and its Derivatives: We believe that we are the world's leading producer of iodine and iodine derivatives, which are used in a wide range of medical, pharmaceutical, agricultural and industrial applications, including x-ray contrast media, polarizing films for LCD/LED, antiseptics, biocides and disinfectants, in the synthesis of pharmaceuticals, electronics, pigments and dye components.

Lithium and its Derivatives: We are a leading producer of lithium carbonate, which is used in a variety of applications, including electrochemical materials for batteries used in electric vehicles, portable computers, tablets, cellular telephones and electronic apparatus, frits for the ceramic and enamel industries, heat-resistant glass (ceramic glass), air conditioning chemicals, continuous casting powder for steel extrusion, pharmaceuticals and lithium derivatives. We are also a leading supplier of lithium

hydroxide, which is primarily used as an input for the lubricating greases industry and for cathodes for high energy capacity batteries.

Potassium: We produce potassium chloride and potassium sulfate from brines extracted from the Salar de Atacama. Potassium chloride is a commodity fertilizer used to fertilize a variety of crops including corn, rice, sugar, soybean and wheat. Potassium sulfate is a specialty fertilizer used mainly in crops such as vegetables, fruits and industrial crops.

Industrial Chemicals: We produce and sell three industrial chemicals: sodium nitrate, potassium nitrate and potassium chloride. Sodium nitrate is used primarily in the production of glass, explosives, and metal treatment, metal recycling and the production of insulation materials, among other uses. Potassium nitrate is used in the manufacturing of specialty glass, and it is also an important raw material for the production of frits for the ceramics, enamel industries, metal treatment and pyrotechnics. Solar salts, a combination of potassium nitrate and sodium nitrate, are used as a thermal storage medium in concentrated solar power plants. Potassium chloride is a basic chemical used to produce potassium hydroxide, and it is also used as an additive in oil drilling as well as in food processing, among other uses.

Other Products and Services: We also sell other fertilizers and blends, some of which we do not produce. We are the only company that produces and distributes the three main potassium sources: potassium nitrate, potassium sulfate and potassium chloride.

The following table shows the percentage breakdown of our revenues for 2020, 2019 and 2018 according to our product lines:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Specialty Plant Nutrition	39%	37%	35%
Iodine and Derivatives.....	18%	19%	14%
Lithium and Derivatives	21%	26%	32%
Potassium	12%	11%	12%
Industrial Chemicals	9%	5%	5%
Other	2%	2%	2%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Business Strategy

SQM is a global company that develops and produces diverse products for several industries essential for human progress, such as health, nutrition, renewable energy and technology through innovation and technological development. We aim to maintain our leading world position in the lithium, potassium nitrate, iodine and thermo-solar salts markets by:

- Ensuring access to the best assets related to our current business lines by expanding our global presence;
- Actively searching for attractive minerals allowing us diversification opportunities to replicate and expand our existing mining capacities;
- Strengthening our operational, logistical and commercial excellence process from beginning to end, while looking to be a cost leader; and
- Maintaining a conservative financial policy which allows us to successfully endure economic cycles that could impact the markets in which we sell.

We are a dynamic company. In pursuit of our objectives, we expect to acquire and develop projects and interests that are consistent with our existing and new businesses, either alone or with joint venture partners. We may also divest or sell-down interests that we have acquired to deploy funds for other investments or other purposes in pursuit of our objectives or to adjust risk or diversify our asset base.

We are a company built and managed by a culture based on excellence, safety, sustainability and integrity. We work every day to expand this culture through the attraction, retention and development of talent as well encouraging an inclusive and diverse work environment ensuring the unique knowledge and innovation needed to sustain our business. We strive for safe and accident-free operations by promoting conduct that favors the physical safety and psychological well-being of everyone who works directly and indirectly with the Company.

We position ourselves as leaders in sustainability and commit to a sustainable future where we constantly work to responsibly manage natural resources, protect human rights, care for the environment, form close and trusting relationships with our neighboring communities and create value. Within these communities, we support projects and activities with a focus on education, business development, and protection of the environment and historical heritage. We create value for our clients through established commercial models and the production and development of differentiated products that respond to their industry and market specific needs, constantly creating and providing a sustainable improvement in the quality of life. We will continue to create value for all of our stakeholders through responsible management of natural resources, sustainable expansion projects and improvement of our existing operations, with a focus on minimizing our environmental impacts by reducing our carbon, energy and water footprints and working together with our shareholders, employees, customers, suppliers and communities.

Specialty Plant Nutrition

Our strategy in our specialty plant nutrition business is to: (i) leverage the advantages of our specialty products over commodity-type fertilizers; (ii) selectively expand our business by increasing our sales of higher margin specialty plant nutrients based on potassium and natural nitrates, particularly soluble potassium nitrate and specialty blends; (iii) pursue investment opportunities in complementary businesses to enhance our product portfolio, increase production, reduce costs, and add value to the marketing of our products; (iv) develop new specialty nutrient blends produced in our mixing plants that are strategically located in or near our principal markets in order to meet specific customer needs; (v) focus primarily on the markets where we can sell our plant nutrients in soluble and foliar applications in order to establish a leadership position; (vi) further develop our global distribution and marketing system directly and through strategic alliances with other producers and global or local distributors; (vii) reduce our production costs through improved processes and higher labor productivity so as to compete more effectively and (viii) supply a product with consistent quality according to the specific requirements of our customers.

Iodine and its Derivatives

Our strategy in our iodine business is to: (i) reach and maintain a sufficient market share of the iodine market in order to optimize the use of our available production capacity; (ii) encourage demand growth and promote new iodine uses; (iii) participate in iodine recycling projects through the Ajay-SQM Group (“ASG”); (iv) reduce our production costs through improved processes and higher productivity in order to compete more effectively and (v) supply a product with consistent quality according to the requirements of our customers.

Lithium and its Derivatives

Our strategy in our lithium business is to: (i) strategically allocate our sales of lithium carbonate and lithium hydroxide; (ii) encourage demand growth and promote new lithium uses; (iii) selectively pursue opportunities in the lithium derivatives business by creating new lithium compounds; (iv) reduce our production costs through improved processes and higher productivity in order to compete more effectively; (v) supply a product with consistent quality according to the requirements of our customers; (vi) diversify our operations geographically and jurisdictionally; and (vii) diversifying our asset base or adjusting risk by acquiring new projects and interests (either alone or with joint venture partners), divesting existing projects or selling down our interests in projects.

Potassium

Our strategy in our potassium business is to: (i) offer a portfolio of potassium products, including potassium sulfate, potassium chloride and other fertilizers, to our traditional markets; (ii) have flexibility to offer crystalized (standard) or granular (compacted) form products according to market requirements; (iii) focus on markets where we have logistical advantages and synergies with our specialty plant nutrition business and (iv) supply a product with consistent quality according to the specific requirements of our customers.

Industrial Chemicals

Our strategy in our industrial chemical business is to: (i) maintain our leadership position in the industrial nitrates market; (ii) encourage demand growth in different applications as well as exploring new potential ones; (iii) become a long-term, reliable supplier for the thermal storage industry, maintaining close relationships with R&D programs and industrial initiatives; (iv) reduce our production costs through improved processes and higher productivity in order to compete more effectively and (v) supply a product with consistent quality according to the requirements of our customers.

New Business Ventures

We constantly evaluate opportunities that are consistent with our existing and new businesses. We seek to acquire interests in projects both inside and outside of Chile where we believe we have sustainable competitive advantages, and we hope to continue doing so in the future.

In addition, we are actively conducting exploration for metallic minerals in the mining properties we own. If such minerals are found, we may decide to exploit, sell or enter into an association to extract these resources. Our exploration efforts are currently focused on the layer of bedrock that lies beneath the caliche ore that we use as the primary raw material in the production of iodine and nitrates. This bedrock has significant potential for metallic mineralization, particularly copper and gold. A significant portion of our mining properties are located in the Antofagasta region of Chile, where many large copper producers operate.

We have an in-house geological exploration team that explores the area directly, identifying drilling targets and assessing new prospects. In 2020, the team identified six new targets and confirmed mineralization in several of the targets. The number of perforated meters reached 33,523 meters and were made with four internal machines. We also have a metal business development team that works to engage partners interested in investing in metal exploration within our mining properties. As of December 31, 2020, we had five option agreements in place with four mining companies and private equity firms. We participated in the formation of two joint ventures as a result of exercising an option agreement with a junior mining company.

Main Business Lines

Specialty Plant Nutrition

In 2020, specialty plant nutrients revenues decreased to US\$701.7 million, representing 38.6% of our total revenues for that year. We believe that we are the world's largest producer of potassium nitrate. We estimate that our 2020 sales volume represented approximately 51% of the total global potassium nitrate used for all applications, remaining flat with our sales volume in 2019. We estimate that our sales accounted for approximately 48% of global potassium nitrate sales for all agricultural uses by volume in 2020. During 2020, the agricultural potassium nitrate market increased approximately 5% when compared to 2019. These estimates do not include potassium nitrate produced and sold locally in China, only Chinese net imports and exports.

In addition to potassium nitrate, we produce the following specialty plant nutrients: sodium nitrate, sodium potassium nitrate and specialty blends (containing various combinations of nitrogen, phosphate and potassium and generally known as "NPK blends").

Our specialty plant nutrients have specific characteristics that increase productivity and enhance quality when used on certain crops and soils. Our specialty plant nutrients have significant advantages for certain applications over commodity fertilizers based on nitrogen and potassium, such as urea and potassium chloride.

Our specialty plant nutrients advantages include that they:

- are fully water soluble, allowing their more efficient use in hydroponics, fertigation, foliar applications and other advanced agricultural techniques thus improving the water use efficiency of crops to help conserve water;
- are chloride-free, which prevents chloride toxicity in certain crops associated with high levels of chlorine in plant nutrients;
- provide nitrogen in nitric form, thereby allowing crops to absorb nutrients faster than they absorb urea- or ammonium-based fertilizers;
- do not release hydrogen after application, thereby avoiding increased soil acidity;
- possess trace elements, which promote disease resistance in plants; and
- are more attractive to customers who prefer products of natural origin.

Specialty Plant Nutrition: Market

The target market for our specialty plant nutrients includes producers of high-value crops such as vegetables, fruits, industrial crops, flowers, cotton and others. Furthermore, we sell specialty plant nutrients to producers of chloride-sensitive crops. Since 1990, the international market for specialty plant nutrients has grown at a faster rate than the international market for commodity-type fertilizers. This is mostly due to: (i) the application of new agricultural technologies such as fertigation and hydroponics, and the increasing use of greenhouses; (ii) the increase in the cost of land and the scarcity of water, which has forced farmers to improve their yields and reduce water use; and (iii) the increase in demand for higher quality crops, such as fruits and vegetables.

Over the last ten years, the compound annual growth rate for vegetable production per capita was 3% while the compound annual growth rate for the world population was closer to 1%.

Worldwide scarcity of water and arable land drives the development of new agricultural techniques to maximize the use of these resources. A good example of this is the more efficient use of water through irrigation, which has grown at an average annual rate of 1% during the last 20 years (a pace similar to population growth). Micro-irrigation, which results in even more efficient use of water, has grown at 10% per year over the same period. Micro-irrigation systems, which include drip irrigation and micro-sprinklers, are the most efficient forms of technical irrigation. These applications require fully water-soluble plant nutrients. Our nitrate-based specialty plant nutrients are fully soluble in water and provide nitrogen in nitric form, which helps crops absorb these nutrients faster than they absorb urea- or ammonium-based fertilizers, facilitating a more efficient application of nutrients to the plant and thereby increasing the crop's yield and improving its quality.

The lowest global share of hectares under micro-irrigation over total irrigated hectares is in Asia, with a figure of approximately 3%. This represents a high potential for the introduction of micro-irrigation in that region, which is reflected in the high growth rates in Asia in recent years.

Potassium nitrate is an important market in China, although currently its demand is largely fulfilled by domestic producers. Total demand of potassium nitrate in Asian countries totals approximately 400,000 to 420,000 metric tons, of which approximately 130,000 metric tons is needed for the tobacco industry and approximately 120,000 metric tons is related to the horticulture business. Of the total, between 15,000 and 35,000 metric tons of potassium nitrate are imports.

Specialty Plant Nutrition: Our Products

Potassium nitrate, sodium potassium nitrate, and specialty blends are higher margin products that use sodium nitrate as a feedstock. These products can be manufactured in crystallized or prilled form. Specialty blends are produced using our own specialty plant nutrients and other components at blending plants operated by us or our affiliates and related companies in Brazil, Chile, China, Italy, Mexico, the Netherlands, Peru, South Africa, Spain, and the United States.

The following table shows our sales volumes of and revenues from specialty plant nutrients for 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Sales volumes (Th. MT)			
Sodium nitrate	25.6	30.2	25.0
Potassium nitrate and sodium potassium nitrate	575.2	617.4	673.4
Specialty blends ⁽¹⁾	271.3	238.9	242.5
Other specialty plant nutrients ⁽²⁾	164.4	155.3	141.6
Revenues (in US\$ millions)	701.7	723.9	781.8

(1) Includes Yara's products sold pursuant to our commercial agreement.

(2) Includes trading of other specialty fertilizers.

In 2020, our specialty plant nutrients revenues decreased to US\$701.7 million, representing 39% of our total revenues for that year and a 3.1% decrease from US\$723.9 million in specialty plant nutrients revenues in 2019. Prices decreased approximately 2.6% in 2020.

Depending on the systems used to apply specialty nutrients, fertilizers can be classified as specialty field fertilizers or water-soluble fertilizers.

Specialty field fertilizers are applied directly to the soil, manually or in a mechanized fashion. Their high solubility levels, lack of chloride and absence of acidic reactions make them particularly advantageous for tobacco, potatoes, coffee, cotton, and certain fruits and vegetables.

Water-soluble fertilizers are specialty nutrients that are delivered to the crops using modern irrigation systems. As these systems feature refined technology, the products used in them must be highly soluble, rich in nutrients, free of impurities and insoluble substances, and with a low salinity index. The leading nutrient in this segment is potassium nitrate, whose optimal balance of nitric nitrogen and chloride-free potassium (the two macronutrients most needed by plants) make it an indispensable source of nutrition for crops that use modern irrigation systems.

Potassium nitrate is widely known to be a vital component in foliar feeding applications, where usage is recommended in order to stave off nutritional deficiencies before the first symptoms appear, correct any deficiencies that arise and prevent physiological stress. This nutrient also helps promote a suitable balance between fruit production and/or growth, and plant development, particularly in crops with physiological disorders.

Foliar feeding with potassium nitrate can have beneficial effects:

- when soil chemistry limits nutrient solubility and availability (pH, organic matter, type and percentage of clay);
- when nutrient absorption through the roots is limited as a result of conditions that hamper root growth (temperature, moisture, oxygen and loss of soil structure);
- when the plant's local internal demand may surpass real internal nutrient redistribution capacity, leaving the demand unsatisfied;
- when nutrient mobility is limited, such as when plants flower before the leaf growth phase, imposing limiting factors on xylem nutrient transport;
- to achieve rapid recovery from leaf stress caused by climatic conditions, soil conditions and irrigation management.

SQM has consolidated a product portfolio of over 200 specialty fertilizer blends, including top brands such as Ultrasol®, for fertigation; Qrop®, for application to the soil; Speedfol®, for foliar feeding and Allganic® for organic crops. In recent years, we have added several products to our portfolio such as QropTMKS in 2015 and Ultrasol®ution K in 2018.

We have restructured the Qrop products portfolio to include a chloride-free line for direct application to the soil with a variety of specialized formulas and unique mixtures, which make these products highly accurate and quickly available for the plant. Ultrasolution K® addresses the need for potassium-free chloride and a nitrate safe for handling in the liquid fertilizer market, opening new opportunities for SQM in the cultivation of almonds and strawberries, in which water quality and efficiency are very important.

Other products developed by our research and development team during 2020 include Ultrasoline®, Ultrasol K Acid®, ProP® and Prohydric®. Ultrasoline® is a new product that, together with potassium nitrate, incorporates iodine, an essential element for plants, allowing better root growth, optimal photosynthesis and better tolerance to oxidative stress, among other advantages.

Specialty Plant Nutrition: Marketing and Customers

In 2020, we sold our specialty plant nutrients in approximately 102 countries and to more than 1,100 customers. No customer represented more than 10% of our specialty plant nutrition revenues during 2020, and our ten largest customers accounted in the aggregate for approximately 33% of revenues during that period. No supplier accounted for more than 10% of the costs of sales for this business line.

The table below shows the geographical breakdown of our revenues:

Revenues breakdown	2020	2019	2018
North America.....	35%	34%	31%
Europe	21%	21%	26%
Chile	14%	15%	14%
Central and South America	10%	11%	10%
Asia and Others	20%	20%	19%

We sell our specialty plant nutrition products outside Chile mainly through our own worldwide network of representative offices and through our distribution affiliates.

We maintain inventory of our specialty plant nutrients in our commercial offices in the main markets of the Americas, Asia, Europe, the Middle East and Africa in order to facilitate prompt deliveries to customers. In addition, we sell specialty plant nutrients directly to some of our large customers. Sales are made pursuant to spot purchase orders and short-term contracts.

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As part of our marketing strategy, we provide technical and agronomical assistance and support to our clients. We have specific knowledge resulting from extensive research and numerous studies conducted by our agronomical teams in close contact with producers throughout the world. The solid agronomical knowledge is key for the development of specific formulas and hydroponic and fertirrigation nutritional plans, which allows us to provide expert advice for producing crops that meet high quality standards for the most efficient markets and in the most environmentally challenging conditions.

By working closely with our customers, we are able to identify their needs for new products and a possible existence of higher-value-added markets. Our specialty plant nutrients are used on a wide variety of crops, particularly value-added crops, where the use of our products enables our customers to increase yields and achieve a premium price for their own products.

Our customers are located in both the northern and southern hemispheres. Consequently, we do not believe there are any seasonal or cyclical factors that can materially affect the sales of our specialty plant nutrients.

Specialty Plant Nutrition: Fertilizer Sales in Chile

We market specialty plant nutrients in Chile through our subsidiary Soquimich Comercial S.A. (“SQMC”).

SQMC is one of the main players in the Chilean market, offering a wide range of products developed specifically for the crops grown in the country which require specialty plant nutrients.

SQMC sells local products as well as products imported from different countries around the world.

All contracts and agreements between SQMC and its foreign suppliers of fertilizers contain standard and customary commercial terms and conditions. SQMC has been able to obtain adequate supplies of these products with good pricing conditions.

SQMC’s total sales reached US\$118 million and US\$128 million in 2020 and 2019, respectively. During 2020, no client represented more than 10% of the sales of the Company. According to the customs information related to fertilizers, the market participation of fertilizers imported directly by SQMC during 2020 was approximately 22%.

Specialty Plant Nutrition: Competition

The principal means of competition in the sale of potassium nitrate are product quality, customer service, location, logistics, agronomic expertise and price.

We believe that we are the world’s largest producer of sodium nitrate and potassium nitrate for agricultural use. Our sodium nitrate products compete indirectly with specialty and commodity substitutes, which may be used by some customers instead of sodium nitrate depending on the type of soil and crop to which the product will be applied. Such substitute products include calcium nitrate, ammonium nitrate and calcium ammonium nitrate.

In the potassium nitrate market, our largest competitor is Haifa Chemicals Ltd. (“Haifa”), in Israel, which is a subsidiary of Trans Resources International Inc. We estimate that sales of potassium nitrate by Haifa accounted for approximately 18% of total world sales during 2020 (excluding sales by Chinese producers to the domestic Chinese market). Our sales accounted for approximately 48% of global potassium nitrate sales by volume for the period.

ACF, another Chilean producer, mainly oriented to iodine production, has produced potassium nitrate from caliche ore and potassium chloride since 2005. Kemapco, a Jordanian producer owned by Arab Potash, produces potassium nitrate in a plant located close to the Port of Aqaba, Jordan. In addition, there

are several potassium nitrate producers in China, the largest of which are Yuantong and Migao. Most of the Chinese production is consumed by the Chinese domestic market.

In Chile, our products mainly compete with imported fertilizer blends that use calcium ammonium nitrate or potassium magnesium sulfate. Our specialty plant nutrients also compete indirectly with lower-priced synthetic commodity-type fertilizers such as ammonia and urea, which are produced by many producers in a highly price-competitive market. Our products compete on the basis of advantages that make them more suitable for certain applications as described above.

Iodine and its Derivatives

We believe that we are the world's largest producer of iodine. In 2020, our revenues from iodine and iodine derivatives amounted to US\$334.7 million, representing 18.4% of our total revenues in that year. We estimate that our sales accounted for approximately 28% of global iodine sales by volume in 2020.

Iodine: Market

Iodine and iodine derivatives are used in a wide range of medical, agricultural and industrial applications as well as in human and animal nutrition products. Iodine and iodine derivatives are used as raw materials or catalysts in the formulation of products such as X-ray contrast media, biocides, antiseptics and disinfectants, pharmaceutical intermediates, polarizing films for LCD and LED screens, chemicals, organic compounds and pigments. Iodine is also added in the form of potassium iodate or potassium iodide to edible salt to prevent iodine deficiency disorders.

X-ray contrast media is the leading application of iodine, accounting for approximately 23% of demand. Iodine's high atomic number and density make it ideally suited for this application, as its presence in the body can help to increase contrast between tissues, organs, and blood vessels with similar X-ray densities. Other applications include pharmaceuticals, which we believe account for 13% of demand; LCD and LED screens, 12%; iodophors and povidone-iodine, 9%; animal nutrition, 8%; fluoride derivatives, 7%; biocides, 6%; nylon, 4%; human nutrition, 4% and other applications, 14%.

During 2020, iodine demand was impacted significantly due to the economic crisis caused by Covid-19, with total global demand decreasing by approximately 9% to 33,200 metric tons. Although the decrease in demand occurred across product lines, two uses of iodine had growth compared to 2019: the use of povidone-iodine grew by 6%, and the use of iodine for human nutrition grew by 1%. It is expected that the majority of iodine applications will begin to recover demand during the course of 2021.

Iodine: Our Products

We produce iodine in our Nueva Victoria plant, near Iquique, and our Pedro de Valdivia plant, close to María Elena. We have a total effective production capacity of approximately 14,800 metric tons per year of iodine, including the Iris plant, which is located close to the Nueva Victoria plant.

Through ASG, we produce organic and inorganic iodine derivatives. ASG was established in the mid-1990s and has production plants in the United States, Chile and France. ASG is the world's leading inorganic and organic iodine derivatives producer.

Consistent with our business strategy, we are constantly working on the development of new applications for our iodine-based products, pursuing a continuing expansion of our businesses and maintaining our market leadership.

We manufacture our iodine and iodine derivatives in accordance with international quality standards and have qualified our iodine facilities and production processes under the ISO-9001:2015 program, providing

third party certification of the quality management system and international quality control standards that we have implemented.

The following table shows our total sales volumes and revenues from iodine and iodine derivatives for 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Sales volumes (<i>Th. MT</i>)			
Iodine and derivatives	9.7	12.7	13.3
Revenues (<i>in US\$ millions</i>)	334.7	371.0	325.0

Our revenues decreased to US\$334.7 million in 2020 from US\$371.0 million in 2019. This decrease was primarily attributable to lower sales volumes during 2020. Average iodine prices were more than 18.9% higher in 2020 than in 2019. Our sales volumes decreased 24.1% in 2020.

Iodine: Marketing and Customers

In 2020, we sold our iodine products in approximately 47 countries to approximately 250 customers, and most of our sales were exports. Two customers each accounted for more than 10% of our iodine revenues in 2020. These two customers accounted for approximately 42% of revenues, and our ten largest customers accounted in the aggregate for approximately 77% of revenues. No supplier accounted for more than 10% of the cost of sales of this business line.

The following table shows the geographical breakdown of our revenues:

Revenues breakdown	<u>2020</u>	<u>2019</u>	<u>2018</u>
North America	27%	24%	26%
Europe.....	42%	33%	34%
Chile	0%	0%	0%
Central and South America.....	3%	2%	2%
Asia and Others	27%	40%	37%

We sell iodine through our own worldwide network of representative offices and through our sales, support and distribution affiliates. We maintain inventories of iodine at our facilities throughout the world to facilitate prompt delivery to customers. Iodine sales are made pursuant to spot purchase orders or within the framework of supply agreements. Supply agreements generally specify annual minimum and maximum purchase commitments, and prices are adjusted periodically, according to prevailing market prices.

Iodine: Competition

The world's main iodine producers are based in Chile, Japan and the United States. Iodine is also produced in Russia, Turkmenistan, Azerbaijan, Indonesia and China.

Iodine is produced in Chile using a unique mineral known as caliche ore, whereas in Japan, the United States, Russia, Turkmenistan, Azerbaijan, and Indonesia, producers extract iodine from underground brines that are mainly obtained together with the extraction of natural gas and petroleum. In China, iodine is extracted from seaweed.

Five Chilean companies accounted for approximately 55% of total global sales of iodine in 2020, including SQM, with approximately 28%, and four other producers accounting for the remaining 27%. The other Chilean producers are Atacama Chemical S.A. (Cosayach), controlled by the Chilean holding company Inverraz S.A.; ACF Minera S.A., owned by the Chilean Urruticochea family; Algorta Norte S.A., a joint

venture between ACF Minera S.A. and Toyota Tsusho; and Atacama Minerals, which is owned by Chinese company Tewoo.

We estimate that eight Japanese iodine producers accounted for approximately 28% of global iodine sales in 2020, including recycled iodine.

We estimate that iodine producers in the United States (one of which is owned by Toyota Tsusho and another by Ise Chemicals Ltd., both of which are Japanese companies) accounted for nearly 5% of world iodine sales in 2020.

Iodine recycling is a growing trend worldwide. Several producers have recycling facilities where they recover iodine and iodine derivatives from iodine waste streams.

We estimate the 19% of the iodine supply comes from iodine recycling. Through ASG or alone, we are also actively participating in the iodine recycling business using iodinated side-streams from a variety of chemical processes in Europe and the United States.

The prices of iodine and iodine derivative products are determined by market conditions. World iodine prices vary depending upon, among other things, the relationship between supply and demand at any given time. Iodine supply varies primarily as a result of the production levels of the iodine producers (including us) and their respective business strategies. Our annual average iodine sales prices increased to approximately US\$35 per kilogram in 2020, from the average sales prices of approximately US\$29 per kilogram observed in 2019.

Demand for iodine varies depending upon overall levels of economic activity and the level of demand in the medical, pharmaceutical, industrial and other sectors that are the main users of iodine and iodine-derivative products. Certain substitutes for iodine are available for certain applications, such as antiseptics and disinfectants, which could represent a cost-effective alternative to iodine depending on prevailing prices.

The main factors of competition in the sale of iodine and iodine derivative products are reliability, price, quality, customer service and the price and availability of substitutes. We believe we have competitive advantages compared to other producers due to the size and quality of our mining reserves and the available production capacity. We believe our iodine is competitive with that produced by other manufacturers in certain advanced industrial processes. We also believe we benefit competitively from the long-term relationships we have established with our largest customers.

Lithium and its Derivatives

In 2020, our revenues from lithium sales amounted to US\$383.4 million, representing 21.1% of our total revenues. We believe we are one of the world's largest producers of lithium carbonate and lithium hydroxide, and we estimate that our sales volumes accounted for approximately 19% of the global lithium chemicals sales volumes.

Lithium: Market

The lithium market can be divided into (i) lithium minerals for direct use (in which market SQM does not participate directly), (ii) basic lithium chemicals, which include lithium carbonate and lithium hydroxide (as well as lithium chloride, from which lithium carbonate may be made), and (iii) inorganic and organic lithium derivatives, which include numerous compounds produced from basic lithium chemicals (in which market SQM does not participate directly).

Lithium carbonate and lithium hydroxide are principally used to produce the cathodes for rechargeable batteries, taking advantage of lithium's extreme electrochemical potential and low density. Batteries are

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the leading application for lithium, accounting for approximately 75% of total lithium demand, including batteries for electric vehicles, which accounted for approximately 54% of total lithium demand.

There are many other applications both for basic lithium chemicals and lithium derivatives, such as lubricating greases (approximately 5% of total lithium demand), heat-resistant glass (ceramic glass) (approximately 5% of total lithium demand), chips for the ceramics and glaze industry (approximately 2% of total lithium demand), chemicals for air conditioning (approximately 1% of total lithium demand), and many others, including pharmaceutical synthesis and metal alloys.

Lithium's main properties, which facilitate its use in this range of applications, are that it:

- is the lightest solid metal and element at room temperature;
- is low density;
- has a low coefficient of thermal expansion;
- has high electrochemical potential; and
- has a high specific heat capacity.

During 2020, lithium chemicals demand increased by approximately 6%, reaching approximately 330,000 metric tons. We expect applications related to energy storage to continue driving demand in the coming years.

Lithium: Our Products

We produce lithium carbonate at our Salar del Carmen facilities, near Antofagasta, Chile, from highly concentrated lithium chloride produced in the Salar de Atacama as a by-product of the potassium chloride production. The annual production capacity of our lithium carbonate plant at the Salar del Carmen was expanded and is now 70,000 metric tons per year. We are in the process of increasing our production capacity to 180,000 metric tons per year. We believe that the technologies we use, together with the high concentrations of lithium and the characteristics of the Salar de Atacama, such as high evaporation rate and concentration of other minerals, allow us to be one of the lowest cost producers worldwide.

We also produce lithium hydroxide at the same plant at the Salar del Carmen, next to the lithium carbonate operation. The lithium hydroxide facility has a production capacity of 13,500 metric tons per year and we are in the process of increasing this production capacity to 30,000 metric tons per year. In addition, in February 2021 our Board approved the investment for our 50% share of the development costs in the Mt. Holland lithium project in our joint venture with Wesfarmers, which we expect will have a total production capacity of 50,000 metric tons.

The following table shows our total sales volumes and revenues from lithium and its derivatives for 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Sales volumes (Th. MT)			
Lithium and derivatives	64.6	45.1	45.1
Revenues (in US\$ millions)	383.4	505.7	734.8

Our revenues in 2020 were US\$383.4 million, a 24.2% decrease from US\$505.7 million in 2019, due to lower prices during the year. The average price for 2020 was approximately 47.1% lower than the average price in 2019.

Lithium: Marketing and Customers

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In 2020, we sold our lithium products in approximately 42 countries to approximately 187 customers, and most of our sales were to customers outside of Chile. One customer accounted for more than 10% of our lithium revenues in 2020, accounting for approximately 12% of our lithium revenues. Our ten largest customers accounted in the aggregate for approximately 58% of revenues. No supplier accounted for more than 10% of the cost of sales of this business line. We make lease payments to Corfo which are associated with the sale of different products produced in the Salar de Atacama, including lithium carbonate, lithium hydroxide and potassium chloride. See Note 25.2 to our consolidated financial statements for the disclosure of lease payments made to Corfo for all periods presented.

The following table shows the geographical breakdown of our sales for 2020, 2019 and 2018:

Revenues breakdown	2020	2019	2018
North America.....	7%	9%	9%
Europe	13%	15%	14%
Chile	0%	0%	0%
Central and South America	0%	1%	0%
Asia and Others	80%	75%	76%

We sell lithium carbonate and lithium hydroxide through our own worldwide network of representative offices and through our sales, support and distribution affiliates. We maintain inventories of these products at our facilities throughout the world to facilitate prompt delivery to customers. Sales of lithium carbonate and lithium hydroxide are made pursuant to spot purchase orders or within the framework of supply agreements. Supply agreements generally specify annual minimum and maximum purchase commitments, and prices are adjusted periodically, according to prevailing market prices. In December 2020, we signed a nine-year sales contract with LG Energy Solution for up to 55,000 metric tons of lithium carbonate equivalent.

Lithium: Competition

During 2020, the main lithium brines producers were Chile, Argentina and China, while the main lithium mineral producers were Australia and China. With total sales of approximately 64,600 metric tons of lithium carbonate and lithium hydroxide, SQM's market share of lithium chemicals was approximately 19% in 2020. One of our main competitors is Albemarle Corporation ("Albemarle"), which produces lithium carbonate and lithium chloride in Chile and the United States, along with lithium derivatives in the United States, Germany, Taiwan and China, with a market share of approximately 22%. Albemarle also owns 49% of Talison Lithium Pty Ltd. ("Talison"), an Australian company, that is the largest producer of concentrated lithium minerals in the world, based in Western Australia. The remaining 51% of Talison is owned by Tianqi Lithium Corp. ("Tianqi"), a Chinese company producing basic lithium chemicals in China from concentrated lithium minerals. Talison sells a part of its concentrated lithium mineral production to the direct use market, but most of its production, representing approximately 21% of total lithium chemical demand, is converted into basic lithium chemicals in China by Tianqi and Albemarle. Currently, Tianqi is planning to begin production at its lithium hydroxide plant in Australia, which is expected to be operational during 2021. Tianqi is also a significant shareholder of ours, holding approximately 25.86% of our shares. Albemarle plans to begin production at its lithium hydroxide plant in Australia in late 2021.

Another important competitor is Livent Corporation ("Livent"), with an estimated market share of approximately 6%. Livent has production facilities in Argentina through Minera del Altiplano S.A., where it produces lithium chloride and lithium carbonate. In addition, Livent produces lithium derivatives in the United States, the United Kingdom and China. Orocobre Ltd., based in Argentina, produces lithium carbonate, with a market share of approximately 3%.

Australia is an important source of concentrated lithium minerals. Since 2018, two producers have doubled their production of concentrated mineral, which is then converted into lithium chemicals in China. One of these producers is a joint venture between Ganfeng Lithium Co. (“Ganfeng”) and Mineral Resources Ltd in the Mt. Marion project. Galaxy Resources Ltd. is another important producer with operations in Mt. Cattlin. Additionally, Pilbara Minerals (which recently acquired Altura Mining), both produce from the Pilgangoora deposit. In addition, there were at least ten other companies producing lithium in China from brines or minerals in 2020.

We believe that lithium production will continue to increase in the near future, in response to an increase in demand growth. A number of new projects to develop lithium deposits has been announced recently. Some of these projects are already in the advanced stages of development and others could materialize in the medium term.

Potassium

In 2020, our potassium chloride and potassium sulfate revenues amounted to US\$209.3 million, representing 11.5% of our total revenues and a 1.3% decrease compared to 2019, as a result of decreased average prices. We estimate that we accounted for approximately 1% of global sales of potassium chloride in 2020.

We produce potassium chloride by extracting brines from the Salar de Atacama that are rich in potassium chloride and other salts.

Potassium is one of the three macronutrients that a plant needs to develop. Although potassium does not form part of a plant’s structure, it is essential to the development of its basic functions. Potassium chloride is the most commonly used potassium-based fertilizer. It is used to fertilize crops that can tolerate relatively high levels of chloride, and to fertilize crops that are grown under conditions with sufficient rainfall or irrigation practices that prevent chloride from accumulating to excess levels in the rooting systems of the plant.

Some benefits that may be obtained through the use of potassium are:

- increased yield and quality;
- increased production of proteins;
- increased photosynthesis;
- intensified transport and storage of assimilates;
- prolonged and more intense assimilation period;
- improved water efficiency;
- regulated opening and closure of stomata; and
- synthesis of lycopene.

Potassium chloride is also an important component for our specialty plant nutrition product line, where it is used as a raw material to produce potassium nitrate.

Since 2009, our effective end product capacity has increased to over 2 million metric tons per year, granting us improved flexibility and market coverage.

Potassium: Market

During the last decade, growth in demand for potassium chloride, and for fertilizers in general, has been driven by several key factors, such as a growing world population, higher demand for protein-based diets and less arable land. All of these factors contribute to fertilizer demand growth as a result of efforts to maximize crop yields and use resources more efficiently. For the last ten years, the compound annual

growth for the global potassium chloride market was approximately 1 to 2%. We estimate that demand increased 3 million metric tons in 2020, reaching approximately 67 million metric tons.

According to studies prepared by the International Fertilizer Industry Association, cereals account for approximately 45% of world potassium consumption, including corn (14%), rice (13%) and wheat (3%). Oilseeds, predominantly soybeans and palm oil, represent approximately 16% of total potassium demand. Fruits and vegetables account for approximately 22% of world potassium demand, and sugar crops account for close to 7%.

Potassium: Our Products

Potassium chloride differs from our specialty plant nutrition products because it is a commodity fertilizer and contains chloride. We offer potassium chloride in two grades: standard and compacted. Potassium sulfate is considered a specialty fertilizer and we offer this product in soluble grades.

The following table shows our sales volumes of and revenues from potassium chloride and potassium sulfate for 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Sales volumes (Th. MT)			
Potassium chloride and potassium sulfate	726.7	597.3	831.8
Revenues (in US\$ millions)	209.3	212.2	267.5

Our revenues in 2020 were US\$209.3 million, a 1.3% decrease from US\$212.2 million in 2019, due to significantly lower prices during the year. Our sales volumes in 2020 were approximately 21.7% higher than sales volumes reported last year.

Potassium: Marketing and Customers

In 2020, we sold potassium chloride and potassium sulfate to approximately 509 customers in approximately 41 countries. No individual customer accounted for more than 10% of our revenues of potassium chloride and potassium sulfate in 2020. We estimate that our ten largest customers accounted in the aggregate for approximately 38% of such revenues. One supplier accounted for more than 10% of the cost of sales of this business line, accounting for approximately 11% of the cost of sales for the business line. We make lease payments to Corfo which are associated with the sale of different products produced in the Salar de Atacama, including lithium carbonate, lithium hydroxide and potassium chloride. See Note 24.2 to our consolidated financial statements for the disclosure of lease payments made to Corfo for all periods presented.

The following table shows the geographical breakdown of our sales for 2020, 2019 and 2018:

Revenues breakdown	<u>2020</u>	<u>2019</u>	<u>2018</u>
North America	19%	20%	19%
Europe.....	14%	13%	17%
Chile.....	11%	13%	10%
Central and South America.....	35%	31%	30%
Asia and Others.....	21%	23%	24%

Potassium: Competition

We estimate that we accounted for less than 1% of global sales of potassium chloride in 2020. Our main competitors are Nutrien, Uralkali, Belaruskali and Mosaic. We estimate that in 2020, Nutrien accounted

for approximately 19% of global sales, Belaruskali accounted for approximately 18% of global sales, Uralkali accounted for approximately 16% of global sales, and Mosaic accounted for approximately 14% of global sales.

Industrial Chemicals

In 2020, our revenues from industrial chemicals were US\$160.6 million, representing approximately 8.8% of our total revenues for that year.

In addition to producing sodium and potassium nitrate for agricultural applications, we produce different grades of these products, including prilled grades, for industrial applications. The grades differ mainly in their chemical purity. We enjoy certain operational flexibility producing industrial nitrates, because they are produced from the same process as their equivalent agricultural grades, needing only an additional step of purification. We may, with certain constraints, shift production from one grade to the other depending on market conditions. This flexibility allows us to maximize yields and to reduce commercial risk.

In addition to producing industrial nitrates, we produce, market and sell industrial-grade potassium chloride.

Industrial Chemicals: Market

Industrial sodium and potassium nitrates are used in a wide range of industrial applications, including the production of glass, ceramics, explosives, metal recycling, insulation materials, and metal treatments together with various chemical processes.

In addition, this product line has also experienced growth from the use of industrial nitrates as thermal storage in concentrated solar power plants (commonly known as “CSP”). Solar salts for this specific application contain a blend of 60% sodium nitrate and 40% potassium nitrate by weight ratio and are used as a storage and heat transfer medium. Unlike traditional photovoltaic plants, these new plants use a “thermal battery” that contains molten sodium nitrate and potassium nitrate, which store the heat collected during the day. The salts are heated up during the day, while the plants are operating under direct sunlight, and at night they release the solar energy that they have captured, allowing the plants to operate even during hours of darkness. Depending on the power plant technology, solar salts are also used as a heat transfer fluid in the plant system and thereby make CSP plants even more efficient, increasing their output and reducing the Levelized Cost of Electricity (LCOE).

We see a growing trend for the CSP application as a result of its economical long duration electricity storage. The thermal storage of CSP plants helps to improve the stabilization of the electricity grid. Like all large power generation plants, such large CSP power plants are capital intensive and require a relatively long development period.

We supply solar salts to CSP projects around the world. In 2020, we sold approximately 160,000 metric tons of solar salts to supply a CSP project in the Middle East. We expect to supply over 400,000 metric tons to this project between 2020-2022. In addition, we believe there are ten major projects currently under development worldwide that we believe we could supply between 2020-2025. As a result, we expect our sales volumes of this product to surpass 1 million metric tons during the 2020-2025 period.

We are also experiencing a growing interest in using solar salts in thermal storage solutions not related to CSP technology. Due to their proven performance, solar salts are being tested in industrial heat processes and heat waste solutions. These new applications may open new opportunities for solar salts uses in the near future.

Industrial Chemicals: Our Products

The following table shows our sales volumes of industrial chemicals and total revenues for 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Sales volumes (Th. MT)			
Industrial chemicals	225.1	123.5	135.9
Revenues (in US\$ millions)	160.6	94.9	108.3

Revenues for industrial chemicals increased to US\$160.6 million in 2020 from US\$94.9 million in 2019, as a result of higher sales volumes in this business line. Sales volumes in 2020 increased 82.3% compared to sales volumes reported last year.

Industrial Chemicals: Marketing and Customers

We sold our industrial nitrate products in approximately 54 countries in 2020 to approximately 268 customers. One customer accounted for more than 10% of our revenues of industrial chemicals in 2020, accounting for approximately 69%, and our ten largest customers accounted in the aggregate for approximately 79% of such revenues. No supplier accounted for more than 10% of the cost of sales of this business line. We make lease payments to CORFO which are associated with the sale of different products produced in the Salar de Atacama, including lithium carbonate, lithium hydroxide and potassium chloride. See Note 25.2 to our consolidated financial statements for the disclosure of lease payments made to CORFO for all periods presented.

The following table shows the geographical breakdown of our sales for 2020, 2019 and 2018:

Revenues breakdown	<u>2020</u>	<u>2019</u>	<u>2018</u>
North America	15%	29%	25%
Europe.....	7%	16%	16%
Chile.....	3%	42%	4%
Central and South America.....	3%	7%	11%
Asia and Others.....	72%	6%	43%

Our industrial chemical products are marketed mainly through our own network of offices, representatives and distributors. We maintain updated inventories of our stocks of sodium nitrate and potassium nitrate, classified according to graduation, to facilitate prompt dispatch from our warehouses. We provide support to our customers and continuously work with them to develop new products and applications for our products.

Industrial Chemicals: Competition

We believe that we are one of the world's largest producers of industrial sodium nitrate and potassium nitrate. In 2020, our estimated market share by volume for industrial potassium nitrate was 73% and for industrial sodium nitrate was 44% (excluding domestic demand in China and India).

Our competitors are mainly based in Europe and Asia, producing sodium nitrate as a by-product of other production processes. In refined grade sodium nitrate, BASF AG, a German corporation, and several producers in China and Eastern Europe are highly competitive. They produce industrial sodium nitrate as a by-product of other production processes. Our industrial sodium nitrate products also compete indirectly with substitute chemicals, including sodium carbonate, sodium sulfate, calcium nitrate and ammonium nitrate, which may be used in certain applications instead of sodium nitrate and are available from a large number of producers worldwide.

Our main competitor in the industrial potassium nitrate business is Haifa, which we estimate had a market share of 16% for 2020. We estimate that our market share was approximately 73% for 2020. Other competitors are mostly based in China.

Producers of industrial sodium nitrate and industrial potassium nitrate compete in the marketplace based on attributes such as product quality, delivery reliability, price, and customer service. Our operation offers both products at high quality and with low cost. In addition, our operation is flexible, allowing us to produce industrial or agricultural nitrates, maximizing our yields and reducing commercial risk. In addition, with certain restrictions, we are able to adapt production from one grade to another depending on market needs.

In the potassium chloride market, we are a relatively small producer, mainly focused on supplying regional needs.

Other Products

SQM also receives income from the commercialization of third-party fertilizers (specialty and commodity). These fertilizers are traded in large volumes worldwide and are used as raw material for our specialty mixes or to complement our product portfolio. We have developed commercial management, supply, flexibility and inventory management capabilities that allow us to adapt to the changing fertilizer market in which we operate and obtain profits from these transactions.

Trend Information

Our revenues decreased 6.5% to US\$1,817.2 million in 2020 from US\$1,943.7 million in 2019. Gross profit reached US\$482.9 million (26.6% of revenues) in 2020, lower than US\$560.1 million (28.8% of revenues) recorded in 2019. Profit attributable to controlling interests decreased 40.8% to US\$164.5 million in 2020 from US\$278.1 million in 2019.

In January 2020 the World Health Organization deemed COVID-19 a global pandemic. In March 2020, the Chilean Ministry of Health (Ministerio de Salud) declared a nationwide State of Emergency. In response to the spread of COVID-19, the Chilean government has closed its borders for entry by non-resident foreigners for a specified period of time, prohibited the docking of cruise ships at Chilean ports, imposed quarantines on certain neighborhoods of the capital of Santiago and other cities and imposed a nationwide curfew. These measures have not impacted imports or exports to or from Chile. However, while we did see some impacts related to the shipment of products in and out of various other countries and regions, particularly in the first half of 2020 with the information available today, we believe impacts related to operations and demand on our products will be minimally impacted by COVID-19 in 2021.

Our Board and management continue to constantly monitor the situation and the potential impact that this unprecedented event could have on SQM. As a precaution, our management has implemented several measures to help reduce the spread COVID-19 at SQM, including the following measures to mitigate the spread in the workplace: (i) flexible working day together with the incentive to work from home in those cases where this is possible, (ii) avoidance of crowds, seminars and large meetings in the Company's offices and operating facilities, (iii) strengthening of personal hygiene protocols (use of hand sanitizer, masks, etc.) and sanitation in plants, cafeterias and offices, and (iv) significant reductions in domestic and international travel, along with mandatory quarantines for people who have arrived from high risk destinations. We will continue to implement measures consistent with the evolving COVID-19 situation, with reference to governmental and international health organization guidelines.

Revenues from lithium and derivatives totaled US\$383.4 million during 2020, a decrease of 24.2% compared to the US\$505.7 million in 2019. During 2020, our sales volumes were 43% higher than sales

3) DESCRIPTION OF BUSINESS ENVIRONMENT

volumes reported in 2019. This was in line with our strategy to increase our market participation in an effort to expand and maintain our relationship with important customers in the lithium market.

During 2020, we believe total lithium market demand reached approximately 330,000 metric tons, a 6% growth compared to 2019, but lower than demand growth originally expected as a result of COVID-19. However, we believe that market demand during the second half of the year was significantly higher than market demand in the second half of 2019, mostly related to growth of electric vehicle sales volumes. We believe that electric vehicle sales growth during 2020 increased over 40% when compared to 2019, and this growth reached approximately 120% during the fourth quarter 2020 when compared to the same period in 2019. We expect this momentum to continue into 2021 and believe that lithium demand growth will reach almost 25% in 2021, and ultimately reach between 900,000 to 1 million metric tons in 2025. Given these strong market growth indicators, our installed capacity and the quality of our production, we believe that our 2021 sales volumes will increase, reaching more than 80,000 metric tons for the year.

During the fourth quarter of 2020, our average price reached just over US\$5,300/metric ton, similar to the average price seen during the third quarter of the same year. We believe that this could be the bottom of the decreasing pricing trend and that we could see higher prices during the first half of 2021.

We remain particularly optimistic about the long-term growth of the lithium market. For this reason, we expect to increase our lithium carbonate and lithium hydroxide capacity significantly in the coming year. We expect our installed capacity of lithium carbonate and lithium hydroxide in Chile to reach approximately 180,000 and 30,000 metric tons by the end of 2023. In addition, in February 2021 our Board approved the investment for our 50% share of the development costs in the Mt. Holland lithium project, our 50/50 joint venture with Wesfarmers, which we expect will have an initial production capacity of 50,000 metric tons of battery grade lithium hydroxide.

Revenues from sales of iodine and derivatives during 2020 were US\$334.7 million, a decrease of 9.8% compared to US\$371.0 million generated in 2019. Our sales volumes in the iodine business line decreased 24% in 2020, but we saw prices remain stable throughout the year, hovering around US\$35/kilogram. Average prices in 2020 were 19% higher than the average prices seen in 2019.

Iodine and derivative market growth is particularly sensitive to the trends in the medical industry, specifically X-ray contrast media, the pharmaceutical industry and the LCD polarizing market. As a result of the spread of COVID-19, non-essential medical services declined during 2020, and we saw demand related to these important markets decrease, leading to a total market decrease of about 9% when comparing 2020 to 2019. We believe we will see a significant recovery during 2021 as the impact of the pandemic fades away, mostly led by the X-ray contrast media, LCD and pharmaceutical markets and we hope to increase market share during the year. We have announced plans to increase our capacity in this business line to ensure that we have appropriate capacity available to meet future demand needs.

Revenues from the SPN business line in 2020 totaled US\$701.7 million, a decrease of 3.1% compared to \$723.9 million reported in 2019. Our sales volumes in the specialty plant nutrition business line in 2020 were similar to sales volumes reported during 2019, decreasing slightly by 0.5%. Average prices in this business lines decreased approximately 3% in 2020 when compared to 2019. In the potassium nitrate market, demand growth was approximately 5% in 2020. We believe that this market growth was not impacted significantly because the fertilizer industry in some geographical markets was deemed an essential industry during the COVID-19 outbreak. In 2021, we expect to see similar demand growth. We analyze the potassium nitrate market by assessing, among other things, arable land availability, global crop production, and localized irrigation rates. As an integrated producer of potassium chloride and potassium nitrate, the higher prices of potassium chloride we are seeing in the market should not have a significant impact on our production cost, while at the same time, our consolidated distribution network should help insulate us from some of the higher cost of transportation we are seeing in the market. Consequently, even

though we believe we are the lowest cost producer in this market, we believe our competitive position in this market should be stronger in 2021.

Potassium chloride and potassium sulfate revenues for 2020 totaled US\$209.3 million, a 1.3% decrease compared to the US\$212.2 million reported in 2019. Revenues in this business line during 2020 were impacted by lower average prices when compared to 2019, which were not offset by the higher sales volumes in the business line. We believe that the potassium chloride market surpassed 67 million metric tons in 2020, an increase of approximately 3 million metric tons compared to 2019. Average prices for potassium chloride during the fourth quarter of 2020 were about US\$244/metric ton, flat when compared to the third quarter of 2020. During the first two months of 2021 we have seen higher prices, letting us believe we will see higher prices throughout the rest of the year given the demand growth expected for 2021.

In October 2020, we announced our Sustainable Development Plan, which included voluntarily expanding our monitoring systems, promoting better and more profound conversations with neighboring communities and becoming carbon neutral and reducing water use by 65% and brine extraction by 50%. The reduction of brine extraction described above will not have an impact on our capacity to produce potassium salts to feed our potassium nitrate production in Coya Sur. However, it will have an impact on our sales volumes available to third parties, gradually decreasing them year by year. Although in the first years of brine extraction we expect to see a minor impact on the Company's gross margin (as a result of accumulated inventories among other factors), the average impact over the next ten years on the gross margin will be between US\$25 million and US\$30 million per year due to lower volumes of potassium chloride available for sale.

Industrial chemicals revenues in 2020 reached US\$160.6 million, a 69.3% increase compared to US\$94.9 million in 2019. Our sales volumes in the industrial chemicals product line increased 82% in 2020 compared to 2019, as a result of higher sales volumes of solar salts. Our solar salt sales volumes were up over 230% in 2020 when compared to 2019 reaching 160,000 metric tons. We expect industrial chemical sales volumes in 2021 will increase again when compared to 2020, as we continue the delivery of almost 200,000 metric tons of solar salts in 2021 for a project requiring over 400,000 metric tons.

Production Process

Our integrated production process can be classified according to our natural resources:

- caliche ore deposits, which contain nitrates, iodine and potassium; and
- brines from the Salar de Atacama, which contain potassium, lithium, sulfate, boron and magnesium.

Caliche Ore Deposits

Caliche ore deposits are located in the First and Second Regions in northern Chile. During 2020, our mining operations concentrated in the First Region where we mainly worked in the mining sector Tente en el Aire and in the mining sectors Nueva Victoria Oeste, Norte and Sur. The Second Region mining operations at the Pampa Blanca site, the El Toco mine (which is part of the María Elena site) and the Pedro de Valdivia site were suspended in March 2010, November 2013 and November 2015, respectively, in an effort to optimize our production facilities with lower production costs.

Caliche ore is found under a layer of barren overburden in seams with variable thickness from twenty centimeters to four meters, and with the overburden varying in thickness between half a meter and two meters.

Before proper mining begins, the exploration stage is carried out, including complete geological reconnaissance, sampling and drilling caliche ore to determine the quality and characteristics of each deposit. Drill-hole samples are properly identified and tested at our chemical laboratories. With the exploration information on a closed grid pattern of drill holes, the ore evaluation stage provides information for mine planning purposes. Mine planning is done on a long-term basis (ten years), medium-term basis (three to five years) and short-term basis (one year). Once all of this information has been compiled, detailed planning for the exploitation of the mine takes place.

The mining process generally begins with bulldozers first removing the overburden in the mining area. This process is followed by an inspection and review of the drill holes before production drilling and blasting occurs to break the caliche seams. Front-end loaders and bulldozers load the ore onto off-road trucks, which take it to the leaching heaps to be processed.

During 2020, SQM continued working with mining equipment to replace the drilling and blasting process for mining some of the caliche ore and obtaining a smaller ore size (under 6 ½ inches) that allows a better metallurgical recovery.

The run of mine ore is loaded in heaps and leached with water to produce concentrated solutions containing iodine, nitrate and potassium. These solutions are then sent to plants where iodine is extracted through both solvent-extraction and blow out processes. The remaining solutions are subsequently sent to solar evaporation ponds where the solutions are evaporated and salts rich in nitrate and potassium are produced. These concentrated salts are then sent to Coya Sur where they are used to produce potassium nitrate.

During 2020, the Pedro de Valdivia site generated solutions produced by leaching the mine tailings. These solutions are treated at the iodide plant at Pedro de Valdivia. After iodide is obtained, the remaining solutions, which are rich in nitrate and potassium, are sent to the solar evaporation ponds at Coya Sur in order to be used in the production of potassium nitrate.

Caliche Ore-Derived Products

Caliche ore-derived products are sodium nitrate, potassium nitrate, sodium potassium nitrate and iodine.

Sodium Nitrate

During 2020, sodium nitrate for both agricultural and industrial applications was produced from nitrate salts from our mining operations at Sur Viejo and fed to our new crystallization plant located in Coya Sur, which began operating in December 2019. Crystallized sodium nitrate is an intermediate product that is subsequently processed further at the Coya Sur production plants to produce sodium nitrate and sodium potassium nitrate in different chemical and physical forms, including crystallized and prilled products. Finally, the products are transported by truck to our port facilities in Tocopilla for shipping to customers and distributors worldwide.

Potassium Nitrate

Potassium nitrate is produced at our Coya Sur facility using a production process developed in-house. The brines generated by the leaching process at Pedro de Valdivia are pumped to Coya Sur's solar evaporation ponds for a nitrate concentration process. After the nitrate concentration process, the brine is pumped to a conversion plant where potassium salts from the Salar de Atacama and nitrate and potassium salts produced at Nueva Victoria or Coya Sur are added. A chemical reaction begins, transforming sodium nitrate into potassium nitrate and discarding formed sodium chloride. This brine is pumped to a crystallization plant, which crystallizes the potassium nitrate by cooling it at atmospheric pressure and separating it from the liquid by centrifuge.

Our current potassium nitrate production capacity at Coya Sur is approximately 1,300,000 metric tons per year. During 2020, we worked on several initiatives to improve productivity, including the commencement of the construction of a new magnesium abatement plant in Sur Viejo which will allow for high content potassium nitrate salt recovery from potassium salts from the Salar de Atacama. This plant will begin the commissioning process in mid-2021. We also began the removal of magnesium in nitrates from Pedro de Valdivia by using high sulfate salts from Pampa Blanca that allow for improved nitrate recovery during the evaporation ponds process.

The potassium nitrate produced at Coya Sur is transported to Tocopilla for shipping and delivery to customers and distributors. All potassium nitrate produced in crystallized or prilled form at Coya Sur has been certified by TÜV-Rheinland under the quality standard ISO 9001:2015.

Sodium Potassium Nitrate

Sodium potassium nitrate is a mixture of approximately two parts sodium nitrate per one part potassium nitrate. We produce sodium potassium nitrate at our Coya Sur prilling facilities using standard, non-patented production methods we have developed. Crystallized sodium nitrate is supplied together with the crystallized potassium nitrate to the prilling plant where it is mixed producing sodium potassium nitrate, which is then melted and prilled. The prilled sodium potassium nitrate is transported to Tocopilla for bulk shipment to customers.

The production process for sodium potassium nitrate is basically the same as that for sodium nitrate and potassium nitrate. With certain production restraints and following market conditions, we may supply sodium nitrate, potassium nitrate or sodium potassium nitrate, either in prilled or crystallized form.

The sodium potassium nitrate produced at Coya Sur is transported to Tocopilla for shipping and delivery to customers and distributors.

Iodine and Iodine Derivatives

During 2020, we produced iodine at our facilities at Nueva Victoria (including the Iris facility) and Pedro de Valdivia. Iodine is extracted from solutions produced by leaching caliche ore.

As in the case of nitrates, the process of extracting iodine from the caliche ore is well established, but variations in the iodine and other chemical contents of the treated ore and other operating parameters require a high level of know-how to manage the process effectively and efficiently.

The solutions resulting from the leaching of caliche ore carry iodine in iodate form. Part of the iodate solution is reduced to iodide using sulfur dioxide, which is produced by burning sulfur. The resulting iodide is combined with the rest of the untreated iodate solution to release elemental iodine in low concentrations. The iodine is then extracted from the aqueous solutions and concentrated in iodide form using a solvent extraction and stripping plant in the Pedro de Valdivia and Nueva Victoria facilities and using a blow out plant in the Iris facility. The concentrated iodide is oxidized to metallic iodine, which is then refined through a smelting process and prilled. We have obtained patents in the United States and Chile (Chilean patent number 47,080) for our iodine prilling process.

Prilled iodine is tested for quality control purposes, using international standard procedures that we have implemented. It is then packed in 20 to 50-kilogram drums or 350-to-700-kilogram maxi bags and transported by truck to Antofagasta, Mejillones, or Iquique for export. Our iodine and iodine derivatives production facilities have qualified under the ISO 9001:2015 program, providing third-party certification—by TÜV-Rheinland—of the quality management system. The last recertification process was approved in November 2020.

Our total iodine production in 2020 was 12,118 metric tons: 9,362 metric tons from Nueva Victoria, 1,250 metric tons from Iris, and 1,506 metric tons from Pedro de Valdivia. Nueva Victoria is also equipped to toll iodine from iodide delivered from our other facilities. We have the flexibility to adjust our production according to market conditions. Following the production facility restructuring at Pedro de Valdivia and Nueva Victoria, along with the ramp-up of our new iodide plant in Nueva Victoria, our total current effective production capacity at our iodine production plants is approximately 14,800 metric tons per year. During 2020, we continued the development of the Tente en el Aire project, progressing with making necessary environmental notices and obtaining permits required by governmental authorities. This project expects to incorporate the use of 900 liters per second of seawater, increasing the mine area by more than 40,000 hectares and allowing for increased production in the project's first stage of 3,000 tons of iodine and 250,000 tons of nitrate salts.

We use a portion of the iodine we produce to manufacture inorganic iodine derivatives, which are intermediate products used for manufacturing agricultural and nutritional applications, at facilities located near Santiago, Chile. We also produce inorganic and organic iodine derivative products together with Ajay, which purchases iodine from us. In the past, we have primarily sold our iodine derivative products in South America, Africa and Asia, while Ajay and its affiliates have primarily sold their iodine derivative products in North America and Europe.

In September 2010, the Chilean Environmental Evaluation Service approved the environmental study of our Pampa Hermosa project in the Tarapacá Region of Chile. This environmental permit allows for an increase in the production capacity of our Nueva Victoria operations to 11,000 metric tons of iodine per year and to produce up to 1.2 million metric tons of crystallized nitrates, mine up to 37 million metric tons of caliche per year and use new water rights of up to 665.7 liters per second. In Iris, we are approved for 2,000 metric tons of iodine production per year, with an annual extraction of caliche ore up to 6.48 million metric tons per year. In recent years, we have made investments in order to increase the water capacity in the Nueva Victoria operations from two water sources approved by the environmental study of Pampa Hermosa, expand the capacity of solar evaporation ponds, and implement new areas of mining and collection of solutions. Our current production capacity at Nueva Victoria is approximately 13,000 metric tons per year of iodine (including the Iris operations) and 1,000,000 metric tons per year of nitrates. Additional expansions may be implemented from time to time in the future, depending on market conditions.

Salar de Atacama Brine Deposits

The Salar de Atacama, located approximately 210 kilometers east of Antofagasta, is a salt-encrusted depression in the Atacama Desert, within which lies an underground deposit of brines contained in porous sodium chloride rock fed by an underground inflow from the Andes mountains, which is the result of millions of years of climatic and tectonic impacts. Brines are pumped from depths of 15 to 150 meters below surface, through a field of wells that are located in the Salar de Atacama, distributed in areas authorized for exploitation, and which contain relatively high concentrations of potassium, lithium, sulfates, boron and other minerals.

The brines are estimated to cover a surface of approximately 2,800 square kilometers and contain commercially exploitable deposits of potassium, lithium, sulfates and boron. Concentrations vary at different locations throughout the Salar de Atacama. Our mining exploitation rights to the Salar de Atacama are pursuant to the Lease Agreement, which expires in 2030. The Lease Agreement, as amended in January 2018, permits the CCHEN to establish a total accumulated production and sales limit of up to 349,553 metric tons of lithium metallic equivalent (1,860,670 tons of lithium carbonate equivalent), which is in addition to the approximately 64,816 metric tons of lithium metallic equivalent (345,015 tons of lithium carbonate equivalent) remaining from the originally authorized amount.

For the year ended December 31, 2020, revenues related to products originating from the Salar de Atacama represented 33% of our consolidated revenues, consisting of revenues from our potassium business line and our lithium and derivatives business line for the period. All of our products originating from the Salar de Atacama are derived from our extraction operations under the Lease Agreement. As of December 31, 2020, only 10 years remain on the term of the Lease Agreement.

Products Derived from the Salar de Atacama Brines

The products derived from the Salar de Atacama brines are potassium chloride, potassium sulfate, lithium carbonate, lithium hydroxide, lithium chloride, lithium sulfate, boric acid and bischofite (magnesium chloride).

Potassium Chloride

We use potassium chloride in the production of potassium nitrate. Production of our own supplies of potassium chloride provides us with substantial raw material cost savings. We also sell potassium chloride to third parties, primarily as a commodity fertilizer.

In order to produce potassium chloride, brines from the Salar de Atacama are pumped to solar evaporation ponds. Evaporation of the water contained in the brine, results in a crystallized mixture of salts with various content levels of potassium, sodium and magnesium. In the first stage of the evaporation process, sodium chloride salts (halite) precipitate, they are then harvested and removed; these salts are not used in the production process of other products. In the second stage of the evaporation process, the remaining brine from the first stage is transferred to other evaporation ponds where potassium chloride salts together with sodium chloride (silvinite) precipitate, these salts are harvested and then sent for treatment at one of the wet potassium chloride plants where potassium chloride is separated by a grinding, flotation, and filtering process. In the final evaporation stage, salts containing magnesium are harvested and eventually can be treated at one of the cold leach plants where magnesium is removed. Part of the potassium chloride is transported approximately 300 kilometers to our Coya Sur facilities via a dedicated truck transport system, where it is used in the production of potassium nitrate. The use of potassium chloride salts as a raw material in Coya Sur allows us to capture significant savings, as it allows us to use potassium salts with different qualities and to avoid buying and importing potassium chloride from external sources.

The remainder of the potassium chloride produced at the Salar de Atacama is shipped to our port in Tocopilla in either crystalized (standard) or granular (compacted) form and then shipped and sold as a commodity fertilizer to third parties. All of our potassium-related plants in the Salar de Atacama currently have a nominal production capacity of up to 2.6 million metric tons per year. Actual production capacity depends on volume, metallurgical recovery rates quality of the salts used in the process and quality of the mining resources pumped from the Salar de Atacama.

The brine that remain in the evaporation pond system after removal of the sodium chloride and potassium chloride generates a concentrated lithium chloride solution, which is used to produce lithium carbonate (as described below) and generates salts rich in magnesium chloride (bischofite) as a by-product.

Lithium Chloride Solution and Lithium Carbonate

After the production of potassium chloride, a portion of the solutions remaining is sent to additional solar concentration ponds adjacent to the potassium concentration ponds. At this stage, the solution is purified and concentrated by precipitation to remove impurities it may still contain, including calcium, sulfate, potassium, sodium and magnesium, reaching a lithium concentration level of approximately 6%. Next is the process of concentration and purification of the remaining concentrated solution of lithium chloride, which is transported by truck to the Salar del Carmen production facility located near Antofagasta, approximately 195 kilometers southeast of the Salar de Atacama. At this plant, the solution is further

purified and treated with sodium carbonate to produce lithium carbonate, which is dried and then, if necessary, compacted and finally packaged for shipment to customers.

The production capacity of our lithium carbonate facility since the end of 2019 has been 70,000 metric tons per year. We are now expanding lithium carbonate capacity to reach 120,000 metric tons per year during 2021.

Future production will depend on the actual volumes and quality of the lithium solutions sent by the Salar de Atacama operations, as well as prevailing market conditions. Our future production will also be subject to the extraction limit described in the Lease Agreement mentioned above.

Our lithium carbonate production quality assurance program has been certified by TÜV-Rheinland under ISO 9001:2015 since September 2018.

Lithium Hydroxide

Lithium carbonate is sold to customers, and we also use it as a raw material for our lithium hydroxide production, which started operations at the end of 2005. We currently have two lithium hydroxide plants, one of which entered into operations at the end of 2018, and a total production capacity of 13,500 metric tons per year. These plants are located in the Salar del Carmen, adjacent to our lithium carbonate operations. In the production process, lithium carbonate is reacted with a lime solution to produce lithium hydroxide brine and calcium carbonate salt, which is filtered and piled in reservoirs. The lithium hydroxide solution is evaporated in a multi-effect evaporator and crystallized to produce the lithium hydroxide, which is filtered, dried and packaged for shipment to customers.

During 2019 and 2020, we moved forward on an expansion plan which will allow us to produce an additional 8,000 metric tons per year of lithium hydroxide, reaching a total capacity of 21,500 metric tons per year. We believe this capacity level will be reached by the end of 2021.

Our lithium hydroxide production quality assurance program has been certified by TÜV-Rheinland under ISO 9001:2015 since September 2018.

Potassium Sulfate and Boric Acid

Approximately 12 kilometers northeast of the potassium chloride facilities at the Salar de Atacama, we use the brines from the Salar de Atacama to produce potassium sulfate, potassium chloride (as a by-product of the potassium sulfate process) and, depending on market conditions, boric acid. The plant is located in an area of the Salar de Atacama where high sulfate and potassium concentrations are found in the brines to produce potassium sulfate. The brine is pumped to solar evaporation ponds, where sodium chloride salts are precipitated, harvested and put into piles. After further evaporation, the sulfate and potassium salts precipitate in different concentrations and are harvested and sent for processing to the potassium sulfate plant. Potassium sulfate is produced using flotation, concentration and reaction processes, after which it is crystallized, filtered, dried, classified and packaged for shipment.

Production capacity for the potassium sulfate plant is approximately 340,000 metric tons per year, of which approximately 95,000 metric tons correspond to potassium chloride obtained as a byproduct of the potassium sulfate process. This capacity is part of the total nominal plant capacity of 2.6 million metric tons per year. In our dual plant complex, we may switch, to some extent, between potassium chloride and potassium sulfate production. Part of the pond system in this area is also used to process potassium chloride brines extracted from the low sulfate concentration areas found in the Salar de Atacama. Depending on the conditions for the optimization of the deposit operation and/or market conditions, potassium sulfate production can be modified to produce potassium chloride.

The principal by-products of the production of potassium sulfate are: (i) non-commercial sodium chloride, which is deposited at sites near the production facility and (ii) remaining solutions, which are re-injected into the Salar de Atacama or returned to the evaporation ponds. The principal by-products of the boric acid production process are remaining solutions that are treated with sodium carbonate to neutralize acidity and then are reinjected into the Salar de Atacama.

Raw Materials

The main raw material that we require in the production of nitrate and iodine is caliche ore, which is obtained from our surface mines. The main raw material in the production of potassium chloride, lithium carbonate and potassium sulfate is the brine extracted from our operations at the Salar de Atacama.

Other important raw materials are sodium carbonate (used for lithium carbonate production and for the neutralization of iodine solutions), sulfuric acid, kerosene, anti-caking and anti-dust agents, ammonium nitrate (used for the preparation of explosives in the mining operations), woven bags for packaging our final products, electricity acquired from electric utilities companies, and liquefied natural gas and fuel oil for heat generation. Our raw material costs (excluding caliche ore and salar brines and including energy) represented approximately 16% of our cost of sales in 2020.

Since 2017, we have been connected to the central grid, which supplies electricity to the majority of cities and industries in Chile. We have several electricity supply agreements signed with major producers in Chile, which are within the contract terms. Our electricity needs are primarily covered by the Electrical Energy Supply Agreement that we entered into with AES Gener S.A. on December 31, 2012. Pursuant to the terms of the Electrical Energy Supply Agreement, we are required to purchase an amount of electricity that exceeds the amount that we estimate we will need for our operations. The excess amount is sold at marginal cost, which could result in a material loss for us.

For our supply of liquefied natural gas, we maintain a five-year contract with Engie, which was executed in 2019. In addition, we have a supply of liquefied petroleum gas (LPG) from Lipigas in the Salar del Carmen and the Salar de Atacama.

We obtain ammonium nitrate, sulfuric acid, kerosene and soda ash from several large suppliers, mainly in Chile and the United States, under long-term contracts or general agreements, some of which contain provisions for annual revisions of prices, quantities and deliveries. Diesel fuel is obtained under contracts that provide fuel at international market prices.

We believe that all of our contracts and agreements with third-party suppliers with respect to our main raw materials contain standard and customary commercial terms and conditions.

Water Supply

We hold water rights for the supply of surface and subterranean water near our production facilities. The main sources of water for our nitrate and iodine facilities at Pedro de Valdivia, María Elena and Coya Sur are the Loa and San Salvador rivers, which run near our production facilities. Water for our Nueva Victoria and Salar de Atacama facilities is obtained from wells near the production facilities. In addition, we buy water from third parties for our production processes at the Salar del Carmen lithium carbonate and lithium hydroxide plants, and we also purchase potable water from local utility companies. We have not experienced significant difficulties obtaining the necessary water to conduct our operations.

Research and Development, Patents and Licenses, etc.

One of the main objectives of our research and development team is to develop new processes and products in order to maximize the returns obtained from the resources that we exploit. Our research is performed

by three different units, whose research topics cover all of the processes involved in the production of our products, including chemical process design, phase chemistry, chemical analysis methodologies and physical properties of finished products.

Our research and development policy emphasizes the following: (i) optimizing current processes in order to decrease costs and improve product quality through the implementation of new technology, (ii) developing higher-margin products from current products through vertical integration or different product specifications, (iii) adding value to inventories and (iv) using renewable energy in our processes.

Our research and development activities have been instrumental in improving our production processes and developing new value-added products. As a result, new methods of extraction, crystallization and finishing products have been developed. Technological advances in recent years have enabled us to improve process efficiency for the nitrate, potassium and lithium operations, improve the physical quality of our prilled products and reduce dust emissions and caking by applying specially designed additives to our products handled in bulk. Our research and development efforts have also resulted in new, value-added markets for our products. One example is the use of sodium nitrate and potassium nitrate as thermal storage in solar power plants.

We have patented several production processes for nitrate, iodine and lithium products. These patents have been filed mainly in the United States, Chile and in other countries when necessary. The patents used in our production processes include Chilean patent No. 47,080 for iodine (production of spherical granules of chemicals that sublime) and Japanese patent No. 4,889,848 for nitrates (granular fertilizers).

Licenses, Franchises, and Royalties

We do not have contracts that give rise to an obligation for the Company to make payments for licenses, franchises or royalties in any of our business lines, other than payments provided for in the Royalty Law.

We have subscribed purchase option contracts for mining concessions such that, in the event that third parties exercise the respective option, we have the right to receive royalty payments as a result of the exploitation of such concessions.

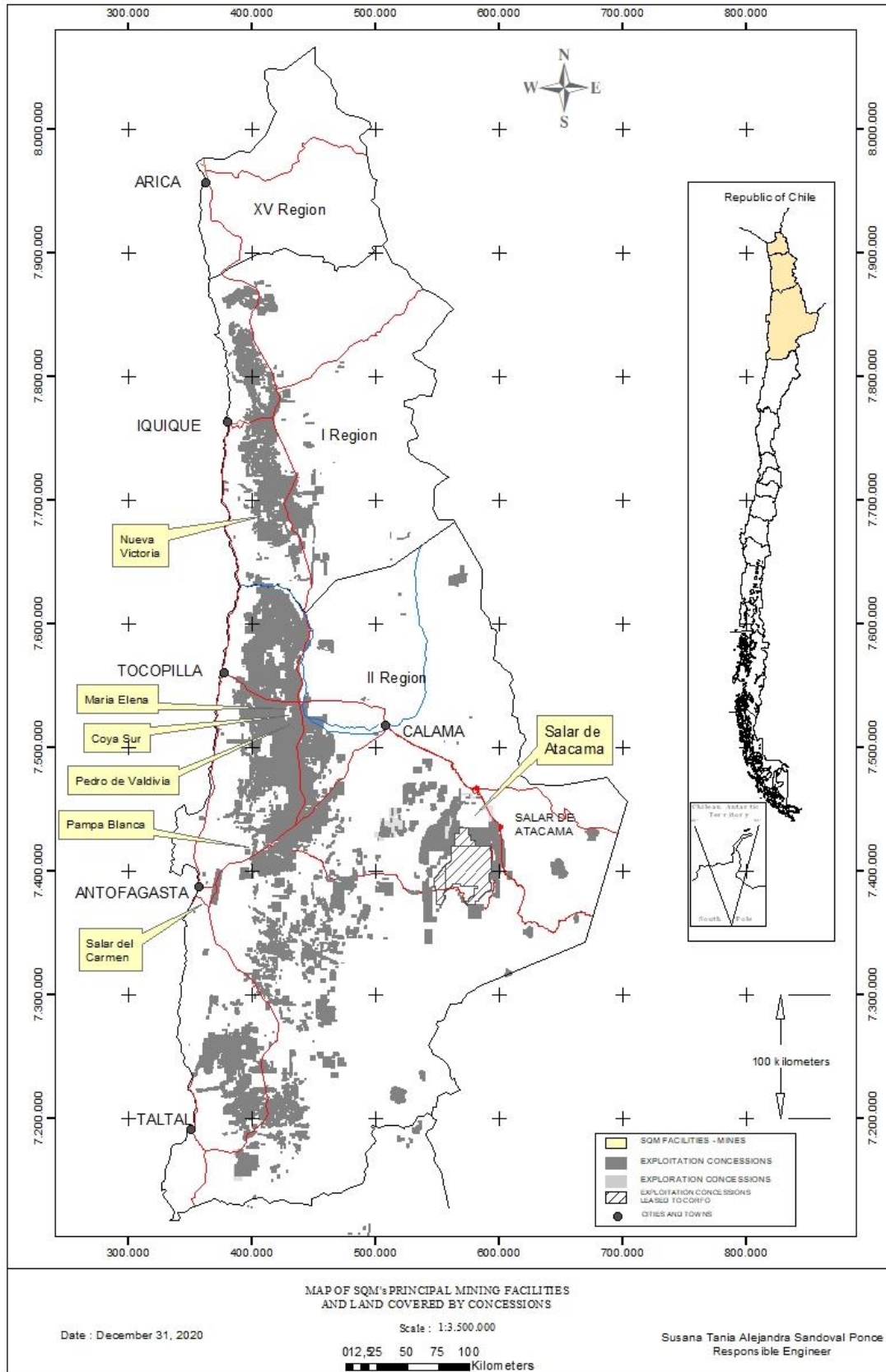
See section 3) D) Description of Business Environment: Property and Facilities for information about our concessions.

3) D) DESCRIPTION OF BUSINESS ENVIRONMENT: PROPERTY AND FACILITIES

We carry out our operations through the use of mining rights, production facilities and transportation and storage facilities. Discussion of our mining rights is organized below according to the geographic location of our mining operations. Our caliche ore mining interests are located throughout the valley of the Tarapacá and Antofagasta regions of northern Chile (in a part of the country known as “el Norte Grande”). From caliche ore, we produce products based on nitrates and iodine, and caliche also contains concentrations of potassium. Our mining interests in the brine deposits of the Salar de Atacama are found within the Atacama Desert, in the eastern region of el Norte Grande. From these brines we produce products based on potassium, sulfate, lithium and boron.

The map below shows the location of our principal mining operations and the exploitation and exploration mining concessions that have been granted to us, as well as the mining properties that we lease from Corfo:

3) DESCRIPTION OF BUSINESS ENVIRONMENT



Mining Concessions

Mining Concessions for the Exploration and Exploitation of Caliche Ore Mining Resources

We hold our mining rights pursuant to mining concessions for exploration and exploitation of mining resources that have been granted pursuant to applicable law in Chile:

- (1) “Mining Exploitation Concessions”: entitle us to use the land in order to exploit the mineral resources contained therein on a perpetual basis, subject to annual payments to the Chilean government.
- (2) “Mining Exploration Concessions”: entitle us to use the land in order to explore for and verify the existence of mineral resources for a period of two years, at the expiration of which the concession may be extended one time only for two additional years, if the area covered by the concession is reduced by half. We may alternatively request an exploitation concession in respect of the area covered by the original exploration concession, which must be made within the timeframe established by the original exploration concession.

A Mining Exploration Concession is generally obtained for purposes of evaluating the mineral resources in a defined area. If the holder of the Mining Exploration Concession determines that the area does not contain commercially exploitable mineral resources, the Mining Exploration Concession is usually allowed to lapse. An application also can be made for a Mining Exploitation Concession without first having obtained a Mining Exploration Concession for the area involved.

As of December 31, 2020, the surface area covered by Mining Exploitation Concessions that have been granted in relation to the caliche resources of our mining sites is approximately 558,562 hectares. In addition, as of December 31, 2020, the surface area covered by Mining Exploration Concessions in relation to the caliche resources of our mining sites is approximately 400 hectares. We have not requested additional mining rights.

Mining Concessions for the Exploitation of Brines at the Salar de Atacama

As of December 31, 2020, our subsidiary SQM Salar held exclusive rights to exploit the mineral resources in an area covering approximately 140,000 hectares of land in the Salar de Atacama in northern Chile, of which SQM Salar is only entitled to exploit the mineral resources in 81,920 hectares. These rights are owned by Corfo and leased to SQM Salar pursuant to the Lease Agreement. Corfo cannot unilaterally amend the Lease Agreement, and the rights to exploit the resources cannot be transferred. The Lease Agreement provides for SQM Salar to (i) make quarterly lease payments to Corfo based on product sales from leased mining properties and annual contributions to research and development, to local communities, to the Antofagasta Regional Government and to the municipalities of San Pedro de Atacama, María Elena and Antofagasta, (ii) maintain Corfo’s rights over the Mining Exploitation Concessions and (iii) make annual payments to the Chilean government for such concession rights. The Lease Agreement was entered into in 1993 and expires on December 31, 2030.

Under the terms of the Project Agreement, Corfo has agreed that it will not permit any other person to explore, exploit or mine any mineral resources in the approximately 140,000 hectares area of the Salar de Atacama mentioned above. The Project Agreement expires on December 31, 2030. The Project Agreement expires on December 31, 2030.

SQM Salar holds an additional 239,942 hectares of constituted Mining Exploitation Concessions in areas near the Salar de Atacama, which correspond to mining reserves that have not been exploited. SQM Salar

also holds Mining Exploitation Concessions that are in the process of being granted covering 1,430 hectares in areas near the Salar de Atacama.

In addition, as of December 31, 2020, SQM Salar held Mining Exploration Concessions covering approximately 8,200 hectares and had applied for additional Mining Exploration Concessions of approximately 8,700 hectares. Exploration rights are valid for a period of two years, after which we can (i) request a Mining Exploitation Concession for the land, (ii) request an extension of the Mining Exploration Concession for an additional two years (the extension only applies to a reduced surface area equal to 50% of the initial area) or (iii) allow the concession to expire.

According to the terms of the Lease Agreement, with respect to lithium production, the CCHEN established a total accumulated extraction limit set as amended by the Corfo Arbitration Agreement in January 2018, up to 349,553 metric tons of lithium metallic equivalent (1,860,670 tons of lithium carbonate equivalent), which is in addition to the approximately 64,816 metric tons of lithium metallic equivalent (345,015 tons of lithium carbonate equivalent) remaining from the originally authorized amount in the aggregate for all periods while the Lease Agreement is in force. As of December 31, 2020, only 10 years remain on the term of the Lease Agreement.

Concessions Generally

As of December 31, 2020, approximately 98% of SQM's mining interests were held pursuant to Mining Exploitation Concessions and 1% pursuant to Mining Exploration Concessions. Of the Mining Exploitation Concessions, approximately 97% already have been granted pursuant to applicable Chilean law, and approximately 3% are in the process of being granted. Of the Mining Exploration Concessions, approximately 8% already have been granted pursuant to applicable Chilean law, and approximately 19% are in the process of being granted.

In 2020, we made payments of US\$6.5 million to the Chilean government for Mining Exploration and Exploitation Concessions, including the concessions we lease from Corfo. These payments do not include the payments we made directly to Corfo pursuant to the Lease Agreement, according to the percentages of the sales price of products produced using brines from the Salar de Atacama.

The following table shows the Mining Exploitation and Exploration Concessions held by SQM, including the mining properties we lease from Corfo, as of December 31, 2020:

Region of Chile	Exploitation Concessions		Exploration Concessions		Total	
	Total Number	Hectares	Total Number	Hectares	Total Number	Hectares
Region I.....	2,863	539,131	5	1,000	2,868	540,131
Region II.....	8,864	2,322,904	133	46,800	8,997	2,369,704
Region III and others.....	477	107,988	2	400	479	108,388
Total.....	12,204	2,970,023	140	48,200	12,344	3,018,223

The majority of the Mining Exploitation Concessions held by SQM were requested primarily for non-metallic mining purposes. However, a small percentage of our Mining Concessions were requested for metallic mining purposes. The annual payment to the Chilean government for this group of concessions is higher.

Geological studies over mining properties that were requested primarily for non-metallic mining purposes may show that the concession area is of interest for metallic mining purposes, in which case we must

inform the Sernageomin, indicating that the type of substance contained by such Mining Concessions has changed, for purposes of the annual payment for these rights.

Caliche: Facilities and Reserves

Caliche: Facilities

During 2020, our mining operations concentrated in the First Region where we mainly worked in the mining sector Tente en el Aire and in the mining sectors Nueva Victoria Norte. In November 2015, the mining and nitrate operations at Pedro de Valdivia were suspended, and iodine production was reduced at the Pedro de Valdivia site, in order to take advantage of the highly efficient production facilities at Nueva Victoria. Operations at the Pampa Blanca site were suspended in 2010, and heap leaching operations at the María Elena site were suspended in October 2013, although iodine processing continued until 2017.

Nueva Victoria

The Nueva Victoria mine and facilities are located 140 kilometers southeast of Iquique and are accessible by highway. Since 2007, the Nueva Victoria mine includes the mining properties Soronal, Mapocho and Iris. At this site, we use caliche to produce salts rich in nitrates and iodine, through heap leaching and the use of solar evaporation ponds. The main production facilities at this site include the operation centers for the heap leaching process, the iodide and iodine plants at Nueva Victoria and Iris and the evaporation ponds at the Sur Viejo sector of the site. The areas currently being mined are located approximately 25 kilometers northeast of Nueva Victoria. Solar energy and electricity are the primary sources of power for this operation.

Pampa Blanca

The mining facilities at Pampa Blanca, which is located 100 kilometers northeast of Antofagasta, have been suspended since March 2010. At this site, we used caliche to produce nitrates and iodine through heap leaching and the use of solar evaporation ponds. The main production facilities at this site included the operation centers for the heap leaching system and the iodide plant. Electricity was the primary source of power for this operation.

Pedro de Valdivia

The Pedro de Valdivia mine and facilities are located 170 kilometers northeast of Antofagasta and are accessible by highway. At this site, we used caliche to produce nitrates and iodine through vat leaching and solar evaporation ponds. The main production facilities at this site include the crushing, vat leaching, fines processing, nitrate crystallization plant, and iodide and iodine plants. In November 2015, the mining and nitrate operations at Pedro de Valdivia were suspended, and iodine production was reduced. Electricity, natural gas and fuel oil are the primary sources of power for this operation.

María Elena

The María Elena mine and facilities, named El Toco, are located 220 kilometers northeast of Antofagasta and are accessible by highway. Until February 2010, caliche was used at this facility to produce nitrates and iodine through vat leaching. Subsequently, these facilities were equipped to produce nitrates and iodine through the use of heap leaching and solar evaporation ponds. Heap leaching operations at this site were suspended in October 2013. During 2017, we continued to produce solutions rich in iodine and nitrates by leaching the mine tailings, which were treated at the iodide plant at María Elena, and subsequently the prilled iodine is produced at Pedro de Valdivia. This process was discontinued at the end of 2017.

Caliche: Reserves

Our in-house staff of geologists and mining engineers prepares our estimates of caliche ore reserves. The Proven and Probable Reserve figures presented below are estimates and may be subject to modifications

due to natural factors that affect the distribution of mineral grades, which would, in turn, modify the recovery of nitrate and iodine. Therefore, no assurance can be given that the indicated levels of recovery of nitrates and iodine will be realized.

We estimate ore reserves based on evaluations, performed by engineers and geologists, of assay values derived from sampling of drill-holes and other openings. Drill-holes have been made at different space intervals in order to recognize mining resources. Normally, we start with 400x400 meters and then we reduce spacing to 200x200 meters, 100x100 meters and 50x50 meters. The geological occurrence of caliche ore is unique and different from other metallic and non-metallic minerals. Caliche ore is found in large horizontal layers at depths ranging from one to four meters and has an overburden between zero and two meters. This horizontal layering is a natural geological condition and allows the Company to estimate the continuity of the caliche bed based on surface geological reconnaissance and analysis of samples and trenches. Mineral resources can be calculated using the information from the drill-hole sampling.

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form or quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological, metallurgical and technological evidence.

A Measured Resource is the part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. The estimate is based on detailed exploration, sampling and testing information gathered through appropriate sampling techniques from locations such as outcrops, trenches, and exploratory drill holes.

An Indicated Mineral Resource is the part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. The estimate is based on detailed exploration, sampling and testing information gathered through appropriate sampling techniques from locations such as outcrops, trenches and exploratory drill holes.

According to our experience in caliche ore, the grid pattern drill-holes with spacing equal to or less than 100 meters produce data on the caliche resources that is sufficiently defined to consider them Measured Resources and then, adjusting for technical, economic and legal aspects, as Proven Reserves. These reserves are obtained using the Kriging Method and the application of operating parameters to obtain economically profitable reserves.

Similarly, the information obtained from detailed geologic work and samples taken from grid pattern drill-holes with spacing equal to or less than 200 meters can be used to determine Indicated Resources. By adjusting such Indicated Resources to account for technical, economic and legal factors, it is possible to calculate Probable Reserves. Probable Reserves are calculated by using a polygon-based methodology and have an uncertainty or margin of error greater than that of Proven Reserves. However, the degree of certainty of Probable Reserves is high enough to assume continuity between points of observation.

Proven Reserves are the economically mineable part of a Measured Resource. The calculation of the reserves includes the application of mining parameters including maximum overburden, minimum thickness of caliche ore, stripping ratio, cutoff grade and application of dilution factors to the grade values. Appropriate assessments, including pre-feasibility studies or feasibility studies, have been carried out and include consideration of metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

Probable Reserves are the economically mineable part of an Indicated Resource and in some cases a Measured Resource. The calculation of the reserves includes the application of mining parameters

3) DESCRIPTION OF BUSINESS ENVIRONMENT

including maximum overburden, minimum thickness of caliche ore, stripping ratio, cutoff grade and application of dilution factors to the grade values. Appropriate assessments, including pre-feasibility studies, have been carried out or are in process and include consideration of metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

The estimates of Proven Reserves of caliche ore at each of our mines as of December 31, 2020 are set forth below. The Company holds 100% of the concession rights for each of these mines.

Mine	Proven Reserves (1) (millions of metric tons)	Nitrate Average Grade (percentage by weight)	Iodine Average Grade (parts per million)	Cutoff Grade Average for Mine (2)
Pedro de Valdivia	91.9	6.9%	424	Nitrate 6.0 %
María Elena	83.3	7.2%	436	Iodine 300 ppm
Pampa Blanca	54.7	5.7%	538	Iodine 300 ppm
Nueva Victoria	279.6	5.6%	439	Iodine 300 ppm

In addition, the estimates of our Probable Reserves of caliche ore at each of our principal mines as of December 31, 2020, are as follows:

Mine	Probable Reserves (3) (millions of metric tons)	Nitrate Average Grade (percentage by weight)	Iodine Average Grade (parts per million)	Cutoff Grade Average for Mine (2)
Pedro de Valdivia	240.9	6.2%	414	Nitrate 6.0 %
María Elena	148.8	7.2%	381	Iodine 300 ppm
Pampa Blanca	535.5	5.3%	497	Iodine 300 ppm
Nueva Victoria	989.7	5.2%	421	Iodine 300 ppm

Notes on reserves:

- (1) The Proven Reserves set forth in the table above are shown before losses related to exploitation and mineral treatment. Proven Reserves are affected by mining exploitation methods, which result in differences between the estimated reserves that are available for exploitation in the mining plan and the recoverable material that is finally transferred to the leaching vats or heaps. The average mining exploitation factor for each of our different mines ranges between 80% and 90%, whereas the average global metallurgical recoveries of processes for nitrate and iodine contained in the recovered material vary between 60% and 70%.
- (2) The cutoff grades for the Proven and Probable Reserves vary according to the objectives of each mine. These amounts correspond to the averages of the different areas.
- (3) Probable Reserves can be expressed as Proven Reserves using a conversion factor, only for purposes of obtaining a projection to be used for long-term planning purposes. On average, this conversion factor is higher than 60%, depending on geological conditions and caliche ore continuity, which vary from mine to mine (Pedro de Valdivia 60%, María Elena 50%, Pampa Blanca 70% and Nueva Victoria 60%).

The complete technical supporting documentation for the information set forth in the table above was prepared for each mine by the geologist Vladimir Tejerina and other engineering professionals employed by SQM and validated by Ms. Marta Aguilera and Mr. Marco Lema.

Ms. Marta Aguilera is a geologist with more than 35 years of experience in the field. She is currently employed by SQM as a Senior Consultant for the Mining Production area. Ms. Aguilera is a Competent Person (Persona Competente), as that term is defined under Chilean Law No. 20,235, known as the Law that Regulates the Position of Competent Persons and Creates the Qualifying Committee for Competencies in Mining Resources and Reserves (Ley que Regula la Figura de las Personas Competentes y Crea la Comisión Calificadora de Competencias de Recursos y Reservas Mineras or “Competent Person

3) DESCRIPTION OF BUSINESS ENVIRONMENT

Law”). She is registered under No. 163 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with the Competent Person Law and related regulations. She has worked as a geologist with both metallic and non-metallic deposits, with vast experience in the latter.

Mr. Marco Lema is a civil mining engineer with more than 35 years of experience. He works for SQM as Superintendent of Geology and Engineering in the mining production area. Mr. Lema is a Competent Person (Persona Competente), as that term is defined under Chilean Law No. 20,235, known as the Law that Regulates the Position of Competent Persons and Creates the Qualifying Committee for Competencies in Mining Resources and Reserves (Ley que Regula la Figura de las Personas Competentes y Crea la Comisión Calificadora de Competencias de Recursos y Reservas Mineras or “Competent Person Law”). He has experience working on metallic and non-metallic mine deposits.

Copies of the certificates of qualified competency issued by the Chilean Mining Commission are presented below:



CERTIFICATE OF QUALIFIED COMPETENCY

The Chilean **Comisión Calificadora de Competencias en Recursos y Reservas Mineras**¹, certifies that **Mrs. Marta Aguilera Mercado**, National Id. Nr 7.088.338-4, Geologist, is registered in the Public Registry of Competent Persons in Mining Resources and Reserves from March 2012, under Nr. 0163, with specialization in **Geology**, and that her competencies and experience as a Competent Person allow her to inform and report on mineral resources and reserves.

The Chilean Mining Commission issued this certificate at the request of Mrs. Aguilera to present:

**“UNITED STATES - SECURITIES AND EXCHANGE COMMISSION
FORM 20-F, Washington, D.C. 20549 – year 2020”**

Gladys Hernández S.
Executive Secretary



Santiago, February 17, 2021
CM - 0054 - 02 2021

Information:

- The **Certificate of Qualified Competency** proves the validity of the party's competencies to inform or report about a specific matter or subject in the context of mining resources and reserves in accordance with the competencies and experience of a Competent Person.
- Law No. 20.235, Article 18^o:** For the preparation of the technical and public reports, the Competent Persons must adhere strictly to the rules, regulations, criteria and procedures established in the Code, and likewise to all other rules of technical character that the Mining Commission enacts using their legal function.²
- Application of CH 20.235 ends and use of this certificate is the sole responsibility of the person concerned, according to the technical criteria and ethical standards set forth in Law No. 20.235.**
- For all legal purposes, the Certificate of Good Standing shall be valid only for the management requested.

¹ The **Comisión Calificadora de Competencias en Recursos y Reservas Mineras** is a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) that groups the organizations Australia (JORC), Brazil (CRRB), Canada (CIM / NI 43-101), Colombia (ICRR), Chile (Comisión Minera CH2021), Egypt (SME), Europe (PEBC), India (NACRI), Indonesia (ICMI), Kazakhstan (KAZRC), Mongolia (MPRMC), Russia (OORN), South Africa (SAMCOSO) and Turkey (TMRK), which respond to a common international ruling to inform and report exploration prospects, mining resources and reserves.



Luis Thayer Ojeda 166, oficina 706, Providencia - Santiago de Chile - Teléfonos (56) 222 345 134 - 222 343 016



CERTIFICATE OF QUALIFIED COMPETENCY

The Chilean **Comisión Calificadora de Competencias en Recursos y Reservas Mineras**¹, certifies that **Mr. Marco Lema Lema**, National Id. Nr 9.026.574-1, Mining Engineer, is registered in the Public Registry of Competent Persons in Mining Resources and Reserves from January 2019, under Nr. 0375, with specialization in **Mining**, and that her competencies and experience as a Competent Person allow her to inform and report on mineral resources and reserves.

The Chilean Mining Commission issued this certificate at the request of Mr. Lema to present:

“UNITED STATES - SECURITIES AND EXCHANGE COMMISSION FORM 20-F, Washington, D.C. 20549 – year 2020”

Gladys Hernández S.
Executive Secretary



Santiago, February 17, 2021
CM – 1955 – 02 2021

Information:

- a. **The Certificate of Qualified Competency** proves the validity of the party's competencies to inform or report about a specific matter or subject in the context of mining resources and reserves in accordance with the competencies and experience of a Competent Person.
- b. **Law No. 20.235, Article 18^o**: For the preparation of the technical and public reports, the Competent Persons must adhere strictly to the rules, regulations, criteria and procedures established in the Code, and likewise to all other rules of technical character that the Mining Commission issues using their legal faculties.²
- c. **Application of CH 20.235 code and use of this certificate** is the sole responsibility of the person concerned, according to the technical criteria and ethical standards set forth in Law No. 20.235.
- d. For all legal purposes, the Certificate of Good Standing shall be valid only for the management requested.

¹ The **Comisión Calificadora de Competencias en Recursos y Reservas Mineras** is a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) that groups the organizations Australia (JORC), Brazil (CERR), Canada (CIM / NI 43-101), Colombia (CCRE), Chile (Comisión Minera CRIRSCO), Finland (SME), France (SFRIC), India (NARCI), Indonesia (KUMI), Kazakhstan (KAZORC), Mongolia (MPEIM), Russia (ISERN), Sud Africa (SAMCODES) and Tanzania (UMREK), which adhere to a common international rating to inform and report exploration prospects, mining resources and reserves.



Luis Thayer Ojeda 166, oficina 706, Providencia - Santiago de Chile - Teléfono (56) 222 345 134 - 222 343 016

3) DESCRIPTION OF BUSINESS ENVIRONMENT

The proven and probable reserves shown above are the result of the evaluation of approximately 18.5% of the total caliche-related mining property of our Company. However, we have explored more intensely the areas in which we believe there is a higher potential of finding high-grade caliche ore minerals. The remaining 81.5% of this area has not been explored or has had limited reconnaissance, which is not sufficient to determine the potential and hypothetical resources. In 2020, we did not carry out basic reconnaissance of new mining properties. With respect to detailed explorations, in 2020, we did not carry out recategorizations of indicated resources. Our 2021 exploration program includes the exploration of the Tente en el Aire sector, which totals 658 hectares, and the basic study of 4,100 hectares of the Mina Oeste and Tente en el Aire Oeste sectors. The reserves shown in these tables are calculated based on properties that are not involved in any legal disputes between SQM and other parties.

Caliche ore is the key raw material used in the production of iodine, specialty plant nutrients and industrial chemicals. The following gross margins for the business lines specified were calculated on the same basis as cut off grades used to estimate our reserves. We expect costs to remain relatively stable in the near future.

	2020		2019		2018	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Iodine and Derivatives.....	50%	US\$35/kg	38%	US\$29/kg	33%	US\$24/kg
Specialty Plant Nutrition .	23%	US\$677/ton	21%	US\$695/ton	22%	US\$722/ton
Industrial Chemicals.....	26%	US\$713/ton	33%	US\$768/ton	33%	US\$797/ton

We maintain an ongoing program of exploration and resource evaluation on the land surrounding our production mines, and other sites for which we have the appropriate concessions.

Brines from the Salar de Atacama: Facilities and Reserves

Salar de Atacama: Facilities

Salar de Atacama

Our facilities at the Salar de Atacama are located 210 kilometers to the east of the city of Antofagasta and 188 kilometers to the southeast of the city of María Elena. At this site we use brines extracted from the salar to produce potassium chloride, potassium sulfate, boric acid, magnesium chloride salts and lithium solutions, which are subsequently sent to our lithium carbonate plant at the Salar del Carmen for processing. The main production plants at this site include the potassium chloride flotation plants (MOP-H I and II), the potassium carnallite plants (PC I and extension), the potassium sulfate flotation plant (SOP-H), the boric acid plant (ABO), the potassium chloride drying plant (Dual Plant or MOP-S), the potassium chloride compacting plant (MOP-G), the potassium sulfate drying plant (SOP-S) and the potassium sulfate compacting plant (SOP-G). Solar energy is the primary energy source used for the Salar de Atacama operations.

Salar de Atacama: Reserves

Our in-house staff of hydrogeologists and geologists prepares our estimates of the reserve base of potassium, sulfate, lithium and boron dissolved in brines at the Salar de Atacama. We have exploitation concessions covering an area of 81,920 hectares, in which we have carried out geological exploitation, brine sampling and geostatistical analysis. We estimate that our proven and probable reserves as of December 31, 2020 are as follows:

	Proven Reserves (1)	Probable Reserves (1)	Total Reserves
	(millions of metric tons)	(millions of metric tons)	(millions of metric tons)
Potassium (K+) (2)	56.2	32.8	89.0

3) DESCRIPTION OF BUSINESS ENVIRONMENT

Sulfate (SO4-2) (3)	42.9	31.7	74.6
Lithium (Li+) (4)	6.0	3.1	9.1
Boron (B3+) (5)	1.6	1.0	2.7

Notes on reserves:

- (1) Metric tons of potassium, sulfate, lithium and boron considered in the proven and probable reserves are shown before losses from evaporation processes and metallurgical treatment. The recoveries of each ion depend on both brine composition and the process applied to produce the desired commercial products.
- (2) Recoveries for potassium vary from 53% to 77%.
- (3) Recoveries for sulfate vary from 27% to 45%.
- (4) Recoveries for lithium vary from 34% to 60%.
- (5) Recoveries for boron vary from 28% to 32%.

The information set forth in the table above was validated in February 2021 by Messrs. Andrés Fock and Orlando Rojas using information that was prepared by SQM's hydrogeologists, geologists and engineers and external advisors.

Mr. Fock is a geologist with more than 16 years of experience in the field of mining hydrogeology. He is currently employed by WSP as a Geologist. He is a Competent Person and is registered under No. 226 in the Public Registry of Competent Persons in Mining Resources and Reserves, in accordance with the Competent Person Law. As a hydrogeologist in Chile and abroad, he has evaluated multiple brine-based projects and has experience evaluating resources and reserves.

Mr. Orlando Rojas is a civil mining engineer and independent consultant. He is Partner and Chief Executive Officer of EMI-Ingenieros y Consultores S.A., whose offices are located at Los Domínicos No 7772, Las Condes, Santiago, Chile. He is a member of the Institute of Mining Engineers and is registered under No. 118 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with the Competent Person Law and related regulations. He has worked as a mining engineer for 40 years since graduating from university, including more than 34 years working on estimates for reserves and resources.

Copies of the certificates of qualified competency issued by the Chilean Mining Commission are provided below:



CERTIFICATE OF QUALIFIED COMPETENCY

The Chilean **Comisión Calificadora de Competencias en Recursos y Reservas Mineras**¹, certifies that **Mr. Andrés Fock Kunstmann**, National Id. Nr 13.670.872-8, Geologist, is registered in the Public Registry of Competent Persons in Mining Resources and Reserves from July 2019, under Nr. 0388, with specialization in **Geology**, and that her competencies and experience as a Competent Person allow her to inform and report on mineral resources and reserves.

The Chilean Mining Commission issued this certificate at the request of Mrs. Aguilera to present:

“UNITED STATES - SECURITIES AND EXCHANGE COMMISSION FORM 20-F, Washington, D.C. 20549 – year 2020”

Gladys Hernández S.

Gladys Hernández S.
Executive Secretary



Santiago, March 05, 2021
CM - 1868 - 03 2021

Information:

- a. The **Certificate of Qualified Competency** proves the validity of the party's competencies to inform or report about a specific matter or subject in the context of mining resources and reserves in accordance with the competencies and experience of a Competent Person.
- b. Law No. 20.225, Article 18^o: For the preparation of the technical and public reports, the Competent Persons must adhere strictly to the rules, regulations, criteria and procedures established in the Code, and likewise to all other rules of technical character that the Mining Commission enacts using their legal faculties.”
- c. Application of CH 20.225 code and use of this certificate is the sole responsibility of the person concerned, according to the technical criteria and ethical standards set forth in Law No. 20.225.
- d. For all legal purposes, the Certificate of Good Standing shall be valid only for the management requested.

¹ The **Comisión Calificadora de Competencias en Recursos y Reservas Mineras** is a member of the **Committee for Mineral Reserves International Reporting Standards (CRMIRC)** that groups the organizations Australia (ORICA), Brazil (CBRRI), Canada (CIM / NE 43-101), Colombia (CCHRI), Chile (Comisión Minera CH20225), EUU (SNEI), Europa (PERC), India (NACRE), Indonesia (ICMI), Kazakhstan (EADR), Mongolia (MPPRM), Rusia (ORRM), Sud Africa (SARCODES) and Tailandia (UMBER), which respond to a common international ruling to inform and report exploration prospects, mining resources and reserves.



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CERTIFICATE OF QUALIFIED COMPETENCY

The Chilean **Comisión Calificadora de Competencias en Recursos y Reservas Mineras**¹, certifies that **Mr. Orlando Rojas Verceletti**, National Id. Nr 6.209.299-8, Mining Engineer, is registered in the Public Registry of Competent Persons in Mining Resources and Reserves from August 2011, under Nr. 0118, with specialization in **Mining**, and that her competencies and experience as a Competent Person allow her to inform and report on mineral resources and reserves.

The Chilean Mining Commission issued this certificate at the request of Mr. Rojas to present:

**“UNITED STATES - SECURITIES AND EXCHANGE COMMISSION
FORM 20-F, Washington, D.C. 20549 – year 2020”**


Gladys Hernández S.
Executive Secretary



Santiago, March 09, 2021
CM - 1872 - 03 2021

Information:

- a. **The Certificate of Qualified Competency** proves the validity of the party's competencies to inform or report about a specific matter or subject in the context of mining resources and reserves in accordance with the competencies and experience of a Competent Person.
- b. **Law No. 20.255, Article 18^o**: For the preparation of the technical and public reports, the Competent Persons must adhere strictly to the rules, regulations, criteria and procedures established in the Code, and likewise to all other rules of technical character that the Mining Commission issues using their legal faculties.”
- c. **Application of CH 20.225 code and use of this certificate** is the sole responsibility of the person concerned, according to the technical criteria and ethical standards set forth in Law No. 20.255.
- d. **For all legal purposes, the Certificate of Good Standing shall be valid only for the management requested**

¹ The **Comisión Calificadora de Competencias en Recursos y Reservas Mineras** is a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) that groups the organizations Australia (ORICA), Brazil (CIBR), Canada (CIM / NE 43-101), Colombia (CCRR), Chile (Comisión Minera CH20255), EU/EU (SME), Europe (EFRC), India (IANIG), Indonesia (ICMI), Kazakhstan (EASRCA), Mongolia (MPCMA), Russia (ORRS), South Africa (SAMCODES) and Tanzania (TANRECA), which respond to a common international ruling to inform and report exploration prospects, mining resources and reserves.



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The cutoff grade for lithium extraction is set at 0.05% Li. The cost of the process is competitive in the market despite a small cost increase due to the expansions in the evaporation area (to reach the required Li concentration) and to the use of additives to maintain the quality of the brine that is used to feed the plant.

A cutoff grade of 1.0% K is used in the calculation, considering a low margin scenario using only MOP-S as and using diluted brine with higher levels of contaminants as the raw material and with recovery yields of approximately 47%, which is on the lower end of the range. In this scenario, considering current market conditions and market conditions from recent years, the production cost of MOP production is still competitive.

The proven and probable reserves are based on production experience, drilling, brine sampling and geostatistic reservoir modeling in order to estimate brine volumes and their composition. We calculate the reserve base, which is the volume of brine effectively drainable or exploitable in each evaluation unit, by building a three-dimensional block model. The following variables are used to populate the model:

- *Porosity*: obtained from measurements of drainable porosity in core rocks, test pumping data, geophysical records and changes in the level of the brine. The volume of brine is estimated on the basis of the interpolation of the drainable porosity data.
- *Grades*: The brine chemistry is subjected to an exploratory data analysis and a variographic analysis, in order to determine the chemical populations in the Salar. Subsequently, the grades are interpolated using the Kriging method.

Based on the chemical characteristics, and the volume of brine, we determine the number of metric tons for each of the chemical ions being evaluated. Reserve classification is finally achieved by using geostatistical criteria and hydrogeological knowledge of the units that have been explored, as an indicator between proven and probable reserves. In order to carry out a quantitative evaluation of the lithium and potassium reserves, the Salar Hydrogeology Management used a tool, a numerical model of groundwater flow and transport, which allows evaluating the evolution of the reservoir over time when stressed with different mining extraction plans. This model is calibrated annually and is used for the projection and optimization of the brine supply in the short (2 years) and medium (5 years) term in the Salar de Atacama.

Proven reserves are defined as hydrogeological units with proven historical brine yield production, and a quality and piezometric brine monitoring network to control brine evolution over time, and that they have a monitoring network to control the chemical and piezometric evolution of the brine over time. Probable reserves are concentrated in those hydrogeological units identified with exploration data that support the continuity of the resource and its extraction capacity by pumping, but without historical brine production.

Probable reserves and inferred resources are being continually explored in order to be able to reclassify them as proven reserves and indicated or measured resources, respectively. This exploration includes systematic packer testing, chemical brine sampling and long-term pilot production pumping tests.

We consider chemical parameters to determine the process to be applied to the brines. These parameters are used to estimate potential restrictions on production yields, and the economic feasibility of producing such commercial products as potassium chloride, potassium sulfate, lithium carbonate and boric acid is determined on the basis of the evaluation.

Considering the authorized maximum net brine production rates under (RCA 226/06) and a voluntary extraction under RCA 226/06, a total of 492 million cubic meters of brine is expected to be extracted from the producing wells, corresponding to 1.05 million metric tons of lithium. Considering the voluntary reduction plan announced by SQM during 2020, a total of 342 million cubic meters of brine will be extracted from the producing wells, corresponding to 0.82 million metric tons of lithium. On the other hand, the proven and probable in situ base reserve, within the authorized environmental extraction area

(RCA 226/06), corresponds to 1,533 million cubic meters of brine, corresponding to 5.3 million metric tons of lithium, sufficient to satisfy the demand in both cases (RCA 226/06 and the Voluntary Extraction Reduction Plan) for the project until the end of the concession.

Brines from the Salar de Atacama are the key raw material used in the production of potassium chloride and potassium sulfate, and lithium and its derivatives. The following gross margins for the business lines specified were calculated on the same basis as cut off grades used to estimate our reserves. We expect costs to remain relatively stable in the near future.

	2020		2019		2018	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Potassium Chloride and Potassium Sulfate.	11%	US\$288/ton	17%	US\$355/ton	19%	US\$322/ton
Lithium and Derivatives	23%	US\$5,931/ton	39%	US\$11,212/ton	57%	US\$16,289/ton

Other Production Facilities

Coya Sur

The Coya Sur site is located approximately 15 kilometers south of María Elena, and production activities undertaken there are associated with the production of potassium nitrate and finished products. The main production plants at this site include four potassium nitrate plants with a total capacity of 1,300,000 metric tons per year. There are also five production lines for crystallized nitrates, with a total capacity of 1,200,000 metric tons per year, and a prilling plant with a capacity of 360,000 metric tons per year. The potassium nitrate produced at Coya Sur is an intermediate product that is used as a raw material for the production of finished products (crystallized nitrates and prilled nitrates). Therefore, the production capacities listed above are not independent of one another and cannot be added together to obtain an overall total capacity. Natural gas is the main source of energy for our Coya Sur operation.

Salar del Carmen

The Salar del Carmen site is located approximately 15 kilometers to the east of Antofagasta. The production plants at this facility include the lithium carbonate plant, with a production capacity of 70,000 metric tons per year, and the lithium hydroxide plant, with a production capacity of 13,500 metric tons per year. Electricity and natural gas are the main sources of energy for our Salar del Carmen operation.

3) DESCRIPTION OF BUSINESS ENVIRONMENT

The following table provides a summary of our production facilities as of December 31, 2020:

Facility	Type of Facility	Approximate Size (hectares) ⁽¹⁾	Nominal Production Capacity (thousands of metric tons/year)	Weighted Average Age (years) ⁽²⁾	Gross Book Value (millions of US\$) ⁽²⁾
Coya Sur ⁽³⁾⁽⁴⁾	Nitrates production	1.518	Potassium nitrate: 1,300 Crystallized nitrates: 1,200 Prilled nitrates: 360	7.03	638.7
María Elena ⁽⁵⁾⁽⁶⁾	Nitrates and iodine production	35.830	Nitrates: n/a Iodine: 1.6 Prilled nitrates: 300	15.95	415.9
Nueva Victoria ⁽⁵⁾⁽⁷⁾	Concentrated nitrate salts and iodine production	47.492	Iodine: 13.0	6.36	573.2
Pampa Blanca ⁽⁵⁾⁽⁷⁾⁽⁸⁾	Concentrated nitrate salts and iodide production	10.441	Nitrates: n/a Iodine: n/a	1.94	8.1
Pedro de Valdivia ⁽³⁾⁽⁹⁾	Nitrates and iodine production	253.880	Nitrates: n/a Iodine: 3.2	14.70	229.6
Salar de Atacama ⁽³⁾⁽¹⁰⁾	Potassium chloride, potassium sulfate, lithium chloride, and boric acid production	35.911	Potassium chloride: 2,680 Potassium sulfate: 245 Boric acid: 15	11.52	1,581.8
Salar del Carmen, Antofagasta ⁽³⁾	Lithium carbonate and lithium hydroxide production	126	Lithium carbonate: 70 Lithium hydroxide: 13.5	5.98	422.0
Tocopilla ⁽¹¹⁾	Port facilities	22	-	13.22	167.9

- (1) Approximate size considers both the production facilities and the mine for María Elena, Nueva Victoria, Pampa Blanca, Pedro de Valdivia and the Salar de Atacama. Mining areas are those authorized for exploitation by the environmental authority and/or Sernageomin.
- (2) Weighted average age and gross book value correspond to production facilities, excluding the mine, for María Elena, Nueva Victoria, Pampa Blanca, Pedro de Valdivia and the Salar de Atacama.
- (3) Includes production facilities and solar evaporation ponds. During 2019, we began to work on the expansion of discard deposit area of the new lithium hydroxide plant and accumulation ponds.
- (4) The potassium nitrate produced at Coya Sur is an intermediate product that is used as a raw material for the production of finished products (crystallized nitrates and prilled nitrates). Therefore, the production capacities listed above are not independent of one another and cannot be added together to obtain an overall total capacity.
- (5) Includes production facilities, solar evaporation ponds and leaching heaps.
- (6) Operations at the El Toco mine at María Elena were suspended in November 2013.
- (7) The nominal production capacity for iodine considers the capacity of our plants. The effective capacity is 14,800 metric tons per year.
- (8) Operations at Pampa Blanca were suspended in March 2010.
- (9) In November 2015, the mining and nitrate operations at Pedro de Valdivia were suspended, and iodine production was reduced at the Pedro de Valdivia site, in order to take advantage of the highly efficient production facilities at Nueva Victoria.
- (10) Potassium chloride and potassium sulfate are produced in a dual plant, and the production capacity for each of these products depends on the production mix. Therefore, the production capacities for these two products are not independent of one another and cannot be added together to obtain an overall total capacity.
- (11) The Tocopilla port facilities were originally constructed in 1961 and have been refurbished and expanded since that time.

We directly or indirectly through subsidiaries own, lease or hold concessions over the facilities at which we carry out our operations. Such facilities are free of any material liens, pledges or encumbrances, and we believe they are suitable and adequate for the business we conduct in them.

Extraction Yields

The following table shows certain operating data relating to each of our mines for 2020, 2019 and 2018:

<i>(in thousands, unless otherwise stated)</i>	2020	2019	2018
Pedro de Valdivia⁽¹⁾			
Metric tons of ore mined	–	–	–
Average grade nitrate (% by weight)	–	–	–
Iodine (parts per million (ppm))	–	–	–
Metric tons of crystallized nitrate produced	–	–	–
Metric tons of iodine produced	1.5	1.4	1.0
María Elena⁽²⁾			
Metric tons of ore mined	–	–	–
Average grade nitrate (% by weight)	–	–	–
Iodine (ppm)	–	–	–
Metric tons of crystallized nitrate produced	–	–	–
Metric tons of iodine produced	–	–	–
Coya Sur⁽³⁾			
Metric tons of crystallized nitrate produced	935	763	699
Pampa Blanca⁽²⁾			
Metric tons of ore mined	–	–	–
Iodine (ppm)	–	–	–
Metric tons of iodine produced	–	–	–
Nueva Victoria			
Metric tons of ore mined	43,420	42,196	42,753
Iodine (ppm)	452	465	461
Metric tons of iodine produced	10.6	10.7	10.2
Salar de Atacama⁽⁴⁾			
Metric tons of lithium carbonate produced	72.2	62.3	62.3
Metric tons of potassium chloride and potassium sulfate and potassium salts produced	1,476	1,049	1,049

- (1) In November 2015, mining and nitrate operations at Pedro de Valdivia were suspended, and iodine production was reduced at the Pedro de Valdivia site, in order to take advantage of the highly efficient production facilities at Nueva Victoria.
- (2) Operations at the Pampa Blanca mine and María Elena were suspended in March 2010 and November 2013, respectively. In María Elena, production of nitrate and iodine solutions continued in subsequent years from caliche ore exploited in prior years.
- (3) Includes production at Coya Sur from treatment of nitrates solutions from María Elena and Pedro de Valdivia, nitrate salts from pile treatment at Nueva Victoria, and net production from NPT, or technical grade potassium nitrate, plants.
- (4) Lithium carbonate is extracted at the Salar de Atacama and processed at our facilities at the Salar del Carmen. Potassium salts include synthetic sylvinites produced in the plant and other harvested potassium salts (natural sylvinites, carnalites and harvests from plant ponds) that are sent to Coya Sur for the production of crystallized nitrates.

Transportation and Storage Facilities

The transportation of our products is carried out by trucks that are operated by dedicated third parties through long-term contracts. Furthermore, we own port and storage facilities for the transportation and management of finished products and consumable materials.

Our main centers for the production and storage of raw materials are the Nueva Victoria, Coya Sur and Salar de Atacama facilities. Other facilities include chemical plants for the finished products of lithium carbonate and lithium hydroxide at the Salar del Carmen plant. The Port of Tocopilla terminal, which we own, has a surface area of approximately 22 hectares and is the principal facility for the storage and shipment of our bulk products and packaged potassium chloride (MOP) and nitrates.

The nitrate finished products are produced at our Coya Sur facilities and then transported via trucks to the Port of Tocopilla terminal where they are stored and shipped in bulk or packaged in polypropylene bags, polyethylene or polypropylene FIBC big bags. The latter can also be transported and stored in an alternative port (Mejillones) for later shipment.

The potassium chloride is produced at our Salar de Atacama facilities and we transport it by truck, either to the Port of Tocopilla terminal or the Coya Sur facility. The product transported to Coya Sur is an intermediate product that is used as a raw material for the production of potassium nitrate. On the other hand, the product transported to the Port of Tocopilla is a final product that will be shipped or transported to the client or affiliate. The raw material of nitrate for the production of potassium nitrate in Coya Sur is currently produced at Nueva Victoria.

The lithium chloride solution, which contains a high concentration of boron, produced at our Salar de Atacama facilities, is transported to the lithium carbon plant in the Salar del Carmen area where the finished lithium carbonate is produced. Part of the lithium carbonate is provided to the adjacent lithium hydroxide plant where the finished lithium hydroxide is produced. These two products are packed in packaging of distinct characteristics (polyethylene bags, multi-layer or polypropylene FIBC big bags), stored within the same facilities and secured in storerooms. Thereafter, they are consolidated into containers that are transported by trucks to a transit warehouse or directly to port terminals for their subsequent shipment. The port terminals used are currently suited to receive container ships and are situated in Antofagasta, Mejillones and Iquique.

Iodine obtained from the same caliche used for the production of nitrates, is processed, packaged and stored exclusively in the Pedro de Valdivia and Nueva Victoria facilities. The packaging used for iodine are drums and polypropylene FIBC big bags with an internal polyethylene bag and oxygen barrier, which at the time of transportation are consolidated into containers and sent by truck to port terminals suited for their management, principally located in Antofagasta, Mejillones and Iquique. Thereafter, they are sent to distinct markets by container ship or by truck to Santiago where iodine derivatives are produced in the Ajay-SQM Chile plants.

The Port of Tocopilla terminal facilities are located approximately 186 kilometers north of Antofagasta, approximately 124 kilometers west of María Elena and Coya Sur and 372 kilometers to the west of Salar de Atacama. Our affiliate, Servicios Integrales de Tránsitos y Transferencias S.A. (SIT), operates facilities for the shipment of products and the delivery of certain raw materials based on renewable concessions granted by Chilean regulatory authorities, provided that the facilities are used in accordance with the authorization granted and we pay an annual concession fee. The Port of Tocopilla terminal facilities include a truck weighing machine that confirms product entry into the port and transfers the product to distinct storage zones, a piezometer within the shipping system to carry out bulk product loaded onto ships, a crane with a 40 ton capacity for the loading of sealed product onto ships and a nitrate mixing facility.

3) DESCRIPTION OF BUSINESS ENVIRONMENT

The storage facilities consist of a system of six silos, with a total storage capacity of 55,000 metric tons, and a mixed storage area of open storehouses with a total storage capacity of approximately 250,000 metric tons. In addition, to fulfill future storage needs, we will continue to make investments in accordance with the investment plan outlined by management. The products are also put into bags at the Port of Tocopilla terminal facilities where the bagging capacity is established by two bag packaging machines, one for sacks and polypropylene FIBC big bags and one for FFS polyethylene. The products that are packaged in Tocopilla may be subsequently shipped at the same port or may also be consolidated into trucks or containers for its subsequent dispatch to clients by land or sea through containers from other ports, principally located in Antofagasta, Mejillones and Iquique.

For the transportation of bulk product, the transportation belt system extends across the coastline to deliver products directly to the hatches of bulk cargo ships. The nominal load capacity of this shipping system is 1,200 tons per hour. The transportation of packaged product is carried out utilizing the same bulk cargo ships using trailers without motors located in the dock and loaded by a crane with a 40 ton capacity from the Port of Tocopilla terminal. Thereafter, they are towed and unloaded using ship cranes to the respective warehouses.

We normally contract bulk cargo ships to transfer the product from the Port of Tocopilla terminal to our hubs around the world or to clients directly, who, in certain instances, use their own contracted vessels for delivery.

Tocopilla processes related to the reception, handling, storage and shipment of bulk/packaged nitrates produced at Coya Sur are certified by the third-party organization TÜV-Rheinland under the quality standard ISO 9001:2015.

Computer System

In addition to the above-listed facilities, we operate various computer and information systems linking our principal subsidiaries to our operating and administrative facilities throughout Chile, and other parts of the world. The computer and information system is used mainly for accounting, monitoring of supplies and inventories, billing, quality control, research activities and production process and maintenance control. The mainframe computing system is located at our offices in Santiago and our Chilean and international subsidiaries are interconnected with each other, through data links.

In addition, we have cloud technologies, which allow us to support new business processes and respond quickly and at low cost to changing conditions of our business and of the market.

A cyber security review is being carried out to highlight possible risks and mitigate them, including raising awareness among our users related to best process and computational use practices.

3) E) DESCRIPTION OF BUSINESS ENVIRONMENT: RISK FACTORS

Risk Factors

Our operations are subject to certain risk factors that may affect SQM's business financial condition or results of operations. In addition to other information contained in this Annual Report, you should carefully consider the risks described below. These risks are not the only ones we face. Additional risks not currently known to us or that are known but that we currently believe are not significant may also affect our business operations. Our business, financial condition, cash flows or results of operations could be materially affected by the occurrence any of these risks.

Risks Relating to our Business

Our inability to extend or renew the mineral exploitation rights relating to the Salar de Atacama concession, upon which our business is substantially dependent, beyond their current expiration date in December 2030 could have a material adverse effect on our business, financial condition and results of operations.

Our subsidiary SQM Salar S.A. (“SQM Salar”), as leaseholder, holds exclusive and temporary rights to exploit mineral resources in the Salar de Atacama in northern Chile. These rights are owned by Corfo, a Chilean government entity, and leased to SQM Salar pursuant to (i) a 1993 lease agreement over mining exploitation concessions between SQM Salar and Corfo, as amended from time to time (the “Lease Agreement”), and (ii) the Salar de Atacama project agreement between Corfo and SQM Salar, as amended from time to time (the “Project Agreement”). The Lease Agreement provides for SQM Salar to (i) make quarterly lease payments to Corfo based on product sales from leased mining properties and annual contributions to research and development, to local communities, to the Antofagasta Regional Government and to the municipalities of San Pedro de Atacama, María Elena and Antofagasta, (ii) maintain Corfo’s rights over the mining exploitation concessions and (iii) make annual payments to the Chilean government for such concession rights. The Lease Agreement expires on December 31, 2030.

Our business is substantially dependent on the exploitation rights under the Lease Agreement and the Project Agreement, since all of our products originating from the Salar de Atacama are derived from our extraction operations under the Lease Agreement. For the year ended December 31, 2020, revenues related to products originating from the Salar de Atacama represented 33% of our consolidated revenues, consisting of revenues from our potassium business line and our lithium and derivatives business line for the period. As of December 31, 2020, only 10 years remain on the term of the Lease Agreement and we had extracted approximately 28% of the total permitted accumulated extraction and sales limit of lithium under the lithium extraction and sales limits.

Although we expect to begin the process of discussing the extension or renewal of the mineral exploitation rights in the Salar de Atacama under the Lease Agreement and Project Agreement with Corfo well in advance of the December 2030 expiration date, we cannot assure you that we will successfully reach an agreement with Corfo to extend or renew our mineral exploitation rights beyond 2030. Any negotiation with Corfo for an extension or renewal could involve renegotiation of any or all of the terms and conditions of the Lease Agreement and Project Agreement, including, among other things, the lithium and potassium extraction and sales limits, the lease payment rates and calculations, or other payments to Corfo.

In the event that we are not able to extend or renew the Lease Agreement beyond the current expiration date of the Lease Agreement in 2030, we would be unable to continue extraction of lithium and potassium under the Lease Agreement, which could have a material adverse effect on our business, financial condition and results of operations.

Volatility of world lithium, fertilizer and other chemical prices and changes in production capacities could affect our business, financial condition and results of operations.

The prices of our products are determined principally by world prices, which, in some cases, have been subject to substantial volatility in recent years. World lithium, fertilizer and other chemical prices constantly vary depending upon the relationship between supply and demand at any given time. Supply and demand dynamics for our products are tied to a certain extent to global economic cycles and have been impacted by circumstances related to such cycles. Furthermore, the supply of lithium, certain fertilizers, or other chemical products, including certain products that we provide, varies principally depending on the production of the major producers, (including us) and their respective business strategies.

We expect that prices for the products we manufacture will continue to be influenced, among other things, by worldwide supply and demand and the business strategies of major producers. Some of the major

producers (including us) have increased or decreased production and have the ability to increase or decrease production.

Since we sell our products worldwide, with Asia, Europe and North America constituting our main markets, border closures, decrease in commercial activity and difficulties and disruptions in the supply chains in the markets in which we operate as a result of COVID-19 could materially affect our business. We believe the impact on demand growth in the markets in which we sell our products, our sales volumes and our average prices will depend on the duration of COVID-19 in the various regions in which we operate, the efficiency of the measures implemented to contain the spread of COVID-19 in each country and relevant fiscal incentives that may be implemented in such jurisdictions to promote economic recovery. Most, if not all, of these factors are currently evolving on a rapid basis and we are currently unable to predict with certainty the full potential magnitude of the impacts of the COVID-19 pandemic on forecasts of market demand or our estimates of our sales volumes and average sale prices.

As a result of the above, the prices of our products may be subject to substantial volatility. High volatility or a substantial decline in the prices or sales volumes of one or more of our products could have a material adverse effect on our business, financial condition and results of operations.

Our sales to emerging markets and expansion strategy expose us to risks related to economic conditions and trends in those countries.

We sell our products in more than 110 countries around the world. In 2020, approximately 44% of our sales were made in emerging market countries: 8% in Latin America (excluding Chile); 12% in Africa and the Middle East (excluding Israel); 9% in Chile and 14% in Asia and Oceania (excluding Australia, Japan, New Zealand, South Korea and Singapore). In Note 25.1 to our consolidated financial statements, we reported revenues from Chile, Latin America and the Caribbean and Asia and others of US\$1.0 billion. We expect to expand our sales in these and other emerging markets in the future. In addition, we may carry out acquisitions or joint ventures in jurisdictions in which we currently do not operate, relating to any of our businesses or to new businesses in which we believe we may have sustainable competitive advantages. The results of our operations and our prospects in other countries in which we establish operations will depend, in part, on the general level of political stability, economic activity and policies in those countries as well as the duration of COVID-19 in the various regions in which we operate, the efficiency of the measures implemented to contain the spread of COVID-19 in each country and relevant fiscal incentives that may be implemented in such jurisdictions to promote economic recovery. Future developments in the political systems or economies of these countries or the implementation of future governmental policies in those countries, including the imposition of withholding and other taxes, restrictions on the payment of dividends or repatriation of capital, the imposition of import duties or other restrictions, the imposition of new environmental regulations or price controls or changes in relevant laws or regulations, could have a material adverse effect on our business, financial condition and results of operations in those countries.

Our inventory levels may vary for economic or operational reasons.

In general, economic conditions or operational factors can affect our inventory levels. Higher inventories carry a financial risk due to increased need for cash to fund working capital and could imply an increased risk of loss of product. At the same time, lower levels of inventory can hinder the distribution network and process, thus impacting sales volumes. There can be no assurance that inventory levels will remain stable. These factors could have a material adverse effect on our business, financial condition and results of operations.

New production of iodine, potassium nitrate or lithium from current or new competitors in the markets in which we operate could adversely affect prices.

In recent years, new and existing competitors have increased the supply of iodine, potassium nitrate and lithium, which has affected prices for those products. Further production increases could negatively impact prices. There is limited information on the status of new iodine, potassium nitrate or lithium production capacity expansion projects being developed by current and potential competitors and, as such, we cannot make accurate projections regarding the capacities of possible new entrants into the market and the dates on which they could become operational. If these potential projects are completed in the short term, they could adversely affect market prices and our market share, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

We have a capital expenditure program that is subject to significant risks and uncertainties.

Our business is capital intensive. Specifically, the exploration and exploitation of reserves, mining and processing costs, the maintenance of machinery and equipment and compliance with applicable laws and regulations require substantial capital expenditures. We must continue to invest capital to maintain or to increase our exploitation levels and the amount of finished products we produce. For example, we have a US\$1.9 billion investment plan for the years 2021-2024. The plan will allow us to expand our operations of lithium, iodine and nitrate by accessing natural resources both in the Salar de Atacama and caliche ore deposits in Chile as well as through the 50,000 metric ton Mt. Holland lithium hydroxide project in Western Australia (a joint venture that we are developing with our partner Wesfarmers). The plan also aims to increase our mining capacity while protecting the environment, reduce operational costs and increase our annual production capacity of nitrates and iodine to meet expected growth in those markets.

Mining industry development projects typically require a number of years and significant expenditures before production can begin. Such projects could experience unexpected problems and delays during development, construction and start-up.

Our decision to develop a project typically is based on the results of feasibility studies, which estimate the anticipated economic returns of a project. The actual project profitability or economic feasibility may differ from such estimates as a result of any of the following factors, among others: changes in tonnage, grades and metallurgical characteristics of ore or other raw materials to be mined and processed; estimated future prices of the relevant products; changes in customer demand; higher construction and infrastructure costs; the quality of the data on which engineering assumptions were made; higher production costs; adverse geotechnical conditions; availability of adequate labor force; availability and cost of water and energy; availability and cost of transportation; fluctuations in inflation and currency exchange rates; availability and terms of financing; and potential delays relating to social and community issues.

In addition, we require environmental permits for our new projects. Obtaining permits in certain cases may cause significant delays in the execution and implementation of new projects and, consequently, may require us to reassess the related risks and economic incentives.

This may require modifying our operations to incorporate the use of seawater and updating our mining equipment and operational centers.

We cannot assure you that we will be able to maintain our production levels or generate sufficient cash flow, that the proposed US\$1.1 billion capital increase approved by our shareholders on January 22, 2021 will be successful or that we will have access to sufficient investments, loans or other financing alternatives, to continue our activities at or above present levels, or that we will be able to implement our projects or receive the necessary permits required for them in time. If the capital increase is not successful, it may affect our ability to grow and maintain our leading world position in the lithium, potassium nitrate, iodine and thermo-solar salts markets. Any or all of these factors may have a material adverse effect on our business, financial condition and results of operations.

High raw materials and energy prices could increase our production costs and cost of sales, and energy may become unavailable at any price.

We rely on certain raw materials and various energy sources (diesel, electricity, liquefied natural gas, fuel oil and others) to manufacture our products. Purchases of energy and raw materials we do not produce constitute an important part of our cost of sales, approximately 16% in 2020. In addition, we may not be able to obtain energy at any price if supplies are curtailed or otherwise become unavailable. To the extent we are unable to pass on increases in the prices of energy and raw materials to our customers or we are unable to obtain energy, our business, financial condition and results of operations could be materially adversely affected.

Our reserve estimates are internally prepared and not subject to review by external geologists or an external auditing firm and could be subject to significant changes, which may have a material adverse effect on our business, financial condition and results of operations.

Our caliche ore mining reserve estimates and our Salar de Atacama brine mining reserve estimates are prepared by our own geologists and hydrogeologists and are not subject to authentication by external geologists or an external auditing firm. However, our reserve estimates in the Salar de Atacama were reviewed by qualified persons and this information is presented to Corfo. In the past, our reserve estimates in the Salar de Atacama were also reviewed by the Superior Council for Scientific Investigations (*Consejo Superior de Investigaciones Científicas*) or CSIC, and this information was presented to CCHEN. Estimation methods involve numerous uncertainties as to the quantity and quality of the reserves, and reserve estimates could change upwards or downwards. A downward change in our estimates and/or quality of our reserves could affect future volumes and costs of production and therefore have a material adverse effect on our business, financial condition and results of operations.

Chemical and physical properties of our products could adversely affect their commercialization.

Since our products are derived from natural resources, they contain inorganic impurities that may not meet certain customer or government standards. As a result, we may not be able to sell our products if we cannot meet such requirements. In addition, our cost of production may increase in order to meet such standards. Failure to meet such standards could materially adversely affect our business, financial condition and results of operations if we are unable to sell our products in one or more markets or to important customers in such markets.

Changes in technology or other developments could result in preferences for substitute products.

Our products, particularly iodine, lithium and their derivatives, are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid-crystal displays (LCDs). Changes in technology, the development of substitute products or other developments could adversely affect demand for these and other products which we produce. In addition, other alternatives to our products may become more economically attractive as global commodity prices shift. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to labor strikes and labor liabilities that could impact our production levels and costs.

Over 92% of our employees are employed in Chile, of which approximately 67% were represented by 20 labor unions as of December 31, 2020. As of December 31, 2020, 13 collective bargaining agreements had been renegotiated in advance, leaving the remaining seven to be renegotiated during 2021. We are exposed to labor strikes and illegal work stoppages by both our own employees and our independent contractors' employees that could impact our production levels in both our own plants and our independent contractors' plants. If a strike or illegal work stoppage occurs and continues for a sustained

period of time, we could be faced with increased costs and even disruption in our product flow that could have a material adverse effect on our business, financial condition and results of operations.

We are and might be subject to new and upcoming labor laws and regulations in Chile and may be exposed to liabilities and potential costs for non-compliance.

We are subject to recently enacted and might be subject to new local labor laws and regulations that govern, among other things, the relationship between us and our employees and will be subject to new labor bills currently under discussion in the national congress, mainly as a result of the impact of the global novel coronavirus (COVID-19) pandemic as well as to the economic and political volatility and civil unrest in Chile beginning in October and November 2019. There have been changes and proposed changes to various labor laws which include, but are not limited to, modifications related to teleworking, inclusion of workers with disabilities, minimum wage, unemployment insurance benefits, employee and employer relationships, pensions, profit sharing, regular work hours and other matters related to COVID-19.

Any changes to regulations to which we are subject could have a material adverse effect on our business, financial condition and results of operations.

Lawsuits and arbitrations could adversely impact us.

We are party to a range of lawsuits and arbitrations involving different matters as described in Note 22.1 to our Consolidated Financial Statements. Although we intend to defend our positions vigorously, our defense of these actions may not be successful and responding to such lawsuits and arbitrations diverts our management's attention from day-to-day operations. Adverse judgments or settlements in these lawsuits may have a material adverse effect on our business, financial condition and results of operations. In addition, our strategy of being a world leader includes entering into commercial and production alliances, joint ventures and acquisitions to improve our global competitive position. As these operations increase in complexity and are carried out in different jurisdictions, we may be subject to legal proceedings that, if settled against us, could have a material adverse effect on our business, financial condition and results of operations.

We have operations in multiple jurisdictions with differing regulatory, tax and other regimes.

We operate in multiple jurisdictions with complex regulatory environments that are subject to different interpretations by companies and respective governmental authorities. These jurisdictions may have different tax codes, environmental regulations, labor codes and legal framework, which adds complexity to our compliance with these regulations. Any failure to comply with such regulations could have a material adverse effect on our business, financial condition and results of operations.

Environmental laws and regulations could expose us to higher costs, liabilities, claims and failure to meet current and future production targets.

Our operations in Chile are subject to national and local regulations relating to environmental protection. In accordance with such regulations, we are required to conduct environmental impact studies or statements before we conduct any new projects or activities or significant modifications of existing projects that could impact the environment or the health of people in the surrounding areas. We are also required to obtain an environmental license for certain projects and activities. The Chilean Environmental Evaluation Service (*Servicio de Evaluación Ambiental*) evaluates environmental impact studies submitted for its approval. The public, government agencies or local authorities may review and challenge projects that may adversely affect the environment, either before these projects are executed or once they are operating, if they fail to comply with applicable regulations. In order to ensure compliance with

environmental regulations, Chilean authorities may impose fines up to approximately US\$9 million per infraction, revoke environmental permits or temporarily or permanently close facilities, among other enforcement measures.

Chilean environmental regulations have become increasingly stringent in recent years, both with respect to the approval of new projects and in connection with the implementation and development of projects already approved, and we believe that this trend is likely to continue. Given public interest in environmental enforcement matters, these regulations or their application may also be subject to political considerations that are beyond our control.

We regularly monitor the impact of our operations on the environment and on the health of people in the surrounding areas and have, from time to time, made modifications to our facilities to minimize any adverse impact. Future developments in the creation or implementation of environmental requirements or their interpretation could result in substantially increased capital, operation or compliance costs or otherwise adversely affect our business, financial condition and results of operations.

The success of our current investments at the Salar de Atacama and Nueva Victoria is dependent on the behavior of the ecosystem variables being monitored over time. If the behavior of these variables in future years does not meet environmental requirements, our operation may be subject to important restrictions by the authorities on the maximum allowable amounts of brine and water extraction. For example, on December 13, 2017, the First Environmental Court of Antofagasta ordered the temporary and partial closure of certain water extraction wells located in the Salar de Llamara. In October 2018, the First Environmental Court of Antofagasta accepted our claim, and dismissed the restrictions without prejudice. It is possible that third parties could seek to reinstate these restrictions in the future. On December 26, 2019, the First Environmental Court of Antofagasta ruled that the environmental compliance plan presented by SQM Salar S.A. with respect to the Salar de Atacama and approved by the Chilean Environmental Authority (*Superintendencia del Medio Ambiente*) or SMA, in January 2019 did not comply with certain proposed measures of the completeness and efficiency requirements of the Chilean environmental legislation.

SQM Salar S.A. has proposed to the SMA a new environmental compliance plan, which is currently subject to review. We believe that the new proposed environmental compliance plan, safeguards the protection of the environment and is evaluating all courses of action available under applicable law with respect to this ruling.

Our future development depends on our ability to sustain future production levels, which requires additional investments and the submission of the corresponding environmental impact studies or statements. If we fail to obtain approval or required environmental licenses, our ability to maintain production at specified levels will be seriously impaired, thus having a material adverse effect on our business, financial condition and results of operations.

In addition, our worldwide operations are subject to international and other local environmental regulations. Since environmental laws and regulations in the different jurisdictions in which we operate may change, we cannot guarantee that future environmental laws, or changes to existing environmental laws, will not materially adversely impact our business, financial condition and results of operations.

A significant percentage of our shares are held by two principal shareholder groups who may have interests that are different from that of other shareholders and of each other. Any change in such principal shareholder groups may result in a change of control of the Company or of its Board of Directors or its management, which may have a material adverse effect on our business, financial condition and results of operations.

As of December 31, 2020, two principal shareholder groups held in the aggregate 57.86% of our total outstanding shares, including a majority of our Series A common shares, and have the power to elect six of our eight directors. The interests of the two principal shareholder groups may in some cases differ from those of other shareholders and of each other.

As of December 31, 2020, one principal shareholder group is Sociedad de Inversiones Pampa Calichera S.A. and its related companies, Inversiones Global Mining Chile Limitada and Potasios de Chile S.A. (together, the “Pampa Group”), owned approximately 32% of the total outstanding shares of SQM. As reported to the CMF by Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation (“Tianqi”), on December 5, 2018, Inversiones TLC SpA currently owns 25.86% of the total shares of SQM.

Until November 30, 2018, the CMF considered the Pampa Group the controller of SQM. On this date, the CMF determined that in accordance with the distribution of the shares of SQM, “the Pampa Group does not exert decisive power over the management of the Company, and is therefore not considered a controlling shareholder”. The CMF could change its decision in the future if circumstances change.

The divestiture by the Pampa Group or Tianqi, or potential changes in the circumstances that have led to the determination of the CMF related to the controller status of the shareholders of the Company, or a combination thereof, may have a material adverse effect on our business, financial condition and results of operations.

Tianqi is a significant shareholder and a competitor of the Company, which could result in risks to free competition.

Tianqi is a competitor in the lithium business, and as a result of the number of SQM shares that it owns, it has the right to choose up to three Board members. Under Chilean law, we are restricted in our ability to decline to provide information about us, which may include competitively sensitive information, to a director of our company. On August 27, 2018, Tianqi and the Chilean antitrust regulator, the Chilean National Economic Prosecutor’s Office (*Fiscalía Nacional Económica*), or FNE, entered into an extrajudicial agreement, under which certain restrictive measures were implemented in order to (i) maintain the competitive conditions of the lithium market, (ii) mitigate the risks described in the agreement and (iii) limit Tianqi’s access to certain information of the Company and its subsidiaries, which is defined as “sensitive information” under the agreement.

During the approval process of the extrajudicial agreement before the FNE, we expressed our concerns regarding the measures contained in the extrajudicial agreement since, in the Company’s opinion, the measures (i) could not effectively resolve the risks that Tianqi and the FNE have sought to mitigate, (ii) are not sufficient to avoid access to our “sensitive information” that, in the possession of a competitor, could harm us and the proper functioning of the market and (iii) could contradict the Chilean Corporations Act.

The presence of a shareholder which is at the same time a competitor of ours and the right of this competitor to choose Board members could generate risks to free competition and/or increase the risks of an investigation of free competition against us, whether in Chile or in other countries, all of which could have a material adverse effect on our business, financial condition and results of operations.

Our information technology systems may be vulnerable to disruption which could place our systems at risk from data loss, operational failure, or compromise of confidential information.

We rely on various computer and information technology systems, and on third party developers and contractors, in connection with our operations, including two networks that link our principal subsidiaries to our operating and administrative facilities in Chile and other parts of the world and ERP software systems, which are used mainly for accounting, monitoring of supplies and inventories, billing, quality

control, research activities, and production process and maintenance control. In addition, we use cloud technologies, which allows us to support new business processes and respond quickly and at low cost to changing conditions in our business and of the markets. Our information technology systems are susceptible to disruption, damage or failure from a variety of sources, including errors by employees or contractors, computer viruses, cyber-attacks, misappropriation of data by outside parties, and various other threats. We have taken measures to identify and mitigate these risks with the object of reducing operational risk and improving security and operational efficiency, which also includes modernization of existing information technology infrastructure and communications systems. However, we cannot guarantee that due to the increasing sophistication of cyber-attacks our systems will not be compromised and because we do not maintain specialized cybersecurity insurance, our insurance coverage for protection against cybersecurity risk may not be sufficient. During the 2020, and as a result of the Covid-19 pandemic we renewed the perimeter security platform, implemented security updates and applications through the cloud, and the remote network access platform was strengthened and a plan to raise awareness of best practices in the use of telework was also provided. Cybersecurity breaches could result in losses of assets or production, operational delays, equipment failure, inaccurate recordkeeping, or disclosure of confidential information, any of which could result in business interruption, reputational damage, lost revenue, litigation, penalties or additional expenses and could have a material adverse effect on our business, financial condition and results of operations.

Recent international trade tensions could have a negative effect on our financial performance.

Economic conditions in China, an important market for the Company, are sensitive to global economic conditions. The global financial markets have experienced significant disruptions in the past, including the recent international trade disputes and tariff actions announced by the United States, China and certain other countries. The U.S. government has imposed significant tariffs on Chinese goods, and Chinese government has, in turn, imposed tariffs on certain goods manufactured in the United States. There is no assurance that the list of goods impacted by additional tariffs will not be expanded or the tariffs will not be increased materially. We are unable to predict how China or U.S. government policy, in particular, the outbreak of a trade war between China and the United States and additional tariffs on bilateral imports, may continue to impact global economic conditions. If the list of goods is further expanded or the tariff is further increased, global economic conditions of both countries could be impacted, and growth in demand for lithium or other commodities could decrease, which may have a material adverse effect on our business, financial condition and results of operations.

Outbreaks of communicable infections or diseases, or other public health pandemics, such as the outbreak of the novel coronavirus (COVID-19) currently being experienced around the world, have impacted and may further impact the markets in which we, our customers and our suppliers operate or market and sell products and could have a material adverse effect on our operations business, financial condition and results of operations.

Disease outbreaks and other public health conditions, such as the global outbreak of COVID-19 currently being experienced, in markets in which we, our customers and our suppliers operate, could have a significant negative impact on our revenues, profitability and business. Due to the COVID-19 outbreak, there has been a substantial curtailment and disruption of business activities around the world. These curtailments and disruptions include: manufacturing and other work stoppages, factory and other business closings, slowdowns or delays; restrictions and limitations placed on workers and factories, including quarantines and other limitations on the ability to travel and return to work; shortages and delays in production or shipment of products or raw materials; and border closures. In response to the spread of COVID-19, the Chilean government closed its borders for entry by non-resident foreigners for an extended period of time, prohibited the docking of cruise ships at Chilean ports, from time to time imposed quarantines on certain regions of Chile and imposed a nationwide curfew. These measures have not materially impacted imports or exports to or from Chile. However, we have seen some impacts related to the shipment of products in and out of various other countries and regions, which could further negatively

impact our ability to ship products to customers and receive supplies from suppliers. Furthermore, the COVID-19 outbreak could disrupt the supply chain for materials we need to implement the planned expansions of our production capacity.

As a precaution, our management has implemented several measures to help reduce the speed at which COVID-19 may spread in our Company, including measures to mitigate the spread in the workplace, significant reductions in employee travel and a mandatory quarantine for people who have arrived from high-risk destinations, in consultation with governmental and international health organization guidelines, and will continue to implement measures consistent with the evolving COVID-19 situation. While these measures have been implemented to reduce the risk of the spread of the virus in our facilities, there can be no assurance that these measures will reduce or limit the impact of COVID-19 on our operations, business, financial condition or results of operations. Our operations could be stopped as a result of, among other reasons, regulatory restrictions or a significant outbreak of the virus among our staff, which could prevent employees from reporting to shifts.

While the global impacts of the COVID-19 pandemic are constantly changing, international financial markets have reflected the uncertainty associated with the slowdown of the global economy and the potential impact if businesses, workers, customers and others are prevented or restricted from conducting business activities due to quarantines, business closures or other restrictions imposed by businesses or governmental authorities in response to the COVID-19 outbreak. An economic downturn could affect demand for the products of our customers by their end-users and, in turn, demand from our customers for our products.

If our stakeholders and other constituencies believe we fail to appropriately address sustainability and other environmental, social and governance (ESG) concerns it may adversely affect our business.

In October 2020, we announced our sustainable development plan, which includes voluntarily expanding our monitoring systems, promoting better and more profound conversations with neighboring communities and becoming carbon neutral and reducing water by 65% and brine extraction by 50%. We also announced a goal of obtaining international certifications and participating in international sustainability indices which we consider essential for a sustainable future.

While we are dedicated to our efforts related to sustainability, if we fail to address appropriately all relevant stakeholders' concerns in connection with ESG criteria, we may face opposition, which could negatively affect our reputation, delay operations, or lead to litigation threats or actions. If we do not maintain our reputation with key stakeholders and constituencies and effectively manage these sensitive issues, they could adversely affect our business, results of operations, and financial condition.

Climate change can create physical risks and other risks that could adversely affect our business and operations and adverse weather conditions or significant changes in weather patterns could have a material adverse impact on our results of operations.

The impact of climate change on our operations and our customers' operations remains uncertain, but the physical effects of climate change could have an adverse effect on us and our customers as experts believe that climate change may be associated with more extreme weather conditions. These effects could include, but may not be limited to, changes in regional weather patterns, including drought and rainfall levels, water availability, sea levels, storm patterns and intensities and temperature levels, including increased volatility in seasonal temperatures via excessively hot or cold temperatures. These extreme weather conditions could vary by geographic location.

Severe climate change could have an adverse effect on our costs, production, or sales, especially with respect to our solar operations in the Salar de Atacama, which require hot, arid summer weather conditions. Prolonged periods of precipitation or cooler weather during the evaporation season could reduce

evaporation rates, leading to decreases in our production levels. Similarly, changes in hydrology could affect brine levels, impacting our mineral harvesting process. The occurrence of these climate events at our solar operations could lead to decreased production levels, increased operating costs and require us to make significant additional capital expenditures.

Weather conditions have historically caused volatility in the agricultural industry (and indirectly in our results of operations) by causing crop failures or significantly reduced harvests, which can adversely affect application rates, demand for our plant nutrition products and our customers' creditworthiness. Weather conditions can also lead to a reduction in farmable acres, flooding, drought or wildfires, which could also adversely impact growers' crop yields and the uptake of plant nutrients, reducing the need for application of plant nutrition products for the next planting season which could result in lower demand for our plant nutrition products and negatively impact the prices of our products.

Any prolonged change in weather patterns in our markets, as a result of climate change or otherwise, could have a material adverse impact on the results of our operations.

Risks Relating to Financial Markets

Currency fluctuations may have a negative effect on our financial performance.

We transact a significant portion of our business in U.S. dollars, and the U.S. dollar is the currency of the primary economic environment in which we operate. In addition, the U.S. dollar is our functional currency for financial statement reporting purposes. A significant portion of our costs, however, is related to the Chilean peso. Therefore, an increase or decrease in the exchange rate between the Chilean peso and the U.S. dollar would affect our costs of production. The Chilean peso has been subject to large devaluations and revaluations in the past and may be subject to significant fluctuations in the future. As of December 31, 2020, the Chilean peso exchange rate was Ch\$710.95 per U.S. dollar, while as of December 31, 2019 the Chilean peso exchange rate was Ch\$748.74 per U.S. dollar. The Chilean peso therefore appreciated against the U.S. dollar by 5.0% in 2020.

As an international company operating in several other countries, we also transact business and have assets and liabilities in other non-U.S. dollar currencies, such as, among others, the Euro, the South African rand, the Mexican peso, the Chinese yuan, the Thai baht and the Brazilian real.

As a result, fluctuations in the exchange rates of such foreign currencies to the U.S. dollar may have a material adverse effect on our business, financial condition and results of operations.

We may be subject to risks associated with the discontinuation, reform or replacement of benchmark indices.

Interest rate, foreign exchange rate and other types of indices which are deemed to be "benchmarks" are the subject of increased regulatory scrutiny and may be discontinued, reformed or replaced. For example, in 2017, the U.K. Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the London interbank offered rate ("LIBOR") benchmark after 2021. This reform will, and other future reforms may, cause benchmarks to be different than they have been in the past, or to disappear entirely, or have other consequences which cannot be fully anticipated which introduces a number of risks for our business. These risks include (i) legal risks arising from potential changes required to document new and existing transactions; (ii) financial risks arising from any changes in the valuation of financial instruments linked to benchmark rates; (iii) pricing risks arising from how changes to benchmark indices could impact pricing mechanisms on some instruments; (iv) operational risks arising from the potential requirement to adapt IT systems, trade reporting infrastructure and operational processes; and (v) conduct risks arising from the potential impact of communication with customers and engagement during the transition period. Various replacement benchmarks, and the timing

of and mechanisms for implementation are being considered. The transition away from LIBOR to risk-free reference rates (RFRs) requires financial firms to make a variety of internal changes, for example updating front-and back-office systems, retraining staff and redesigning processes, as well as potentially modifying or renegotiating potentially thousands of LIBOR-linked contracts. All banks and other financial market participants must eliminate their dependence on LIBOR by this date if they are to avoid disruption when the publication of LIBOR ceases. Although as of December 31, 2020 we had approximately US\$70 million short- and long-term debt that use a LIBOR benchmark, it is not currently possible to determine whether, or to what extent, any such changes would affect us. However, the discontinuation or reformation of existing benchmark rates or the implementation of alternative benchmark rates may have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Chile

As we are a company based in Chile, we are exposed to political risks and civil unrest in Chile.

Our business, financial condition and results of operations could be affected by changes in policies of the Chilean government, other political developments in or affecting Chile, legal changes in the standards or administrative practices of Chilean authorities or the interpretation of such standards and practices, over which we have no control. The Chilean government has modified, and has the ability to modify, monetary, fiscal, tax, social and other policies in order to influence the Chilean economy or social conditions. We have no control over government policies and cannot predict how those policies or government intervention will affect the Chilean economy or social conditions, or, directly and indirectly, our business, financial condition and results of operations. Changes in policies involving exploitation of natural resources, taxation and other matters related to our industry may adversely affect our business, financial condition and results of operations.

We are exposed to economic and political volatility and civil unrest in Chile. Changes in social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in Chile, as well as crises and political uncertainties in Chile, could adversely affect economic growth in Chile. In October and November 2019, Chile experienced riots and widespread mass demonstrations in Santiago and other major cities in Chile, triggered by an increase in public transportation fares in the city of Santiago, which involved violence and significant property damage and caused commercial disruptions throughout the country. As a result, on October 18, 2019 the Chilean government declared a 15-day period state of emergency and imposed a nighttime curfew in the greater Santiago region and other cities. The state of emergency has since been lifted and the Chilean government has introduced several social reforms, including (i) an immediate 20% increase in government-subsidized pensions; (ii) new insurance programs to cover catastrophic illnesses and medication; (iii) a guaranteed minimum monthly income for wage earners of Ch\$350,000 (approximately US\$460.95), with the difference between such guaranteed minimum monthly income and the minimum monthly wage (Ch\$301,000) to be borne by the Chilean government; (iv) the reversal of a previously announced 9.2% price increase in energy tariffs; and (v) a 40% income tax bracket for individuals earning over Ch\$15.0 million (approximately US\$19,755.04) a month, increased from 35%. In addition, President Piñera announced a pay cut for members of the Chilean Congress and the highest-paid civil servants and replaced eight ministers of his government. On November 15, 2019, representatives of Chile's leading political parties agreed to hold a referendum, allowing Chileans to vote on whether to replace the Chilean Constitution. In November 2020, a referendum was held to vote on two matters: (i) whether a new constitution should be enacted and (ii) if so, whether a constituent convention should be comprised of an elected mixed assembly of current Congress members and newly elected persons or entirely comprised of newly-elected citizens. This referendum resulted in strong support for convening a fully elected Constitutional Convention to draft Chile's new constitution. The election of the members of this convention will be held in April 2021. Each new article of the Constitution would have to be approved by two thirds of the convention. The Constitutional Convention will have approximately one year, starting in

April 2021, to complete the draft of the Constitution. An exit referendum with compulsory participation will then be held to ratify the new Constitution.

The long-term effects of this social unrest are hard to predict, but could include slower economic growth, which could adversely affect our profitability and prospects.

Changes to the Chilean Constitution could impact a wide range of rights, including mining rights, water rights and property rights generally, and could affect our business, financial condition and results of operations.

In response to the riots and mass demonstrations that occurred during October and November 2019, the Chilean government held a national referendum in November 2020 which decided that a new Chilean Constitution would be drafted by a special constituent assembly comprised entirely of citizens elected for that task (“Elected Citizens”). As decided in the referendum, all Elected Citizens are to be elected in April 2021 and the draft Chilean Constitution will be presented by the drafters in September or December 2021 (depending on whether an extension is requested) for approval by the citizens of Chile in May or August 2022 (depending on whether an extension is requested). It is expected that the final draft of the new Chilean Constitution will be submitted to a public referendum for approval. The existing Chilean Constitution has been in place since 1980 and any new Chilean Constitution could change the political situation of Chile, potentially changing a wide range of rights, including mining rights, water rights and property rights generally, which could affect the Chilean economy and the business outlook for the country generally and our business, financial condition and results of operations in particular.

Changes in regulations regarding, or any revocation or suspension of mining, port or other concessions could affect our business, financial condition and results of operations.

We conduct our mining operations, including brine extraction, under exploitation and exploration concessions granted in accordance with provisions of the Chilean Constitution and related laws and statutes. Our exploitation concessions essentially grant a perpetual right (with the exception of the rights granted to SQM Salar with respect to the Salar de Atacama concessions under the Lease Agreement described above, which expires in 2030) to conduct mining operations in the areas covered by the concessions, provided that we pay annual concession fees. Our exploration concessions permit us to explore for mineral resources on the land covered thereby for a specified period of time and to subsequently request a corresponding exploitation concession. Any changes to the Chilean Constitution with respect to the exploitation and exploration of natural resources and concessions granted as a result of the proposed Constitutional referendum could materially adversely affect our existing exploitation and exploration concessions or our ability to obtain future concessions and could have a material adverse effect on our business, financial condition and results of operations.

We also operate port facilities at Tocopilla, Chile, for the shipment of products and the delivery of raw materials pursuant to maritime concessions, which have been granted under applicable Chilean laws and are normally renewable on application, provided that such facilities are used as authorized and annual concession fees are paid.

Any significant adverse changes to any of these concessions, any changes to regulations to which we are subject or adverse changes to our other concession rights, or a revocation or suspension of any of our concessions, could have a material adverse effect on our business, financial condition and results of operations.

Changes in water rights laws and other regulations could affect our business, financial condition and results of operations.

We hold water use rights that are key to our operations. These rights were obtained from the Chilean Water Authority (*Dirección General de Aguas*) for supply of water from rivers and wells near our production facilities, which we believe are sufficient to meet current operating requirements. However, the Chilean Water Rights Code (*Código de Aguas* or the “Water Code”) is subject to changes, which could have a material adverse impact on our business, financial condition and results of operations. For example, a series of bills are currently being discussed by the Chilean National Congress that seek to desalinate seawater for use in mining production processes, amend the Mining Code for water use in mining operations, amend the Chilean Constitution on water and introduce changes to the regulatory framework governing the terms of inspection and sanction of water. As a result, the amount of water that we can actually use under our existing rights may be reduced or the cost of such use could increase. In addition, any changes to the Chilean Constitution with respect to water rights as a result of the proposed Constitutional referendum could restrict our access to water required for our production operations and materially adversely affect our existing operations or our ability to expand our operations in the future. These and potential future changes to the Water Code, the Chilean Constitution or other relevant regulations could have a material adverse effect on our business, financial condition and results of operations.

The Chilean National Congress is considering a draft bill that declares lithium mining to be in the national interest, which if passed in its current form, could enable the expropriation of our lithium assets.

The Chilean National Congress is currently processing a bill, bulletin 10,638-08, which “Declares the exploitation and commercialization of lithium and Sociedad Química y Minera de Chile S.A. to be of national interest.” The purpose of this bill is to enable the potential expropriation of our assets, or our lithium operations in general. The bill is subject to further discussion in the Chilean National Congress, which includes several possible changes to its current wording. We cannot guarantee that the bill will not eventually be approved by the Chilean National Congress, nor that its final wording will not refer to us or our lithium operations. If the bill is approved as currently drafted, it could have a material adverse effect on our business, financial condition and results of operations.

The Chilean government could levy additional taxes on mining companies operating in Chile.

In Chile, there is a royalty tax that is applied to mining activities developed in the country. The Chilean National Congress is currently processing a bill, bulletin 12,093-08, which proposes to institute a royalty fee of 3% on the value of extracted minerals. The bill is subject to further discussion in the Chilean National Congress, which includes several possible changes to its current wording. We cannot guarantee that the bill will not eventually be approved by the Chilean National Congress. If the bill is approved as currently drafted, it could have a material adverse effect on our business, financial condition and results of operations.

Ratification of the International Labor Organization’s Convention 169 concerning indigenous and tribal peoples might affect our development plans.

Chile, a member of the International Labor Organization (“ILO”), has ratified the ILO’s Convention 169 (the “Indigenous Rights Convention”) concerning indigenous and tribal people. The Indigenous Rights Convention established several rights for indigenous people and communities. Among other rights, the Indigenous Rights Convention states that (i) indigenous groups should be notified and consulted prior to the development of any project on land deemed indigenous, although veto rights are not mentioned, and (ii) indigenous groups have, to the extent possible, a stake in benefits resulting from the exploitation of natural resources in indigenous land. The extent of these benefits has not been defined by the Chilean government. The Chilean government has addressed item (i) above through Supreme Decree No. 66, issued by the Social Development Ministry. This decree requires government entities to consult

indigenous groups that may be directly affected by the adoption of legislative or administrative measures, and it also defines criteria for the projects or activities that must be reviewed through the environmental evaluation system that also require such consultation. To the extent that the new rights outlined in the Indigenous Rights Convention become laws or regulations in Chile, judicial interpretations of the convention of those laws or regulations could affect the development of our investment projects in lands that have been defined as indigenous, which could have a material adverse effect on our business, financial condition and results of operations. The Chilean Supreme Court has consistently held that consultation processes must be carried out in the manner prescribed by Indigenous Rights Convention.

The consultation process may cause delays in obtaining regulatory approvals, including environmental permits, as well as public opposition by local and/or international political, environmental and ethnic groups, particularly in environmentally sensitive areas or in areas inhabited by indigenous populations. Furthermore, the omission of the consultation process when required by law may result in the revocation or annulment of regulatory approvals, including environmental permits already granted.

Consequently, operating projects may be affected since the omission of the consultation process, when required by law, could lead to public law annulment actions pursuing the annulment of the environmental permits granted.

However, this risk frequently arises during the environmental assessment phase when the environmental permits are to be obtained. In such scenario, affected parties may take several legal actions to declare null or void the environmental permits that omitted the consultation process, and in some cases, courts have overturned environmental approvals in which consultation was not made as prescribed in the Indigenous Rights Convention.

If the Indigenous Rights Convention affects our development plans, it could have a material adverse effect on our business, financial condition and results of operations.

Chile has different corporate disclosure and accounting standards than those you may be familiar with in the United States.

Accounting, financial reporting and securities disclosure requirements in Chile differ in certain significant respects from those required in the United States. Accordingly, the information about us available to you will not be the same as the information available to holders of securities issued by a U.S. company. In addition, although Chilean law imposes restrictions on insider trading and price manipulation, applicable Chilean laws are different from those in the United States, and the Chilean securities markets are not as highly regulated and supervised as the U.S. securities markets.

Chile is located in a seismically active region.

Chile is prone to earthquakes because it is located along major fault lines. During 2017-2020, Chile has experienced several earthquakes which had a magnitude of over 6.0 on the Richter scale. There were also earthquakes in the past decade that caused substantial damage to some areas of the country. Chile has also experienced volcanic activity. A major earthquake or a volcanic eruption could have significant negative consequences for our operations and for the general infrastructure, such as roads, rail, and access to goods, in Chile. Although we maintain industry standard insurance policies that include earthquake coverage, we cannot assure you that a future seismic or volcanic event will not have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to our Shares and to our ADSs

The price of our ADSs and the U.S. dollar value of any dividends will be affected by fluctuations in the U.S. dollar/Chilean peso exchange rate.

Chilean trading in the shares underlying our ADSs is conducted in Chilean pesos. The depository for our ADSs will receive cash distributions that we make with respect to the shares in Chilean pesos. The depository will convert such Chilean pesos to U.S. dollars at the then prevailing exchange rate to make dividend and other distribution payments in respect of ADSs. If the value of the Chilean peso falls relative to the U.S. dollar, the value of the ADSs and any distributions to be received from the depository will decrease.

Developments in other emerging markets could materially affect the value of our ADSs and our shares.

The Chilean financial and securities markets are, to varying degrees, influenced by economic and market conditions in other emerging market countries or regions of the world. Although economic conditions are different in each country or region, investor reaction to developments in one country or region can have significant effects on the securities of issuers in other countries and regions, including Chile and Latin America. Events in other parts of the world may have a material effect on Chilean financial and securities markets and on the value of our ADSs and our shares.

The prices of securities issued by Chilean companies, including banks, are influenced to varying degrees by economic and market considerations in other countries. We cannot assure you that future developments in or affecting the Chilean economy, including consequences of economic difficulties in other markets, will not materially and adversely affect our business, financial condition or results of operations.

We are exposed to risks related to the weakness and volatility of the economic and political situation in Asia, the United States, Europe, other parts of Latin America and other nations. Although economic conditions in Europe and the United States may differ significantly from economic conditions in Chile, investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of Chilean issuers.

If these, or other nations' economic conditions deteriorate, the economy in Chile, as both a neighboring country and a trading partner, could also be affected and could experience slower growth than in recent years, with possible adverse impact on our borrowers and counterparties.

Chile has considerable economic ties with China, the United States and Europe. In 2020, approximately 37.2% of Chile's exports went to China, mainly copper. China's economy has grown at a strong pace in recent times, but a slowdown in economic activity in China may affect Chile's GDP and export growth as well as the price of copper, which is Chile's main export. Chile exported approximately 14.0% of total exports to the United States and 8.8% to Europe in 2020.

Chile was recently involved in international litigation with Bolivia regarding maritime borders. We cannot assure you that crises and political uncertainty in other Latin American countries will not have an adverse effect on Chile, the price of our securities or our business.

The volatility and low liquidity of the Chilean securities markets could affect the ability of our shareholders to sell our ADSs.

The Chilean securities markets are substantially smaller, less liquid and more volatile than the major securities markets in the United States. The volatility and low liquidity of the Chilean markets could increase the price volatility of our ADSs and may impair the ability of a holder to sell our ADSs or to sell the shares underlying our ADSs into the Chilean market in the amount and at the price and time the holder wishes to do so.

Our share or ADS price may react negatively to future acquisitions, divestitures, capital increases and investments.

As world leaders in our core businesses, part of our strategy is to look for opportunities that will allow us to consolidate and strengthen our competitive position in jurisdictions in which we currently do not operate. Pursuant to this strategy, we may carry out acquisitions or joint ventures relating to any of our businesses or to new businesses in which we believe we may have sustainable competitive advantages. We may also seek to strengthen our leadership position in our core businesses through divestitures of certain assets or stakes in subsidiaries that we believe will allow us to concentrate our efforts on our core businesses. Depending on our capital structure at the time of any acquisitions or joint ventures, we may need to raise significant debt and/or equity which will affect our financial condition and future cash flows. We may also carry out capital increases in order to raise capital for our capital plan. In addition, any divestitures we effect may not result in strengthening our position in our core businesses as anticipated. Any change in our financial condition could affect our results of operations and negatively impact our share or ADS price.

ADS holders may be unable to enforce rights under U.S. securities laws.

Because we are a Chilean company subject to Chilean law, the rights of our shareholders may differ from the rights of shareholders in companies incorporated in the United States, and ADS holders may not be able to enforce or may have difficulty enforcing rights currently in effect under U.S. federal or state securities laws.

Our company is an open stock corporation incorporated under the laws of the Republic of Chile. Most of our directors and officers reside outside the United States, principally in Chile. All or a substantial portion of the assets of these persons are located outside the United States. As a result, if any of our shareholders, including holders of our ADSs, were to bring a lawsuit against our officers or directors in the United States, it may be difficult for them to effect service of legal process within the United States upon these persons. Likewise, it may be difficult for them to enforce judgments obtained in United States courts based upon the civil liability provisions of the federal securities laws in the United States against them in the United States.

In addition, there is no treaty between the United States and Chile providing for the reciprocal enforcement of foreign judgments. However, Chilean courts have enforced judgments rendered in the United States, provided that the Chilean court finds that the United States court respected basic principles of due process and public policy. Nevertheless, there is doubt as to whether an action could be brought successfully in Chile in the first instance on the basis of liability based solely upon the civil liability provisions of the United States federal securities laws.

As preemptive rights may be unavailable for our ADS holders, they have the risk of their holdings being diluted if we issue new stock.

Chilean laws require companies to offer their shareholders preemptive rights whenever issuing new shares of capital stock so shareholders can maintain their existing ownership percentage in a company. If we increase our capital by issuing new shares, a holder may subscribe for up to the number of shares that would prevent dilution of the holder's ownership interest.

If we issue preemptive rights, United States holders of ADSs would not be able to exercise their rights unless a registration statement under the Securities Act were effective with respect to such rights and the shares issuable upon exercise of such rights or an exemption from registration were available. We cannot assure holders of ADSs that we will file a registration statement or that an exemption from registration will be available. We may, in our absolute discretion, decide not to prepare and file such a registration statement. Although in connection with the pending capital increase approved by our shareholders on

January 22, 2021, we expect to file a registration statement that would permit holders of ADSs to exercise preemptive rights, if our ADS holders were unable to exercise their preemptive rights because we did not file a registration statement, the ADS depository would attempt to sell their rights and distribute the net proceeds from the sale to them, after deducting the depository's fees and expenses. If the depository could not sell the rights, they would expire and have no further value and holders of ADSs would not realize any value from them. In either case, ADS holders' equity interests in us would be diluted in proportion to the increase in our capital stock.

If we were classified as a Passive Foreign Investment Company by the U.S. Internal Revenue Service, there could be adverse consequences for U.S. investors.

We believe that we were not classified as a Passive Foreign Investment Company ("PFIC") for 2020. Characterization as a PFIC could result in adverse U.S. tax consequences to a U.S. investor in our shares or ADSs. For example, if we (or any of our subsidiaries) are a PFIC, our U.S. investors may become subject to increased tax liabilities under U.S. tax laws and regulations and will become subject to burdensome reporting requirements. The determination of whether or not we (or any of our subsidiaries or portfolio companies) are a PFIC is made on an annual basis and will depend on the composition of our (or their) income and assets from time to time.

Changes in Chilean tax regulations could have adverse consequences for U.S. investors.

Currently cash dividends paid by us to foreign shareholders are subject to a 35% Chilean withholding tax. When the Company pays a corporate income tax on the income from which the dividend is paid, known as a "First Category Tax", a credit for all or a portion of the amount of the First Category Tax, depending on the jurisdiction of the foreign shareholder, effectively reduces the rate of Withholding Tax, which was equivalent of 23.90411% during 2020.

Foreign shareholders resident in a jurisdiction with a tax treaty in force with Chile will be credited with 100% of the Chilean corporate tax paid by us against the final taxes at the shareholder level. Foreign shareholders resident in a non-treaty jurisdiction will be subject to a higher effective tax rate on dividends because only a portion of the Chilean corporate tax paid by us will be credited against the final taxes at the shareholder level. There is a temporary rule in effect since January 1, 2017, which has been extended to December 31, 2026, that provides that treaty jurisdictions for this purpose will include jurisdictions with tax treaties signed with Chile prior to January 1, 2020, even if such treaties are not in force. This is currently the status of the treaty signed between the United States and Chile.

Additionally, pursuant to the current social and political agenda, it is expected that the Chilean Government, based on a report prepared on January 2021 by a commission of experts, will introduce a new tax reform bill aimed at limiting tax exemptions and/or preferential tax treatments contained in the Chilean tax legislation, such as the exemption on capital gains arising from the sale of shares that are publicly traded and have a high presence in the stock exchange.

Changes in Chilean tax regulations could have adverse consequences for U.S. investors.

General Risk Factors

Our measures to minimize our exposure to bad debt may not be effective and a significant increase in our accounts receivable coupled with the financial condition of customers may result in losses that could have a material adverse effect on our business, financial condition and results of operations.

Potentially negative effects of global economic conditions on the financial condition of our customers may include the extension of the payment terms of our accounts receivable and may increase our exposure to bad debt. While we have implemented certain safeguards, such as using credit insurance, letters of

credit and prepayment for a portion of sales, to minimize the risk, we cannot assure you that such safeguards will be effective and a significant increase in our accounts receivable coupled with the financial condition of customers may result in losses that could have a material adverse effect on our business, financial condition and results of operations.

Quality standards in markets in which we sell our products could become stricter over time.

In the markets in which we do business, customers may impose quality standards on our products and/or governments may enact stricter regulations for the distribution and/or use of our products. As a result, if we cannot meet such new standards or regulations, we may not be able to sell our products. In addition, our cost of production may increase in order to meet any such newly imposed or enacted standards or regulations. Failure to sell our products in one or more markets or to important customers could materially adversely affect our business, financial condition and results of operations.

Our business is subject to many operating and other risks for which we may not be fully covered under our insurance policies.

Our facilities and business operations in Chile and abroad are insured against losses, damage or other risks by insurance policies that are standard for the industry and that would reasonably be expected to be sufficient by prudent and experienced persons engaged in businesses similar to ours.

We may be subject to certain events that may not be covered under our insurance policies, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, as a result of major earthquakes and unexpected rains and flooding in Chile, as well as other natural disasters worldwide, conditions in the insurance market have changed and may continue to change in the future, and as a result, we may face higher premiums and reduced coverage, which could have a material adverse effect on our business, financial condition and results of operations.

Our water supply could be affected by geological changes or climate change.

Our access to water may be impacted by changes in geology, climate change or other natural factors, such as wells drying up or reductions in the amount of water available in the wells or rivers from which we obtain water, that we cannot control. The use of seawater for future or current operations could increase our operating costs. Any such change may have a material adverse effect on our business, financial condition and results of operations.

Any loss of key personnel may materially and adversely affect our business.

Our success depends in large part on the skills, experience and efforts of our senior management team and other key personnel. The loss of the services of key members of our senior management or employees with critical skills could have a negative effect on our business, financial condition and results of operations. If we are not able to attract or retain highly skilled, talented and qualified senior managers or other key personnel, our ability to fully implement our business objectives may be materially and adversely affected.

We are subject to Chilean and international anti-corruption, anti-bribery, anti-money laundering and international trade laws. Failure to comply with these laws could adversely impact our business, financial condition and results of operations.

We are required to be in compliance with all applicable laws and regulations in Chile and internationally with respect to anti-corruption, anti-money laundering and other regulatory matters, including the FCPA. Although we and our subsidiaries maintain policies and processes intended to comply with these laws,

we cannot ensure that these compliance policies and processes will prevent intentional, reckless or negligent acts committed by our officers or employees.

If we or our subsidiaries fail to comply with any applicable anti-corruption, anti-bribery, anti-money laundering or other similar laws, we and our officers and employees may be subject to criminal, administrative or civil penalties and other remedial measures, which could have material adverse effects on our and our subsidiaries' business, financial condition and results of operations. Any investigation of potential violations of anti-corruption, anti-bribery or anti-money laundering laws by governmental authorities in Chile or other jurisdictions could result in an inability to prepare our consolidated financial statements in a timely manner. This could adversely impact our reputation, ability to access the financial markets and ability to obtain contracts, assignments, permits and other government authorizations necessary to participate in our and our subsidiaries' industry, which, in turn, could have adverse effects on our and our subsidiaries' business, financial condition and results of operations.

3) F) DESCRIPTION OF BUSINESS ENVIRONMENT: CAPITAL EXPENDITURE PROGRAM

We regularly review different opportunities to improve our production methods, reduce costs, increase production capacity of existing products and develop new products and markets. Additionally, significant capital expenditures are required every year in order to sustain our production capacity. We are focused on developing new products in response to identified customer demand, as well as new products that can be derived as part of our existing production or other products that could fit our long-term development strategy.

Our capital expenditures in Chile have been mainly related to the organic growth and sustainability of our business, including the construction of new facilities and the renovation of plants and equipment. In 2020, we also worked on the expansion of our lithium carbonate and lithium hydroxide capacity in Chile, which we believe will reach 120,000 metric tons and 21,500 metric tons respectively by the end of 2021. We also began expansions related to the mining and production facilities of nitrates and iodine in Chile.

Our capital expenditures for the years ended December 31, 2020, 2019 and 2018 were as follows:

(in millions of U.S. dollars)	2020	2019	2018
Capital Expenditures	322.2	321.3	244.7

During 2020, we had total capital expenditures of US\$322.2 million, a decrease compared to the US\$450 million that was originally expected as a result in the delay of the purchasing of equipment. Our 2020 capital expenditure is primarily related to:

- Capacity expansion projects related to the increase of our lithium carbonate production from 70,000 metric tons per year to 120,000 metric tons per year in Chile;
- Capacity expansion of lithium hydroxide production from 13,500 metric tons per year to 21,500 metric tons per year in Chile;
- Optimization projects related to potassium nitrate production plants in Coya Sur; and
- General maintenance of all production units in order to ensure the fulfillment of production and sales targets.

During 2019, we had total capital expenditures of US\$321.3 million, primarily related to:

- Capacity expansion projects related to the completion of the increase of our lithium carbonate production to 70,000 metric tons per year and the commencement of our lithium carbonate expansion project to reach 120,000 metric tons per year.

3) DESCRIPTION OF BUSINESS ENVIRONMENT

- Capacity expansion of lithium hydroxide production from 13,500 metric tons per year to 21,500 metric tons per year in Chile;
- Investments to increase iodine capacity to 14,800 metric tons per year in the Nueva Victoria mine; and
- Capacity expansion and optimization projects related to potassium nitrate production plants II, III and IV in Coya Sur.

During 2018, we had total capital expenditure of US\$244.7 million, primarily related to:

- Capacity expansion projects related to increasing lithium carbonate production to 70,000 metric tons per year and lithium hydroxide production to 13,500 metric tons per year in Chile;
- Investments to increase iodine capacity to 14,000 in the Nueva Victoria mine;
- Capacity expansion project related to potassium nitrate production plants III and IV in Coya Sur; and
- General maintenance of all production units and the Port of Tocopilla in order to ensure the fulfillment of production and sales targets.

We believe that our capital expenditures for 2021 could reach approximately US\$500 million focused on the maintenance of our production facilities in order to strengthen our ability to meet our production goals and to increase our production capacity, primarily related to lithium carbonate and lithium hydroxide capacity expansions and nitrates and iodine capacity in Chile and development of our lithium project in Australia. We expect our installed capacity of lithium carbonate and lithium hydroxide in Chile to reach approximately 120,000 and 21,500 metric tons respectively by the second half of 2021, an increase of 50,000 metric tons of lithium carbonate and of 8,000 metric tons of lithium hydroxide compared to our current effective capacity. We will also begin the development and purchase of long-lead time equipment in connection with the Mt. Holland lithium project in Western Australia.

4) OWNERSHIP AND SHARES**4) A) OWNERSHIP AND SHARES: OWNERSHIP****i) OWNERSHIP CONTROL SITUATION**

As of December 31, 2020, SQM does not have a “controlling group” as such term is defined in Title XV of Chilean Law No. 18,045.

ii) IDENTIFICATION OF NON-CONTROLLING MAJORITY SHAREHOLDERS

SQM has been informed that, as of December 31, 2020, Mr. Julio Ponce Lerou (ID No. 4.250.719-9) and related persons control 100% of Inversiones SQYA Ltda. (“SQYA”) and 100% of Inversiones SQ Ltda. These two companies control indirectly 32.00% of all shares of SQM (consisting of 71,871,838 Series A shares and 12,341,049 Series B shares), as follows: (i) Inversiones SQ Ltda. controls 0.0258% of Norte Grande S.A. (“Norte Grande”) and SQYA controls 67.59% of Norte Grande, which controls 76.82% of Sociedad de Inversiones Oro Blanco S.A., which controls 88.64% of Sociedad de Inversiones Pampa Calichera S.A. (“Pampa Calichera”), which controls 21.75% of SQM, as of December 31, 2020; (ii) Pampa Calichera controls 99.99% of Inversiones Global Mining Chile Limitada, which controls 3.34% of SQM and (iii) Norte Grande controls 76.34% of Nitratos de Chile S.A., which controls 98.89% of Potasios de Chile S.A., which controls 10.07% of Pampa Calichera and 6.91% of SQM. Thus, Pampa Calichera and its related companies, Inversiones Global Mining Chile Limitada and Potasios de Chile S.A. (together, “Pampa Group”), control 32.00% of SQM.

As reported by Depósito Central de Valores S.A. (“DCV”), which keeps formal records of the shareholders of the Company, as of December 31, 2020, Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation (“Tianqi”), is a direct owner of 62,556,568 of SQM’s shares, equivalent to 23.77% of SQM’s total shares. In addition, as reported by Inversiones TLC SpA, Tianqi, through its subsidiaries, owns 5,516,772 Series B shares of SQM. Therefore, as of December 31, 2020, Tianqi beneficially owns 25.86% of SQM’s total shares.

As of December 31, 2019, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A., and Kowa Holding America Inc. (together, “Kowa Group”) are owners of 2.35% of all shares in SQM.

For the breakdown by series of share of the Pampa Group, Tianqi and Kowa Group ownership of shares in SQM, see Section 4) A) iii) Identification of 12 Largest Shareholders.

iii) IDENTIFICATION OF 12 LARGEST SHAREHOLDERS

As of December 31, 2020, the 12 largest shareholders including both Series A and Series B shares were:

Series A + Series B	Taxpayer ID	Number of Shares	% Ownership
INVERSIONES TLC SPA	76,902,021-7	62,556,568	23.77%
THE BANK OF NEW YORK MELLON ADRS ¹	59,030,820-K	50,792,452	19.30%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA ²	96,511,530-7	45,817,123	17.41%
POTASIOS DE CHILE SA	76,165,311-3	18,179,147	6.91%
INV GLOBAL MINING CHILE LTDA	96,863,960-9	8,798,539	3.34%
EUROAMERICA C DE B S.A.	96,899,230-9	8,789,935	3.34%
BANCO SANTANDER POR CUENTA DE INV EXTRANJEROS	97,036,000-K	7,294,827	2.77%
BANCO DE CHILE POR CUENTA DE STATE STREET	97,004,000-5	6,971,782	2.65%

4) OWNERSHIP AND SHARES

BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	97,004,000-5	6,129,339	2.33%
INVERSIONES LA ESPERANZA CHILE LIMITADA	79,798,650-K	4,193,763	1.59%
BANCHILE CORREDORES DE BOLSA S A	96,571,220-8	2,885,960	1.10%
BANCO DE CHILE POR CUENTA DE CITI NA NEW YORK CLIENT	97,004,000-5	1,909,712	0.73%
Subtotal 12 Largest Shareholders, Series A and B		224,319,147	85.23%
Total Shares, Series A and B		263,196,524	100.00%

¹ The Bank of New York Mellon is the depository bank for the Company's ADSs traded on the New York Stock Exchange. Information about ADS holders is provided at the end of this section.

² Total Sociedad de Inversiones Pampa Calichera S.A. 57,235,201 Series A and B shares; 11,418,078 Series B shares are in the custody of various brokers.

As of December 31, 2020, the 12 largest shareholders of Series A shares were:

Series A	Taxpayer ID	Number of Shares	% Ownership
INVERSIONES TLC SPA	76,902,021-7	62,556,568	43.80%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA	96,511,530-7	44,894,152	31.43%
POTASIOS DE CHILE SA	76,165,311-3	18,179,147	12.73%
INV GLOBAL MINING CHILE LTDA	96,863,960-9	8,798,539	6.16%
INVERSIONES LA ESPERANZA CHILE LIMITADA	79,798,650-K	4,147,263	2.90%
KOCHI SA	96,518,570-4	945,490	0.66%
KOWA CO LTD	59,046,730-8	781,429	0.55%
BANCHILE CORREDORES DE BOLSA S A	96,571,220-8	459,202	0.32%
LARRAIN VIAL S A CORREDORA DE BOLSA	80,537,000-9	327,898	0.23%
KOWA HOLDINGS AMERICA INC	59,023,690-K	227,550	0.16%
SOC ADM DE FDOS DE CESANTIA DE CHILE II SA FDO SOLIDARIO	76,237,243-6	183,633	0.13%
BANCO DE CHILE POR CUENTA DE CITI NA NEW YORK CLIENT	97,004,000-5	177,463	0.12%
Subtotal 12 Largest Shareholders, Series A		141,678,334	99.20%
Total Shares, Series A		142,819,552	100.00%

4) OWNERSHIP AND SHARES

As of December 31, 2020, the 12 largest shareholders of Series B shares were:

Series B	Taxpayer ID	Number of Shares	% Ownership
THE BANK OF NEW YORK MELLON ADRS ¹	59,030,820-K	50,792,452	42.19%
EUROAMERICA C DE B S.A.	96,899,230-9	8,788,517	7.30%
BANCO SANTANDER POR CUENTA DE INV EXTRANJEROS	97,036,000-K	7,294,827	6.06%
BANCO DE CHILE POR CUENTA DE STATE STREET	97,004,000-5	6,971,782	5.79%
BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	97,004,000-5	6,129,339	5.09%
AFP HABITAT S. A.	98,000,100-8	4,854,276	4.03%
AFP PROVIDA S.A.	76,265,736-8	4,283,483	3.56%
AFP CAPITAL S. A.	98,000,000-1	4,199,918	3.49%
AFP CUPRUM S. A.	76,240,079-0	3,629,239	3.01%
BANCHILE CORREDORES DE BOLSA S A	96,571,220-8	2,426,758	2.02%
BANCO DE CHILE POR CUENTA DE CITI NA NEW YORK CLIENT	97,004,000-5	1,732,249	1.44%
LARRAIN VIAL S A CORREDORA DE BOLSA	80,537,000-9	1,523,391	1.27%
Subtotal 12 Largest Shareholders, Series B²		102,626,231	85.25%
Total Shares, Series B		120,376,972	100.00%

¹ The Bank of New York Mellon is the depositary bank for the Company's ADSs traded on the New York Stock Exchange. Information about ADS holders is provided at the end of this section.

² Not included the total of 12,341,049 of Series B shares owned by Sociedad de Inversiones Pampa Calichera S.A., of which 11,418,078 Series B shares are in the custody of various brokers.

4) OWNERSHIP AND SHARES

The Bank of New York Mellon is the depository bank for the Company's ADSs traded on the New York Stock Exchange. According to public 13F filings with the U.S. Securities and Exchange Commission, the 12 largest ADS holders as of December 31, 2020 were:

ADSs (Series B)	Taxpayer ID	Number of ADSs	% Ownership Series B	% Ownership Total Shares
BlackRock Investment Management (U.K.), LTD	N/A	2,479,422	2.06%	0.94%
ClearBridge Investments, LLC	N/A	2,244,296	1.86%	0.85%
Aberdeen Standard Investments (U.K.)	N/A	1,922,700	1.60%	0.73%
EARNEST Partners, LLC	N/A	1,704,818	1.42%	0.65%
Macquarie Investment Management	N/A	1,414,524	1.18%	0.54%
The Vanguard Group, Inc.	N/A	1,284,767	1.07%	0.49%
Azvalor Asset Management, S.G.I.I.C., S.A.	N/A	1,070,469	0.89%	0.41%
State Street Global Advisors (SSgA)	N/A	1,051,669	0.87%	0.40%
Grantham Mayo Van Otterloo & Co., LLC	N/A	1,049,823	0.87%	0.40%
FIAM, LLC	N/A	905,454	0.75%	0.34%
Arrowstreet Capital, L.P.	N/A	863,295	0.72%	0.33%
BlackRock Advisors, LLC	N/A	833,865	0.69%	0.32%
Subtotal 12 Largest ADS Holders		16,825,102	13.98%	6.39%
Total ADSs as of December 31, 2020		50,792,452	42.19%	19.30%

iv) TOTAL NUMBER OF SHAREHOLDERS

The following table shows the total number of SQM's shareholders as of December 31, 2020:

	Shareholders Registry	ADS Holders Registry	Total Holders
Total Number of Shareholders, Series A and B	1,358	82	1,440
Total Number of Shareholders, Series A	374	-	374
Total Number of Shareholders, Series B	1,262	82	1,344

v) SIGNIFICANT CHANGES IN SHARE OWNERSHIP

There has not been any significant change in share ownership of the Company during 2020. The last important change in share ownership of the Company happened during 2018 when Nutrien Ltd., which was one of the main shareholder groups with 32% of SQM's total shares as of December 31, 2017, divested all its ownership in SQM. This was through the sale of its Series B shares on the Chilean securities market in May 2018, and a sale of its Series A shares on the Chilean securities market to Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation, in December 2018. As of December 31, 2018, Nutrien Ltd. had 0% of the total shares of SQM, and Inversiones TLC SpA had 25.86% of the total shares issued by SQM.

Until November 30, 2018, the Pampa Group was considered by the CMF as the Company's controller. However, starting from that date, the CMF determined that in accordance with the distribution of the

shares of SQM, “the Pampa Group does not exert decisive power over the management of the Company, and is therefore not considered a controlling shareholder”. The CMF could change its decision in the future if circumstances change.

Tianqi Extrajudicial Agreement with the FNE

In August 2018, after an investigation by the FNE in connection with the proposed acquisition by Tianqi of 23.77% of the Company’s Series A shares, Tianqi and the FNE entered into an extrajudicial agreement (the “Extrajudicial Agreement”) which implemented certain restrictive measures in order to (i) maintain the competitive conditions of the lithium market, (ii) mitigate the risks described in the Extrajudicial Agreement and (iii) limit Tianqi’s access to certain information of the Company and its subsidiaries, which are defined as sensitive under the Extrajudicial Agreement (“Sensitive Information”) (collectively, the “Purpose”). Pursuant to the Extrajudicial Agreement, Tianqi agreed that, among other things:

- Tianqi will not nominate any of its directors, executives or employees to the SQM Board of Directors;
- Tianqi and the directors nominated by it will not influence or intervene for the benefit of Tianqi and prejudice the interests of SQM;
- The directors nominated by Tianqi will not participate nor will they be part of any committees, the management or other decision-making bodies related to lithium of SQM or of any companies controlled by SQM, unless nominated by independent directors;
- Tianqi will inform the FNE of any agreement in the lithium market, with Albemarle and/or SQM, prior to its execution;
- Tianqi will notify the FNE of any event from which it acquires control or decisive influence in SQM;
- Tianqi will disassociate any of its directors, executives or employees appointed by third parties, who assumes a position described above in SQM;
- Tianqi will not request access to Sensitive Information from SQM;
- The directors nominated by Tianqi will not disclose Sensitive Information of SQM;
- The directors nominated by Tianqi will personally bind themselves to the obligations assumed by Tianqi with the FNE; and
- Tianqi will report to the FNE the appointments and periodic compliance with its obligations.

The restrictions will remain in place for a period of four years and be automatically renewed for two more years according to the terms of the Extrajudicial Agreement.

During the approval process for the Extrajudicial Agreement before the FNE, the Company expressed its concerns to the Chilean Antitrust Court regarding the measures contained in the Extrajudicial Agreement of since (i) it could not effectively resolve the risks that Tianqi and the FNE sought to mitigate, (ii) the restrictions are not correctly oriented to avoid the access to Sensitive Information that, in the possession of a competitor, could damage the Company and the proper functioning of the market and (iii) it could contradict the Chilean Corporations Act (Law No. 18,046 on Corporations). The Extrajudicial Agreement was approved in October 2018 by the Chilean Antitrust Court. A copy of the Extrajudicial Agreement, in Spanish, has been made publicly available on the Company’s website at https://s25.q4cdn.com/757756353/files/doc_news/archive/c64b6ddc-7f23-44d9-8d7b-a20eeb3184a4.pdf and is also available on the FNE’s website at <http://www.fne.gob.cl/wp-content/uploads/2018/09/Acuerdo-Extrajudicial-FNE-Tianqi-con-firma-27.08.18.pdf>.

Pampa Group and Tianqi Shareholders’ Agreement

On April 10, 2019, the Pampa Group and Inversiones TLC SpA, a subsidiary of Tianqi, entered into a shareholders’ agreement, with respect to certain corporate governance matters. The matters addressed by the shareholders’ agreement include: (i) the management of the business and affairs of the Company by

the Board of Directors, (ii) the election of replacement directors in the event of resignation of any of the directors elected by each party to the Board of Directors as director elected by Series A, (iii) election of certain directors elected by Tianqi to the Company's Directors' Committee, Corporate Governance Committee and Safety, Health and Environmental Committee, (iv) access for Tianqi's internal or external auditors to SQM's management and internal and external auditors for purposes of fulfilling Tianqi's accounting and disclosure obligations with respect to its investment in SQM, (v) support for having a bilingual (Spanish/English) translator attend all SQM Board and Committee meetings to assist directors who are not bilingual and (vi) support of the Company's dividend policy for 2019, as proposed by the Board of Directors in March 2019 for approval at the 2019 annual ordinary shareholders' meeting. The agreement has a term of one year. An English language copy of the agreement is included in an essential fact (*hecho esencial*) filing made by Sociedad de Inversiones Pampa Calichera S.A. with the CMF on April 11, 2019 available on the CMF's website at www.cmfchile.cl.

On March 26, 2020, the Pampa Group and Inversiones TLC SpA amended the shareholders' agreement entered into on April 10, 2019 to (i) extend the term to the earliest of (A) our 2021 annual ordinary shareholders' meeting or (B) written notice of termination given by the Pampa Group or Tianqi in the event that a director nominated by the non-notifying party ceases to serve as a director for any reason and (ii) to agree to support the Company's 2020 dividend policy, as proposed by the Board of Directors for approval at the 2020 annual ordinary shareholders' meeting. An English language copy of the amendment is included in an essential fact (*hecho esencial*) filing made by Sociedad de Inversiones Pampa Calichera S.A. with the CMF on March 26, 2020 and is available on the CMF's website at www.cmfchile.cl.

Board Protocol for Presentation and Use of Sensitive Information

Following the acquisition by Tianqi of SQM's shares from Nutrien Ltd. and Tianqi entering into the Extrajudicial Agreement with the FNE, the Company's Board of Directors deemed it necessary to adopt measures aimed at achieving the purpose of the Extrajudicial Agreement, avoiding greater points of contact between Sensitive Information and Tianqi, to complement the Extrajudicial Agreement. On January 23, 2019, the Board of Directors approved a protocol for the presentation and use of Sensitive Information, which amendment was subsequently approved by the Board on September 30, 2019. The complete version of the protocol is available on the Company's website at https://s25.q4cdn.com/757756353/files/doc_news/archive/36421175-3a3d-4f36-88ae-7302953d538d.pdf.

4) B) OWNERSHIP STRUCTURE AND SHARES: SHARES AND THEIR CHARACTERISTICS AND RIGHTS

i) DESCRIPTION OF SERIES OF SHARES

Dividends are annually distributed to the Series A and Series B shareholders of record on the fifth business day prior to the date for payment of the dividends. The By-laws do not specify a time limit after which dividend entitlement elapses but Chilean regulations establish that after 5 years, unclaimed dividends are to be donated to the Chilean Fire Department.

Article 5 of the Company's By-laws establishes that Series B shares may in no case exceed fifty percent of the issued, outstanding and paid shares of SQM. Series B shares have a restricted right to vote as they can only elect one Director of the Company, regardless of their capital stock's share. Series B shares have the right to call for an Ordinary or Extraordinary Shareholders' Meeting when the shareholders of at least 5% of the Series B shares request so and to call for an Extraordinary Board of Directors Meeting without the Chairman's authorization when it is requested by the Director elected by the shareholders of the Series B shares. Series A shares have the option to exclude the Director elected by Series B shareholders from the voting process in which the Chairman of the Board is to be elected, if there is a tie in the first voting process. The second transitory article and articles 31 and 31 bis of the Company's By-laws establish that in General Shareholders' Meetings each shareholder will have a right to one vote for each share he owns

or represents and (a) that no shareholder will have the right to vote for himself or on behalf of other shareholders of the same Series A or Series B shares representing more than 37.5% of the total outstanding shares with right to vote of each Series and (b) that no shareholder will have the right to vote for himself or on behalf of other shareholders representing more than 32% of the total outstanding shares with a right to vote. In calculating a single shareholder's ownership of Series A or B shares, the shareholder's stock and those pertaining to third parties related to them are to be added.

The second transitory article provides as follows:

“Throughout the period running from the date of the extraordinary shareholders’ meeting at which this transitory article is incorporated, and December 31, 2030, the restriction against voting on behalf of more than 37.5% of any series of shares in the Company, established in Article 31 hereof, shall be subject to the following exception, applicable only to the election of board members by means of Series A shares in the Company: If two or more persons, regardless of whether or not they are related parties to each other (the incoming shareholders), act prior to December 31, 2030 such as to acquire a sufficient number of Series A shares to allow them to hold voting powers for the selection of directors of the Company amounting to more than 37.5% of that series, then any registered shareholder or group of shareholders holding more than 37.5% of all Series A shares in the Company shall be entitled to vote for the selection of directors of the Company amounting to whichever is less, between a number of the Series A shares that are held (i) by existing shareholders as of that date, and (ii) by the incoming shareholders with voting rights. Similarly, if for any reason a registered shareholder in the Company as of the date hereof who holds more than 37.5% of Series A shares in the company between the date hereof and December 31, 2030, comes to hold more voting shares for the selection of directors of the Company than the votes allocated for holding 37.5% of said Series A shares, either through a joint action agreement with other shareholders, including existing shareholders, or by any other means, then any other shareholder or group of shareholders in the Company that is not a related party to the same and holds more than 37.5% of all voting Series A shares in the Company, including both existing and incoming shareholders, shall be entitled to vote for the selection of directors of the Company in accordance with whichever number of Series A shares in the Company is the lesser, between (i) the number held by this shareholder or group of shareholders, and (ii) the existing shareholder may have the capacity to vote in excess of the restriction amounting to 37.5% of said shares.”

Article 5 bis of the Company's By-laws establishes that no person may directly or by means of related third persons concentrate more than 32% of the Company's total shares with right to vote.

Each Series A share and Series B share is entitled to share equally in the Company's profits, i.e., they have the same rights on any dividends declared on the outstanding shares of SQM.

The Company By-laws do not contain any provision relating to (a) redemption provisions (b) sinking funds or (c) liability to capital calls by the Company.

As established in article 103 of Law No. 18,046, a company subject to the supervision of the SVS may be liquidated in the following cases:

- Expiration of the duration term, if any, as established in its By-laws;
- All the shares end up in the possession of one individual for more than ten continuous days;
- By agreement of an Extraordinary Shareholders Meeting;
- By abolition, pursuant to applicable laws, of the decree that authorized its existence;
- Any other reason contemplated in its By-laws.

Article 40 of the Company's By-laws states that in the event of liquidation, the Shareholders' Meeting will appoint a three-member receiver committee that will have the authority to carry out the liquidation process. Any surplus will be distributed equally among the shareholders.

The only way to change the rights of the holders of the SQM shares, including holders of our ADSs, is by modifying its By-laws, which can only be carried out by an Extraordinary Shareholders' Meeting, as established in article 28 of the Company By-laws.

Total number of shares:

- Series A: 142,819,552
- Series B: 120,376,972

ii) **DIVIDEND POLICY**

SQM's dividend policy for 2020, reported at the Shareholders' Meeting held on April 23, 2020 and modified as a result of the approval of the distribution and payment of a special dividend equivalent to US\$0.37994 per share charged to the retained earnings of the Company (the "Special Dividend") by the Extraordinary Shareholders' Meeting held on September 29, 2020, included the following:

- (a) Distribute and pay to the corresponding shareholders, a percentage of the net income that shall be determined per the following financial parameters as a final dividend (*dividendo definitivo*):
 - (i) 100% of the 2020 net income, when the following financial parameters are met: (a) that the total current assets, divided by the total current financial liabilities is equal to or greater than 2.5 times, and (b) the sum of the total current liabilities and total non-current liabilities, excluding both cash and cash equivalents and other current financial assets, divided by the total equity is equal to or less than 0.8 times.
 - (ii) 80% of the 2020 net income, when the following financial parameters are met: (a) that the total current assets, divided by the total sum of the total current financial liabilities is equal to or greater than 2.0 times, and (b) the total sum of the current liabilities and total non-current liabilities, excluding both cash and cash equivalents and other current financial assets divided by the total equity is equal to or less than 0.9 times.
 - (iii) 60% of the 2020 net income, when the following financial parameters are met: (a) that the total current assets, divided by the total sum of the total current financial liabilities is equal to or greater than 1.5 times, and (b) the total sum of the current liabilities and total non-current liabilities, excluding both cash and cash equivalents and other current financial assets divided by the total equity is equal to or less than 1.0 times.
 - (iv) If none of the foregoing financial parameters are met, the Company shall distribute and pay 50% of the 2020 net income in favor of the respective shareholders as a final dividend.
- (b) Distribute and pay only one interim dividend during 2020, which will be charged against the aforementioned final dividend and that will be charged to the retained earnings reflected in the consolidated financial statements as of March 31, 2020, the percentage distributed shall be determined per the financial parameters expressed in letter a) above.

It is recorded that on May 19, 2020 the Company's Board of Directors agreed to distribute and pay an interim dividend equivalent to US\$0.17092 per share, charged to the Company's 2020 retained earnings. Said amount was paid in its equivalent in Chilean pesos according to the official exchange rate on May 29, 2020 (the "Interim Dividend").

- (c) The Board of Directors will not approve the payment of other interim dividends charged against the 2020 net income.
- (d) At the ordinary general shareholders' meeting that will be held in 2021, the Board of Directors shall propose a final dividend pursuant to the percentages in financial parameters described in in letter a) above discounting the Special Dividend and Interim Dividend. If the amount is equal to

or less than the amount of the sum of the Special Dividend and the Interim Dividend, then no additional amount will be distributed and the Interim Dividend will be understood to be paid as a definitive dividend. In any case, the final dividend may not be less than the mandatory minimum dividend that corresponds in accordance with Chilean law or the Company bylaws.

- (e) If there is an excess of net income in 2020, this may be retained and assigned or allocated for financing its own operations, to one or more investment projects of the Company, notwithstanding a future distribution of special dividends (dividendos eventuales) charged to the retained earnings previously approved at the shareholders' meeting, or the possible and future capitalization of all or part of the latter.
- (f) The payment of additional dividends (dividendos adicionales) is not considered.

On September 29, 2020, the Extraordinary Shareholders' Meeting approved the payment of a special dividend of US\$100 million, equivalent to US\$0.37994 per share, charged to the accumulated earnings of the Company. This amount was paid on October 8, 2020.

iii) (1) STATISTICAL INFORMATION: DIVIDENDS

All series A and series B shares carry equal rights to share in any dividend declared on SQM's shareholder capital in circulation. During the past three years, the Company has paid out the following dividends:

Payout Year	US\$ Total (in millions)	US\$/Share
2018	110.5	0.41968
2018 (Special)	100.0	0.37994
2018 (Interim)	113.8	0.43247
2018 (Interim)	133.9	0.50864
2018 (Interim)	83.5	0.31726
2019	108.6	0.41274
2019 (Interim)	80.5	0.30598
2019 (Interim)	70.2	0.26669
2019 (Interim)	60.5	0.22987
2020	66.9	0.25414
2020 (Provisorio)	45.0	0.17092
2020 (Eventual)	100.0	0.37994

iii) (2) STATISTICAL INFORMATION: SHARE TRANSACTIONS

SQM's Series A and Series B shares are traded on the Santiago Stock Exchange and the Santiago Electronic Stock Exchange. The Company's Series B shares have been traded as ADSs on the New York Stock Exchange since September 20, 1993.

Information on SQM's shares on Chilean stock exchanges:

	Average Price (Ch\$/Share)		Number of Shares Traded		Amount Traded (Millions of Ch\$)	
	SQM-A	SQM-B	SQM-A	SQM-B	SQM-A	SQM-B
2020	20,969.54	24,357.87	845,864	98,885,057	17,222	2,421,473
I Quarter	19,939.50	21,614.45	365,108	25,332,679	7,211	533,173
II Quarter	18,751.57	19,735.70	82,727	25,218,551	1,545	501,990

4) OWNERSHIP AND SHARES

III Quarter	19,679.42	24,273.25	202,792	20,235,881	3,996	483,710
IV Quarter	23,178.37	31,824.76	195,237	28,097,946	4,470	902,600

Source: Bloomberg, Composite Exchange

Information on SQM's shares on the New York Stock Exchange:

	Average Price (US\$/ADS)	Number of Shares Traded SQM-B	Amount Traded (Millions of US\$) SQM-B
2020	31.14	246,579,825	7,710
I Quarter	26.97	77,223,924	2,045
II Quarter	24.04	50,922,179	1,233
III Quarter	31.16	48,206,058	1,491
IV Quarter	42.12	70,227,664	2,940

Source: Bloomberg, Composite Exchange

5) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

5) A) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2020

i) NUMBER OF PERSONS BY GENDER

Number of female directors	0
Number of male directors:	8
Female participation, %	0%

ii) NUMBER OF PERSONS BY NATIONALITY

Number of Chilean directors:	6
Number of foreign directors:	2
Foreign directors, %	25%

iii) NUMBER OF PERSONS BY AGE

Number of directors whose age is:

Under 30 years:	0
30 to 40 years:	1
41 to 50 years:	2
51 to 60 years:	2
61 to 70 years:	1
Over 70 years:	2
Average age, years	57

iv) NUMBER OF PERSONS BY YEARS OF SERVICE

Number of directors who, as of December 31, 2020, have held the position of director of SQM for:

5) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Less than 3 years:	3
Between 3 and 6 years:	5
More than 6 and less than 9 years:	0
Between 9 and 12 years:	0
More than 12 years:	0
Average tenure, years	3

5) B) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN EXECUTIVE MANAGEMENT AS OF DECEMBER 31, 2020

i) NUMBER OF PERSONS BY GENDER

Number of female executive officers:	2
Number of male executive officers:	10
Female participation, %	17%

ii) NUMBER OF PERSONS BY NATIONALITY

Number of Chilean executive officers:	10
Number of foreign executive officers:	1
Foreign executive officers, %	8%

iii) NUMBER OF PERSONS BY AGE

Number of executive officers whose age is:

Under 30 years:	0
30 to 40 years:	4
41 to 50 years:	6
51 to 60 years:	1
61 to 70 years:	1
Over 70 years:	0
Average age, years	46

iv) NUMBER OF PERSONS BY YEARS OF SERVICE

Number of executive officers who, as of December 31, 2020, have worked at SQM for:

Less than 3 years:	1
Between 3 and 6 years:	3
More than 6 and less than 9 years:	0
Between 9 and 12 years:	1
More than 12 years:	7
Average tenure, years	15

5) C) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN THE ORGANIZATION AS OF DECEMBER 31, 2020

i) NUMBER OF PERSONS BY GENDER

Total number of female employees:	934
Total number of male employees:	4,573

ii) NUMBER OF PERSONS BY NATIONALITY

Total number of Chilean employees:	5,079
Total number of foreign employees:	428

iii) NUMBER OF PERSONS BY AGE

Total number of employees whose age is:

Under 30 years:	803
30 to 40 years:	2,179
41 to 50 years:	1,439
51 to 60 years:	861
61 to 70 years:	220
Over 70 years:	5

iv) NUMBER OF PERSONS BY YEARS OF SERVICE

Total number of employees who, as of December 31, 2020, have worked at SQM for:

Less than 3 years:	1,607
Between 3 and 6 years:	1,970
More than 6 and less than 9 years:	393
Between 9 and 12 years:	724
More than 12 years:	813

5) D) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: SALARY GAP BY GENDER

Proportion of the average gross base salary represented by female employees compared to male employees, disclosed according to the type of position:

6) MANAGEMENT AND PERSONNEL

Position Type	Hay Methodology Group Level ⁽¹⁾	Female Employees (%)
Administrative	12	103%
	13 ⁽²⁾	
Senior Manager	18 ⁽³⁾	
	19	109%
Chief Executive Officer	26 ⁽³⁾	
Operations Manager	19 ⁽³⁾	
	20 ⁽³⁾	
Manager	13	95%
	14	106%
	15	102%
	16	101%
Head of Department	15	92%
	16	107%
Operator	11	95%
	12	92%
	13	111%
Profesional	12 ⁽²⁾	
	13	100%
	14	92%
	15	120%
	16 ⁽³⁾	
Senior Profesional	14	94%
	15	96%
	16	132%
Deputy Senior Manager	16	101%
	17	80%
	18	103%
	19 ⁽³⁾	
Supervisor	13	91%
Technical Operator	12	104%
	13	96%
Vicepresident	20 ⁽³⁾	
	21	79%
	22 ⁽³⁾	
	23 ⁽³⁾	

(1) The Hay Methodology is a system that is used at companies around the world in order to evaluate positions in such a way that they can be compared among companies of different sizes and industries. Group levels are determined on the basis of multiple variables, including company size and the level of responsibility assigned to the position (defined primarily as a function of knowledge, autonomy and responsibility for results).

(2) All employees at this position/group level are women.

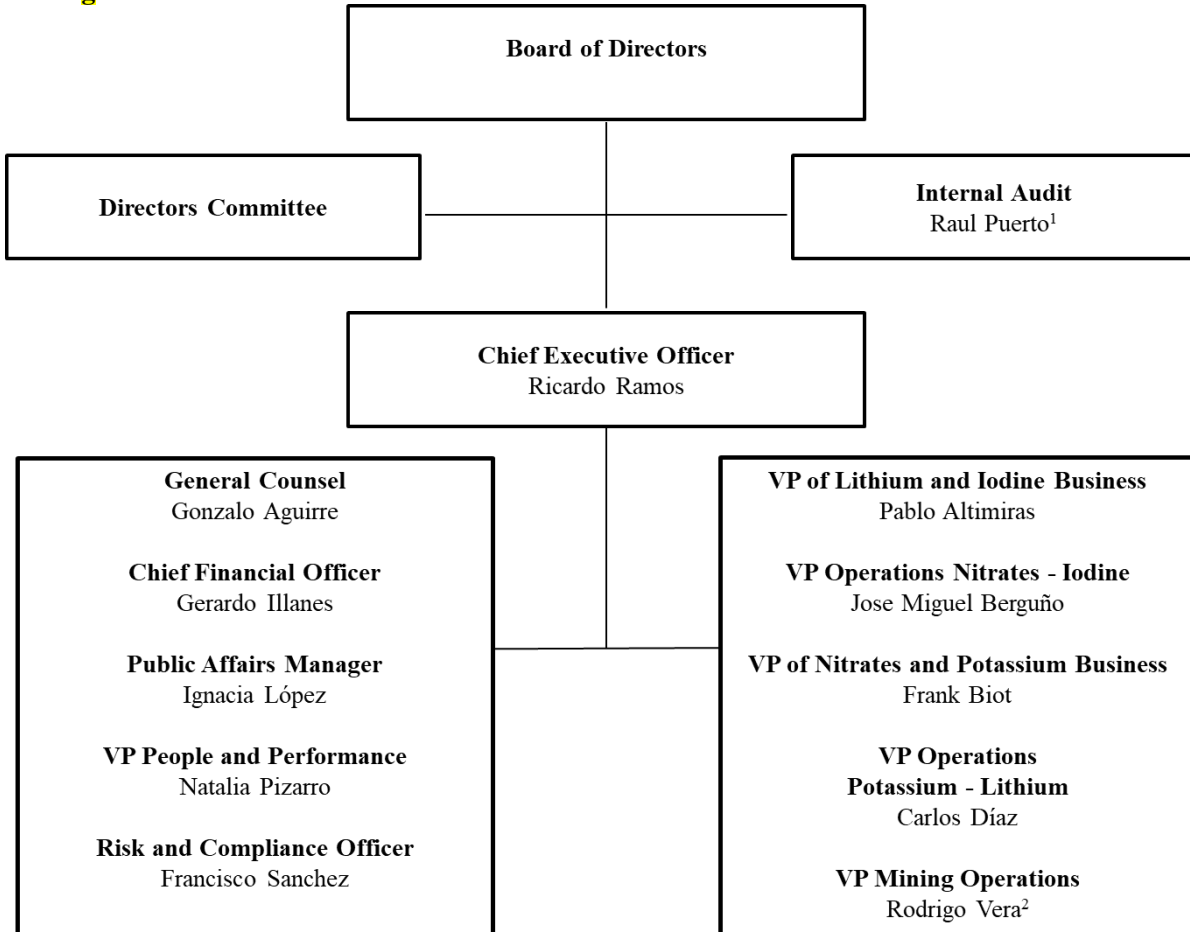
(3) All employees at this position/group level are men.

6) MANAGEMENT AND PERSONNEL

6) A) MANAGEMENT AND PERSONNEL: ORGANIZATIONAL CHART

Organizational Chart

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(1) On February 1, 2021, Raul Puerto left the Company.

(2) On March 23, 2020, Rodrigo Vera became VP of Mining Operations.

6) B) MANAGEMENT AND PERSONNEL: INFORMATION ABOUT THE BOARD OF DIRECTORS**i) GENERAL INFORMATION ABOUT THE BOARD OF DIRECTORS**

SQM's Board of Directors comprises 8 members, none of which are alternate directors. The entire Board of Directors is regularly elected every three years at our ordinary shareholders' meeting. The Board of Directors may appoint replacements to fill any vacancies that occur during periods between elections. If a vacancy occurs, the entire Board must be elected or re-elected at the next regularly scheduled meeting of shareholders. The last election of the Board of Directors took place at the ordinary shareholders' meeting held on April 25, 2019.

ii) IDENTIFICATION OF THE BOARD MEMBERS

Directors as of December 31, 2020:

Name	Title	Profession	Chilean Taxpayer ID	Date of Original Election	Date of Last Reelection	Board Tenure
Alberto Salas Muñoz	Chairman. Independent	Civil Engineer	6.616.233-0	Apr. 2018	Apr. 2019	3 years
Patricio Contesse Fica	Vice Chairman	Lawyer	15.315.085-0	Apr. 2018	Apr. 2019	3 years
Georges de Bourguignon Arndt	Director	Economist	7.269.147-4	Apr. 2019	N/A	2 years
Hernán Büchi Buc	Director	Civil Engineer	5.718.666-6	Apr. 2017	Apr. 2019	4 years
Laurence Golborne Riveros	Independent Director	Industrial Civil Engineer	8.170.562-3	Apr. 2018	Apr. 2018	3 years
Gonzalo Guerrero Yamamoto	Director	Lawyer	10.581.580-8	Apr. 2016	Apr. 2017	5 years
Francisco Ugarte Larrain	Director	Lawyer	10.325.736-0	Apr. 2019	N/A	2 years
Robert J. Zatta	Director	Business Administration	48.211.511-K	Apr. 2019	N/A	2 years

Average board tenure: 3 years. Percentage of independent directors: 25%. Percentage of non-executive directors: 100%.

Directors not on the Board as of December 31, 2020 but who were on the Board within the last two years:

Name	Title	Profession	Chilean Taxpayer ID	Date of Original Election	Date of Last Reelection	Date Left Board
Arnfinn F. Prugger	Director	Geoscientist	48.187.981-7	Apr. 2015	Apr. 2018	Apr. 2019

iii) REMUNERATIONS OF THE DIRECTORS

Summary of remunerations paid to members of the Board of Directors between January and December 2020 (in Ch\$):

Directors	Board of Directors SQM S.A.		Directors' Committee SQM S.A.		Corporate Governance Committee SQM S.A.	Safety, Health and Environment Committee SQM S.A.	Total
	Fixed	Variable	Fixed	Variable	Fixed	Fixed	
Alberto Salas Muñoz	298,245,488	285,849,934	74,561,372	47,641,656			706,298,450
Patricio Contesse Fica	260,964,802	285,849,934			37,280,686	37,280,686	621,376,108
Georges de Bourguignon Arndt	206,698,152	142,924,967	68,899,384	47,641,656			466,164,159
Hernán Büchi Buc	223,684,116	142,924,967			37,280,686		403,889,769
Laurence Golborne Riveros	223,684,116	142,924,967	74,561,372	47,641,656			488,812,111
Gonzalo Guerrero Yamamoto	206,698,152	142,924,967				34,449,692	384,072,811
Francisco Ugarte Larrain	206,698,152	142,924,967			34,449,692		384,072,811
Robert J. Zatta	206,241,918	142,924,967				34,373,653	383,540,538
TOTAL	1,832,914,896	1,429,249,670	218,022,128	142,924,968	109,011,064	106,104,031	3,838,226,757

Summary of remunerations paid to members of the Board of Directors between January and December 2019 (in Ch\$):

Directors	Board of Directors SQM S.A.		Directors' Committee SQM S.A.		Corporate Governance Committee SQM S.A.	Safety, Health and Environment Committee SQM S.A.	Total
	Fixed	Variable	Fixed	Variable	Fixed	Fixed	
Alberto Salas Muñoz	211,917,584	355,116,983	54,772,055	59,186,164			680,992,786
Patricio Contesse Fica	185,427,887	355,116,983			19,594,856	26,489,699	586,629,425
Georges de Bourguignon Arndt	134,555,100		44,851,700				179,406,800
Hernán Büchi Buc	165,833,031	177,558,483	15,582,343	59,186,161	26,489,699		444,649,717
Mark Fracchia	9,648,027	92,911,790			1,378,290		103,938,107
Laurence Golborne Riveros	165,833,031	177,558,491	54,772,054	59,186,164			457,349,740
Gonzalo Guerrero Yamamoto	182,818,995	177,558,491				29,320,693	389,698,179
Arnfinn F. Prugger	48,263,895	177,558,483				6,894,843	232,717,221
Darryl Stann	9,648,027	92,911,790			1,378,290		103,938,107
Francisco Ugarte Larrain	134,555,100				22,425,850		156,980,950
Robert J. Zatta	117,569,136					19,594,856	137,163,992
TOTAL	1,366,069,813	1,606,291,494	169,978,152	177,558,489	71,266,985	82,300,091	3,473,465,024

iv) ADVISORY SERVICES CONTRACTED BY THE BOARD OF DIRECTORS

During 2020, the Board of Directors contracted the following advisory services:

Entity	Type of Service	Amount (US\$)
PriceWaterhouseCoopers	Financial statement audit	US\$1.34 million
Others	Legal and other	US\$0.10 million
TOTAL		US\$1.44 million

v) BOARD OF DIRECTORS TRAINING

During 2020, the Board of Directors received annual training on the U.S. Foreign Corrupt Practices Act (“FCPA”).

v) BOARD OF DIRECTORS ATTENDANCE

As discussed in article 15 of the Company’s By-laws, the Board will meet or be in session at least once a month. Directors are expected to attend Board meetings in person or via telephone or video conference, in which proper means are in place. Members of the Board and the Committees, upon which they serve, are expected to attend meetings fully prepared and to remain in attendance for the duration of the meeting. Board meeting attendance will be disclosed annually in the Board Report Card, which is published on the Company website.

According to article 13 of the Company By-laws, a Director who does not attend 3 consecutive meetings due to reasons not considered reasonable by the Board, will as a matter of fact stop performing his or her functions, and must be replaced without delay and formalities. In this case, and in the event of conflict of duties, resignation, dismissal, death, bankruptcy, or any other inability disabling a Director to perform his duties, the Board will proceed to appoint the replacement Director(s) pursuant to the Law who will stay in office and perform his or her duties until the next shareholder’s meeting to be held by the Company and at which all Directors are to be re-elected.

During 2020, the Company's Board of Directors met 16 times through 13 ordinary meetings and three extraordinary meetings. No director attended less than 85% of the total ordinary board meetings. Average Board attendance was 96%.

6) C) MANAGEMENT AND PERSONNEL: INFORMATION ABOUT THE DIRECTORS’ COMMITTEE**i) DIRECTORS’ COMMITTEE FORMED IN ACCORDANCE WITH ARTICLE 50 PART TWO OF LAW NO, 18,046**

As of December 31, 2020, the Company had a Directors’ Committee to carry out the functions established under Article 50, part two, of Law No. 18,046.

ii) IDENTIFICATION OF MEMBERS OF THE DIRECTORS’ COMMITTEE

As of December 31, 2020, the Company’s Directors’ Committee was comprised of three Directors: Georges de Bourguignon A., Laurence Golborne R. and Alberto Salas M. Under the regulations in force as of December 31, 2020, Messrs. Golborne and Salas held and continue to hold the position of Independent Director. Mr. Salas held and continues to hold the position of Chairman of the Directors’ Committee.

The members of this Directors' Committee were elected on April 25, 2019. On that date, the elected director Georges de Bourguignon A. became a new member of the Directors' Committee, replacing Hernan Büchi B. The Directors' Committee had previously remained unchanged since April 27, 2018.

iii) REMUNERATIONS OF THE DIRECTORS' COMMITTEE

On April 23, 2020, it was agreed at the SQM Ordinary Shareholders' Meeting that each Director sitting on the Directors' Committee would receive monthly remunerations of 200 UF, and annual remunerations equivalent to 0,015% of the Company's liquid net earnings for the 2020 financial year. This compensation package is fixed regardless of the number of sessions held by the Committee during the period and separate to the remunerations received by the members in their capacity as members of the Company's Board of Directors.

For further information about remunerations paid to the members of the Directors' Committee during 2020 and 2019, see section 5) B) iii) Remunerations of the Directors.

iv) ACTIVITIES OF THE DIRECTORS' COMMITTEE

During 2020, the Directors' Committee of SQM (the "Committee") analyzed (i) the Company's Unaudited Financial Statements and Reports; (ii) the Company's Audited Financial Statements and Reports; (iii) the Reports and proposals of external auditors, accounts inspectors and independent risk rating agencies for the Company; (iv) the proposal to SQM's Board of Directors about the external auditors and independent rating agencies that the Board could recommend to the respective shareholders' meeting for their subsequent appointment; (v) the tax and other services, other than audit services, provided by the Company's external auditors and its subsidiaries in Chile and abroad; (vi) the remuneration and compensation plans for the Company's main executives; (vii) the Company's risk matrix; (viii) the activity related to the Company's compliance program; (ix) the report on internal control of the Company and (x) the various matters referred to in the Chapter titled "Directors' Committee" included in SQM's Financial Statements at December 31, 2020.

Regarding the above, the Committee:

- (a) Examined the information regarding the financial statements of SQM for the 2020 fiscal year and the report issued thereon by the external auditors of SQM, Similarly, it also examined the Company's Interim Consolidated Financial Statements for the 2020 fiscal year.
- (b) Proposed to the Company's Board of Directors the names of the External Auditors and the Independent Credit Rating Agencies for SQM and the Company's Board of Directors, in turn, suggested their appointment to the respective Annual Ordinary Shareholders Meeting of SQM. The Company's Board of Directors approved said suggestions and the Shareholders' Meeting also ratified them.
- (c) Examined and approved the remuneration system and the compensation plans for the Company's employees and senior executives.

The Committee also (i) authorized the contracting by the Company of various consulting services with PwC on non-audit related matters, (ii) reviewed the expenses of the Company's CEO, (iii) reviewed the reports from the Company's internal audit and risk and compliance areas; and (iv) examine the information presented by the External Auditors in connection with critical audit matters, this is audit matters that involves especially challenging, subjective, or complex auditor judgments, that are required to be communicated to the Committee.

The Committee issued the Annual Management Report referred to in Law No. 18,046.

During 2020, the Company did not enter into related party transactions which require to follow the requirements and procedures established in title XVI of the Corporations Law, therefore the Committee was not required to examine information regarding related party transactions, but did review a potential transaction that was not entered into by the Company.

On April 23, 2020, the Annual General Shareholders' Meeting of SQM approved an operational budget for the Committee; the operational budget is equivalent to the sum of the annual remunerations of the members of the Committee and US\$250,000. The activities carried out by the Committee, as well as the expenses incurred by it, are disclosed at the General Shareholders Meeting.

Article 50 bis of the Chilean Corporations Act states that the Committee should consist of three Directors, of which at least one member should preferably be independent from the controller (i.e., any person or entity who "controls" the company for Chilean law purposes), if any, and that their functions be remunerated.

v) **ADVISORY SERVICES CONTRACTED BY THE DIRECTORS' COMMITTEE**

During 2020, the Committee incurred expenses of approximately US\$441,000 related to the advisory services of Internal Audit and SOX Audit.

6) D) MANAGEMENT AND PERSONNEL: MAIN EXECUTIVES**i) IDENTIFICATION OF EXECUTIVE OFFICERS**

As of December 31, 2020, the following executives served on the Company's executive management team:

Name	Position	Profession	Chilean Taxpayer ID	In Position Since
Ricardo Ramos R.	Chief Executive Officer	Industrial Civil Engineer	8.037.690-1	Jan. 2019
Gerardo Illanes G.	Vice President of Corporate Finance and Chief Financial Officer	Industrial Civil Engineer	13.904.120-8	Oct. 2018
Gonzalo Aguirre T.	General Counsel	Lawyer	13.441.419-7	Sep. 2016
Pablo Altimiras C.	Vice President of Lithium and Iodine Business	Industrial Civil Engineer	13.657.862-6	Oct. 2018
Jose Miguel Berguño C.	Vice President of Operations, Nitrates and Iodine	Industrial Civil Engineer	10.903.992-6	Mar.2019
Frank Biot	Vice President of Nitrates and Potassium Business	Economist	N/A	Oct. 2018
Carlos Díaz O.	Vice President of Operations, Potassium and Lithium	Industrial Civil Engineer	10.476.287-5	Mar. 2019
Ignacia López B.	Public Affairs Manager	Journalist	10.777.962-0	Oct. 2019
Natalia Pizarro G.	Vice President of People and Performance	Civil Engineer	14.167.897-3	Abr. 2019
Raúl Puerto M.	Internal Audit Manager	Industrial Engineer	14.757.436-K	Jan. 2016
Francisco Sanchez V.	Risk Management and Compliance Officer	Industrial Civil Engineer	15.381.281-0	Apr. 2019
Rodrigo Vera D.	Vice President of Mining Operations	Industrial Civil Engineer	9.120.446-0	Apr.2020

ii) REMUNERATIONS OF MAIN EXECUTIVES

Remunerations for the main executives for 2020 and 2019 were as follows:

Year	Number of Executives (1)	Fixed Salary (Millions of Ch\$)	Variable Salary (Millions of Ch\$)	Total Salary (Millions of Ch\$)
2020	126	13,694	3,036	16,730
2019	124	13,422	3,916	17,338

(1) Considers the average number of executives during the period.

iii) COMPENSATION PLANS

Executive incentive plans: the organization's goal is to create value for its interest groups, and to this end SQM S.A. has developed a variable incentives system that recognizes people's commitment to the organization and its operating results.

Directors: the only remunerations assigned to the Board of Directors are disclosed in section 5) B) iii) Remunerations of the Directors. The Company has not implemented any incentive plans for its Directors.

SQM Executive Officers: the Company provides executives with an annual and a long-term bonus plan. Their incentives are based on target achievement, individual contribution to the Company's operating results, and

the Company's performance. These incentives are structured in a minimum and maximum gross remuneration and are paid once a year. SQM also operates a compensation plan designed to retain its executives by providing bonuses linked to the Company's performance through the SQM Series B share price (Santiago Stock Exchange). A total of 29 Company executives are entitled to this compensation plan, as long as they remain a part of the Company until a given date. This includes a 2020 bonus equivalent to 177,905 shares, which is effective for those people still with the Company through the end of 2020, and a 2021 bonus for US\$8.5 million, which will go into effect in equal parts for those who remain with the Company at the end of each of the four quarters in 2021. The payment dates, where relevant, will be during the quarter following the quarter when the benefit is made effective.

6) E) MANAGEMENT AND PERSONNEL: NUMBER OF EMPLOYEES

As of December 31, 2020, SQM and its subsidiaries had 5,507 employees, detailed as follows:

Employee Type	Parent	Subsidiaries	Total
Executives	30	85	115
Professionals	94	1,156	1,250
Technicians and operators	267	3,310	3,577
Foreigners	17	548	565
Total	408	5.099	5.507

6) F) MANAGEMENT AND PERSONNEL: SHARE OWNERSHIP OF EXECUTIVE OFFICERS AND BOARD MEMBERS

We have been informed that the following Directors own shares of SQM as of December 31, 2020:

Name	Position	Percentage of Shares in SQM
Alberto Salas Muñoz	Chairman. Independent	0%
Patricio Contesse Fica	Vice Chairman	0%
Georges de Bourguignon Arndt	Director	<1%
Hernán Büchi Buc	Director	0%
Laurence Golborne Riveros	Independent Director	0%
Gonzalo Guerrero Yamamoto	Director	<1%
Francisco Ugarte Larrain	Director	0%
Robert J. Zatta	Director	0%

We have been informed that the following executive officers own shares of SQM as of December 31, 2020:

Name	Position	Percentage of Shares in SQM
Ricardo Ramos R.	Chief Executive Officer	0%
Gerardo Illanes G.	Vice President of Corporate Finance and Chief Financial Officer	<1%
Gonzalo Aguirre T.	General Counsel	0%
Pablo Altimiras C.	Vice President of Lithium and Iodine Business	0%
Jose Miguel Berguño C.	Vice President of Operations, Nitrates and Iodine	<1%
Frank Biot	Vice President of Nitrates and Potassium Business	0%
Carlos Díaz O.	Vice President of Operations, Potassium and Lithium	0%
Ignacia Lopez B.	Public Affairs Manager	0%
Natalia Pizarró G.	Vice President of Human Resources and Performance	0%
Raúl Puerto M.	Internal Audit Manager	0%
Francisco Sanchez V.	Risk Management and Compliance Officer	0%

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES**7) A) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES: SUBSIDIARIES AND ASSOCIATES****Subsidiaries in Chile**

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
AGRORAMA S.A.	Corporation	US\$140,660	99.999% SQMC S.A. 0.001% SQM Industrial S.A.	0.00131%	Sales and distribution of fertilizers, pesticides and agricultural inputs	Rodrigo Millán Riffo Rodrigo Real Ibaceta Enrique Olivares Carlini	Rodrigo Real Ibaceta	Distribución
AJAY-SQM CHILE S.A.	Corporation	US\$5,313,794	51% SQM S.A. 49% Otros no relacionados	0.32995%	Iodine derivatives production, sales and marketing	Pablo Altimiras C.* Andres Fontannaz Alec Poitevint Matt Webb	Carlos Grez	Production and distribution / Commercial agreement
ALMACENES Y DEPOSITOS LTDA.	Limited liability corporation	US\$1,092,724	99% SQM Potasio S.A. 1% SQM S.A.	0.00735%	General deposit activities	None	Ricardo Ramos R.*	Support
COMERCIAL AGRORAMA LTDA	Limited liability corporation	US\$1,125,280	70% SQMC S.A. 30% Otros no relacionados	0.02773%	Sales and distribution of fertilizers, pesticides and agricultural inputs	Rodrigo Real Ibaceta Rodrigo Millán R. Enrique Olivares C. Tullio Callegari P.	Rodrigo Real Ibaceta	Distribution
COMERCIAL HYDRO S.A.	Corporation	US\$4,818,186	99.9999% SQMC S.A. 0.0001% Agrorama S.A.	0.11622%	Import and marketing of fertilizers	Carlos Ríos M. Roberto Campusano B. Rodrigo Real Ibaceta	Rodrigo Real Ibaceta	Support
EXPLORACIONES MINERAS S.A.	Corporation	US\$30.100.000	0.269103% SQM S.A. 99.730897% SQM Potasio S.A.	0.93163%	Exploitation of other mines and quarries	José Miguel Berguño C.* Ricardo Ramos R.* Gerardo Illanes G.*	Ricardo Ramos R.*	Support

* Director, Gerente General o Ejecutivo Principal de SQM S.A.

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
INSTITUCION DE SALUD PREVISIONAL NORTE GRANDE LTDA.	Limited liability corporation	US\$70,330	99% SQM Industrial S.A. 1% SQM S.A.	0.03958%	Administration of health matters for SQM S.A.	Not applicable	Humberto Riquelme	Support
ORCOMA ESTUDIOS SPA	Joint stock company	US\$4,631,507	100% SQM S.A.	0.10938%	Exploration, measurement, prospection and research of mineral deposits for extraction, production and mineral processing	José Miguel Berguño B.* Pablo Altímiras C.* Gerardo Illanes G.* Carlos Diaz O.*	Rodrigo Vera D.*	Not applicable / None
ORCOMA SPA	Joint stock company	US\$2,357,731	100% SQM S.A.	0.05677%	Exploration, measurement, prospection, research, development and operation of mineral deposits for extraction, production and processing	None	Ricardo Ramos R.* José Miguel Berguño C.*	Not applicable / None
SERVICIOS INTEGRALES DE TRANSITOS Y TRANSFERENCIAS S.A.	Corporation	US\$9,873,573	99.99966% SQM Industrial S.A. 0.00034% SQM S.A.	2.19170%	Transport and storage of merchandise	José Miguel Berguño B.* Ricardo Ramos R.* Pablo Altímiras C.* Gerardo Illanes G.* Carlos Diaz O.*	Ricardo Ramos R.*	Distribution
SOCIEDAD PRESTADORA DE SERVICIOS DE SALUD CRUZ DEL NORTE S.A.	Corporation	US\$70,330	99% SQM Industrial S.A. 1% SQM Potasio S.A.	0.00204%	Provision of health-related services	Mauricio Guerra Oliveros Sergio Figueroa Rodriguez Raquel Ahumada Cabrera	Sergio Figueroa Rodríguez	Support
SOQUIMICH COMERCIAL S.A.	Open Srock Corporation	US\$61,745,898	60.6383212% SQM Industrial S.A. 0.0000004% SQM S.A. 39.3616784% Otros no relacionados	2.18640%	Production and marketing of fertilizers	Bogdan Borkowski S. Carlos Díaz O.* Alfredo Doberti D. Francisco Javier Fontaine S. Gerardo Illanes G.* Christian Lüders M. Eugenio Ponce L.	Rodrigo Real Ibaceta	Distribution / Supply

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
SQM INDUSTRIAL S.A.	Corporation	US\$715,066,287	99.047043% SQM S.A. 0.952957% SQM Potasio S.A.	39.05785%	Operation of extraction plants, holdings and transfer of mineral substances and raw materials	José Miguel Berguño C.* Carlos Diaz O.* Ricardo Ramos R.*	Ricardo Ramos R.*	Production
SQM MAG SPA	Joint stock company	US\$10,000	100% SQM Potasio S.A.	0.04822%	Mining exploration and exploitation	None	Ricardo Ramos R.* José Miguel Berguño C.* Carlos Díaz O.* Gerardo Illanes G.* Pablo Altímiras C.* Gonzalo Aguirre T.* Actuando dos cualquiera de ellos en forma conjunta	Production
SQM NITRATOS S.A.	Corporation	US\$30,349,981	99.99999782% SQM S.A. 0.00000218% SQM Potasio S.A.	12.91972%	Production and sale of fertilizers	Pablo Altímiras C.* José Miguel Berguño C.* Carlos Diaz O.* Gerardo Illanes G.* Ricardo Ramos R.*	Ricardo Ramos R.*	Production
SQM POTASIO S.A.	Corporation	US\$257,010,492	99.999999% SQM S.A. 0.000001% Otros no relacionados	26.97320%	Extraction of minerals for fertilizer and chemical production	Pablo Altímiras C.* José Miguel Berguño C.* Carlos Diaz O.* Gerardo Illanes G.* Ricardo Ramos R.*	Ricardo Ramos R.*	Production
SQM SALAR S.A.	Corporation	US\$38,000,000	81.82% SQM Potasio S.A. 18.18% SQM S.A.	45.32301%	Exploitation and marketing of potassium, lithium and other products	Patricio Contesse F.* Laurence Golborne R.* Gonzalo Guerrero Y.* Alberto Salas M.* Ricardo Ramos R.*	Ricardo Ramos R.*	Production
SOCIEDAD CONTRACTUAL MINERA BÚFALO	Sociedad Contractual Minera	US\$22,949	99.9% SQM S.A. 0.1% SQM Potasio S.A.	0.00894%	Export recognize prosper investigate and explore deposits	None	Ricardo Ramos R.*	Production

Filiales Internacionales

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
ADMINISTRACION Y SERVICIOS SANTIAGO S.A. DE C.V.	Variable capital corporation	US\$6,612	99.998% SQM Industrial S.A. 0.002% SQM North America Corporation	0.00641%	Services	Christian Lüders M. Ricardo Ramos R.* Frank Biot* Gerardo Illanes G.* Gonzalo Aguirre T.* Alvaro Fernandez G. Patricio de Solminihac T. Domingo Aguirre F.	Christian Lüders M.	Support
COMERCIAL CAIMÁN INTERNACIONAL S.A.	Corporation	US\$1,000	100% SQM Investment Corporation N.V.	0.00619%	Marketing, importing and exporting	Christian Lüders M. Matías Murillo G. Andrés Yaksic B.	Christian Lüders M.	Support
NITRATOS NATURAIS DO CHILE SERVICIOS LTDA.	Limited liability corporation	US\$774,294	29.18% SQM Industrial S.A. 70.82% SQM Brasil Ltda.	0.00308%	Marketing advisory services, representation of other foreign and local companies, administrative support in general	None	Martim de Almeida Sampaio	Support
NORTH AMERICAN TRADING COMPANY	Corporation	US\$338,124	100% SQM North America Corporation	0.00721%	Investment company	Pablo Altimiras C.* Gerardo Illanes G.*	Pablo Hernandez	Support
ROYAL SEED TRADING A.V.V.	Limited liability corporation	US\$6,000	1.67% SQM S.A. 98.33% SQM Potasio S.A.	0.00050%	Investment and marketing of moveable property and real estate	IMC International Management & Trust Company N.V.	IMC International Management & Trust Company N.V.	Support
RS AGRO CHEMICAL TRADING CORP. A.V.V.	Limited liability corporation	US\$6,000	98.3333% SQM S.A. 1.6667% SQM Potasio S.A.	0.12357%	Investment and marketing of moveable property and real estate	IMC International Management & Trust Company N.V.	IMC International Management & Trust Company N.V.	Support

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
SQUIMICH EUROPEAN HOLDINGS B.V.	Limited liability corporation	US\$49,265,296	25.23% SQM Corporation N.V. 74.77% SQM Investment Corporation N.V.	4.26682%	Investment company	Kris Van den Bruel Patrick Vanbeneden Paul van Duuren Dennis Beets	None	Investment
SQM AFRICA PTY LTD	Limited liability corporation	US\$70,699	100% Soquimich European Holdings B.V.	1.16230%	Marketing of specialty plant nutrients and industrial products	Frank Biot* Patrick Vanbeneden Emmanuel de Marez	Ettienne Strydom	Distribution
SQM AUSTRALIA PTY LTD	Limited liability corporation	US\$155,585,000	100% SQM Potasio S.A.	3.64118%	Mining – Specifically lithium	Jay Leary Pablo Altimiras C.* Gonzalo Aguirre T.*	Jay Leary	Investment and exploration activities
SQM (BEIJING) COMMERCIAL CO. LTDA.	Limited liability corporation	US\$1,600,000	100% SQM Industrial S.A.	0.29045%	Commission agent and marketing of chemical products	Patricio de Solminihac T.* Frank Biot* Ricardo Ramos R.*	Victor Larrondo G.	Distribution / Commercial agency agreement
SQM BRASIL LTDA.	Limited liability corporation	US\$2,890,000	99.29% SQM Industrial 0.71% SQM S.A.	0.00524%	Marketing advisory services, representation of other foreign and domestic companies, administrative support in general	None	Martim de Almeida Sampaio	Support
SQM COLOMBIA LTDA.	Join stock company	US\$1,291,915	100% SQM Industrial S.A.	0.28279%	Manufacturing, import, sales and export of fertilizers	Christian Luders M. Matias Murillo G. Patricio de Solminihac T. Gonzalo Aguirre T.* Gerardo Illanes G.* Frank Biot* Sebastian Sanchez	Christian Luders M. Matias Murillo G.	Support

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
SQM COMERCIAL DE MEXICO S.A. de C.V.	Variable capital corporation	US\$22,044,533	99.94% SQM Industrial S.A. 0.05% SQM Potasio S.A. 0,01% SQM S.A.	2.76566%	Import, export and marketing of fertilizers	Christian Lüders M. Ricardo Ramos R.* Frank Biot* Gerardo Illanes G.* Gonzalo Aguirre T.* Alvaro Fernandez G. Patricio de Solminihac T. Domingo Aguirre F.	Christian Luders M.	Distribution
SQM CORPORATION N.V.	Corporation	US\$12,939,718	99.9998% SQM Industrial S.A. 0.0002% SQM S.A.	1.53535%	Investment in moveable goods and real estate	TMF Group	TMF Group	Support
SQM ECUADOR S.A.	Corporation	US\$416,900	99.996% SQM Industrial S.A. 0.004% SQM S.A.	0.65699%	Wholesale fertilizer sales	None	Christian Luders M.	Distribution
SQM EUROPE N.V.	Corporation	US\$18,656,745	99.42% Soquimich European Holdings B.V. 0.58% SQM S.A.	11.03132%	Distribution and marketing of specialty plant nutrients and industrial products in Europe, Northern Africa and the Middle and Far East	Ricardo Ramos R.* Gonzalo Aguirre T.* Pablo Altimiras C.* Gerardo Illanes G.*	Frank Biot*	Support and distribution
SQM FRANCE S.A.	Corporation	US\$204,061	100% Soquimich European Holdings NV	0.00842%	Distribution	None	Oliver Lecaplain	Support
SQM HOLLAND B.V.	Corporation	US\$17,319,735	100% Soquimich European Holdings NV	0.47975%	Plant for the production and distribution of specialty plant nutrients soluble in water	Erik Borghijs Patrick Vanbeneden Kris Van den Bruel Marc Goetschalckx	None	Production and distribution

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
SQM IBERIAN S.A.	Corporation	US\$9,933,128	100% Soquimich European Holdings NV	1.05098%	Distribution and marketing of specialty plant nutrients and technical products in Spain	Frank Biot* Erik Borghys Gerardo Illanes G.*	José Andrés Cayuela Enrique Torras Erik Lütken R.	Distribution
SQM INDONESIA S.A.	Corporation	US\$31,448	80% Soquimich European Holding B.V. 20% Interés Minoritario	0.00006%	Import trading and distribution services	Frank Biot* Patrick Vanbeneden Rudy Ismanto	Not applicable	Not applicable
SQM INTERNATIONAL N.V.	Corporation	US\$3,079,827	99.42% Soquimich European Holdings B.V. 0.58% SQM S.A.	0.78915%	Distribution and sales of specialty plant nutrients and industrial products in Europe, North Africa and the Middle and Far East	Ricardo Ramos R.* Gonzalo Aguirre T.* Pablo Altimiras C.* Gerardo Illanes G.*	Frank Biot*	Support and distribution
SQM INVESTMENT CORPORATION N.V.	Corporation	US\$50,000	99.00% SQM Potasio S.A. 1.00% SQM S.A.	3.52271%	Investment and marketing of moveable goods and real estate	TMF Group	TMF Group	Support
SQM JAPAN CO. LTD.	Limited liability corporation	US\$87,413	15.8147% SQM Potasio S.A. 84.0256% Soquimich European Holdings B.V. 0.1597% SQM S.A.	0.60802%	Marketing of products in Asia/Oceania and marketing assistance	Pablo Altimiras C.* Gerardo Illanes Andrés Stocker	Andrés Stocker	Distribution and marketing / Commercial agency agreement

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
SOQUIMICH LLC	Limited liability corporation	US\$700,000	100% SQM Industrial S.A.	0.01700%	Sales, import and export of chemical products	Pablo Altimiras C. Gerardo Illanes G.	Pablo Altimiras	Distribution
SQM LITHIUM SPECIALTIES LIMITED PARTNERSHIP, L.L.P	Limited liability corporation	US\$33,712,430	99% SQM Virginia LLC 1% North American Trading Co.	0.37752%	Production and marketing of lithium derivatives	None	Pablo Hernandez	Support
SQM NITRATOS MEXICO S.A. de C.V.	Variable capital corporation	US\$5,636	99.998% SQM Industrial S.A. 0.002% SQM North America Corporation	0.00369%	Services	Christian Lüders M. Ricardo Ramos R.* Frank Biot* Gerardo Illanes G.* Gonzalo Aguirre T.* Alvaro Fernandez G. Patricio de Solminihac T. Domingo Aguirre F.	Christian Lüders M.	Not applicable
SQM NORTH AMERICA CORPORATION	Corporation	US\$79,576,550	51% SQM Industrial S.A. 40% SQM S.A. 9% Soquimich European Holdings B.V.	3.49405%	Marketing of nitrates, fertilizers, iodine and lithium in North America	Gonzalo Aguirre T.* Pablo Altimiras C.* Frank Biot* Gerardo Illanes G.* Ricardo Ramos R.*	Pablo Hernandez	Distribution
SQM OCEANIA PTY LIMITED	Limited liability corporation	US\$1	100% SQM Soquimich European Holdings B.V.	0.09472%	Import, export and distribution of fertilizers and industrial products	Frank Biot* Patrick Vanbeneden Gerardo Illanes G.* Carlos Díaz O.* David Masters Stefan Debruyne	None	Distribution
SQM PERÚ S.A.	Corporation	US\$1,110,627	99.99093% SQM Industrial S.A. 0.00907% SQM S.A.	0.00060%	Marketing of agricultural and industrial inputs	None	Abdon Jesus Rojas Lagos	Support

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
SQM (THAILAND) LIMITED	Corporation	US\$3,364,341	99.996% SQM European Holdings NV 0.004% Interés Minoritario	0.08482%	Marketing of fertilizers and industrial chemicals	Patrick Vanbeneden Andrés Stocker Pablo Altimiras C.	None	Distribution
SQM SHANGHAI CHEMICALS CORPORATION	Corporation	US\$2,499,995	100% SQM Industrial S.A.	2.03025%	Sales, import and export, marketing of chemical products	Gonzalo Aguirre T.* Gerardo Illanes G.* Daniel Jimenez S.	Aaron Lee	Distribution
SQM VIRGINIA L.L.C.	Corporation	US\$33,375,305	100% SQM North America Corporation	0.69847%	Investment company	Pablo Altimiras C.* Gerardo Illanes G.*	Pablo Hernandez	Support
SQMC HOLDING CORPORATION	Corporation	US\$3,000,000	99.9% SQM Potasio S.A. 0.1% SQM S.A.	1.13121%	Investment company	Carlos Diaz O.* Felipe Smith de A.	Pablo Hernandez	Support

7) INFORMACIÓN SOBRE SUBSIDIARIAS Y ASOCIADAS

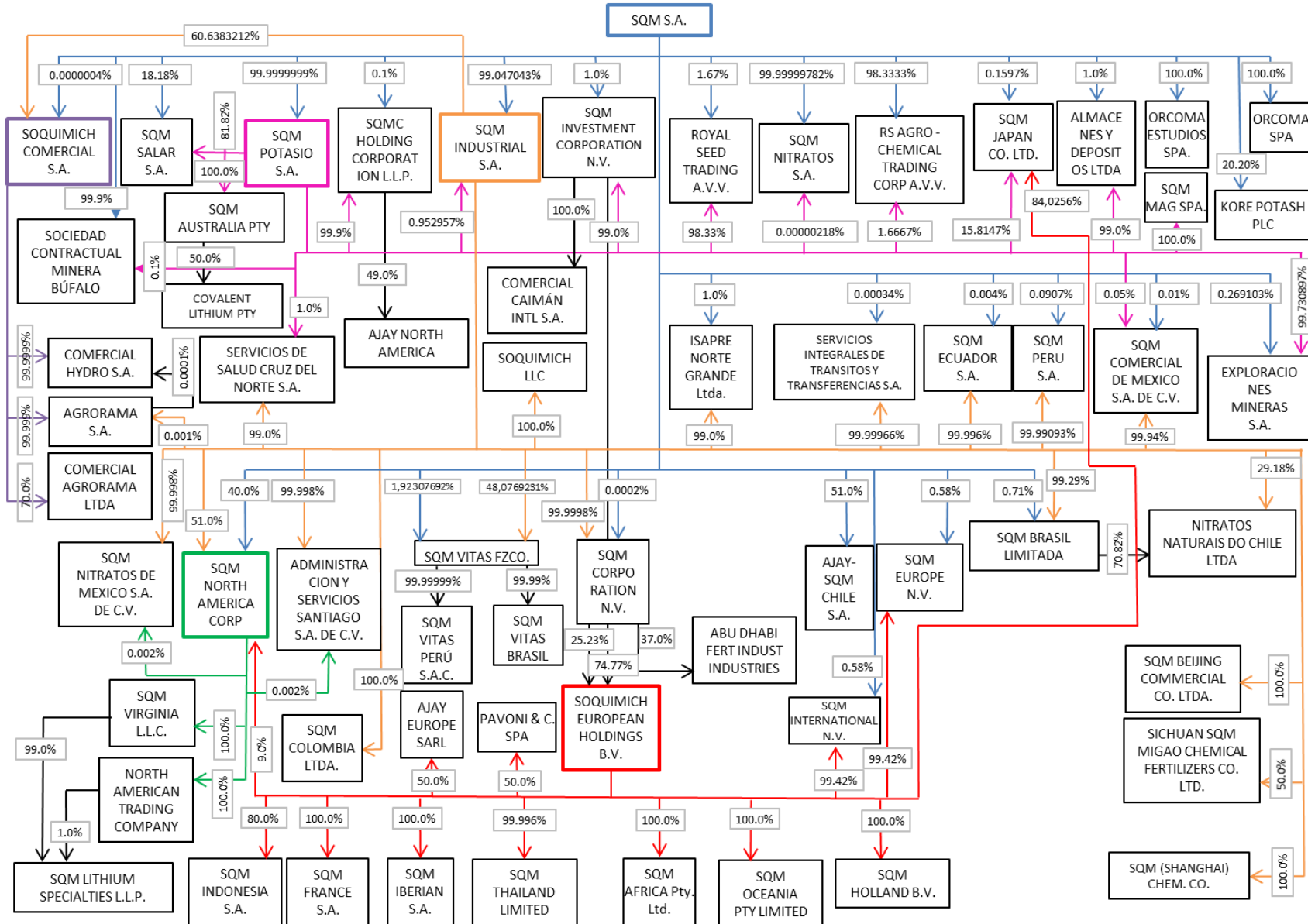
International Associates

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
ABU DHABI FERTILIZER INDUSTRIES CO. W.L.L. (U.A.E.)	Corporation	US\$1,443,047	37% SQM Corporation N.V. 63% Otros no relacionados	0.33613%	Production, distribution, sales and marketing of specialty plant nutrients	Not applicable	Not applicable	Production and distribution / Commercial agreement
AJAY EUROPE SARL	Corporation	US\$3,975,721	50% Soquimich European Holdings B.V. 50% Otros no relacionados	0.28195%	Production and distribution of iodine derivatives	Pablo Altimiras* Andrés Fontannaz Alec Poitevint Matt Webb	Michel Pichon	Production and distribution / Commercial agreement
AJAY NORTH AMERICA L.L.C.	Corporation	US\$10,383,786	49% SQMC Holding Corporation L.L.P. 51% Otros no relacionados	0.40243%	Production, sales and marketing of iodine derivatives	Pablo Altimiras* Andrés Fontannaz Alec Poitevint Matt Webb	Matt Webb	Production and distribution / Commercial agreement
KORE POTASH PLC	Corporation	US\$1,556,531	20.20% SQM S.A. 79.80% Otros no relacionados	0.62852%	Exploration of mineral resources and project development	David Hathorn Timothy Keating Trinidad Reyes P. David Netherway Bradley Sampson Jonathan Trollip	Bradley Sampson	Support

7) B) INFORMATION ABOUT OTHER INVESTEES**Joint Ventures or Joint Control**

Name of Company	Type of Company	Capital	Ownership	Investment as % of SQM S.A.'s individual assets	Corporate Purpose	Board of Directors	CEO / Legal Representative	Relations / Contracts with parent company
COVALENT LITHIUM PTY LTD	Limited liability corporation	US\$7	50% SQM Australia Pty Ltd 50% Otros no relacionados	0.04254%	Administration, design, execution, construction and operation of projects	Ian Hansen Aaron Hood Pablo Altimiras C.* Eugenio Ponce L.	Ross Martelli	Administration, design, execution, construction and operation of projects services
SICHUAN SQM-MIGAO CHEMICAL FERTILIZER CO. LTD.	Limited liability corporation	US\$28,000,000	50% SQM Industrial S.A. 50% Otros no relacionados	0.40653%	Production, distribution, sales and marketing of specialty fertilizers	Alfredo Doberti Frank Biot* Liu Yaqin Sun Pingfu	Sun Pingfu	Production and distribution / Commercial agreement
PAVONI & C. SPA	Limited liability corporation	US\$7,140,808	50% Soquimich European Holdings B.V. 50% Otros no relacionados	0.21739%	Production, distribution, sales and marketing of specialty fertilizers	Patrick Vanbeneden Frank Biot* Giuseppe Casubolo Aldo Bonaccorsi Riccardo Carbone Sara Pavoni	Sara Pavoni	Production and distribution / Commercial agreement
SQM VITAS BRASIL	Limited liability corporation	US\$4,300,597	99.99% SQM Vitas FZCO 0.01% Otros no relacionados	0.54642%	Production, distribution, sales and marketing of specialty fertilizers	Patrick Vanbeneden Karina Kuzmak-Bourdet Alfredo Doberti	Leandro Ries	Production and distribution / Commercial agreement
SQM VITAS FZCO	Sociedad de zona franca	US\$1,415,820	48.0769231% SQM Industrial S.A. 1.92307692% SQM S.A.	0.23893%	Production, distribution, sales and marketing of specialty fertilizers	Patrick Vanbeneden Karina Kuzmak-Bourdet Frank Biot*	Patrick Vanbeneden	Production and distribution / Commercial agreement
SQM VITAS PERÚ S.A.C.	Sociedad anónima cerrada	US\$4,063,802	99.99999% SQM Vitas FZCO 0.00001% SQM Industrial S.A.	0.50909%	Production, distribution, sales and marketing of specialty fertilizers	Patrick Vanbeneden Karina Kuzmak-Bourdet Alfredo Doberti	Diego San Martin	Production and distribution / Commercial agreement

OWNERSHIP STRUCTURE OF SQM S.A. AND ITS DIRECTLY AND INDIRECTLY HELD SUBSIDIARIES AND ASSOCIATES



8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

Relevant or Essential Facts Pertaining to SQM S.A.

The events indicated below occurred or were reported as essential or of interest to the CMF, to the stock exchanges and incorporated into the Company's website.

- On January 16, 2020, the Company announced the placement in international markets US\$400 million principal amount of its senior unsecured notes due 2050 at an annual interest rate of 4.25%, under the of Rule 144-A and SEC Regulation S, under the United States Securities Act of 1933. The Company expects to use the net proceeds from the offering of the notes for general corporate purposes, including funding its capital expenditure program and reducing its outstanding indebtedness, including the payment of its US\$250 million of 5.50% notes due April 21, 2020 at maturity.
- On January 22, 2020, the Company informs the CMF of the issuance of US\$400 million principal amount of its senior unsecured notes.
- On January 23, 2020, the Company published new information on the Mount Holland lithium project in Western Australia. Following the completion of the final feasibility study, the Company and its project partner Wesfarmers Limited have decided to postpone the final investment decision until the first quarter of 2021.

The feasibility study confirmed that this project is one of the most competitive spodumene deposits in the world and both parties remain committed to the project. In the coming months, the Company and Wesfarmers will continue to evaluate new opportunities that will potentially enable the project to improve its infrastructure and operating expenses, reduce capital expenditures, and continue to work with key customers to ensure alignment with product specification requirements.

- On February 26, 2020, the Company reported that the Board of Directors agreed to call an ordinary shareholders' meeting at 10:00 a.m. on Thursday, April 23, 2020.
- On March 16, 2020, the Company responded to a letter from the CMF regarding the outbreak of the COVID 19 virus, in which the following was mentioned:

1. Regarding the financial and operational effects that this situation could mean for the Company, it is worth noting that the Company sells its products worldwide, with Asia, Europe and North America being its main markets. Border closures, decrease in commercial activity and difficulties and disruptions in the supply chains in the markets in which we sell have impacted our ability to fulfill our previous sales volume estimates for the first quarter, with the main impact so far being a reduction of approximately 2,000 metric tons of lithium sales volumes in China. For the rest of the year, the impact on our sales volumes and average prices will depend on the duration of the Virus in different markets, the efficiency of the measures implemented to contain the spread of the Virus in each country and fiscal incentives that may be implemented in different jurisdictions to promote economic recovery.

For now, our operations have not seen any material impacts related to the outbreak of COVID-19 virus. We have taken measures to mitigate the impacts of this health emergency on our employees and limit the impact it could have on our operations (described below in point 2). As of today, we do not expect this impact to be significant.

2. Regarding the measures that management has adopted or intends to adopt to mitigate possible financial and / or operational effects, we inform that the Company has implemented a series of measures in its operations in Chile and abroad that seek to protect its workers and reduce the speed at which the Virus spreads. The measures adopted by the Company are:

- a. The flexibility of the working day, arrival and departure times, together with the incentive to work from home in those cases where this is possible.
- b. Avoidance of crowds, seminars and large meetings in the Company's offices and operating facilities.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

- c. Strengthening of personal hygiene protocols (use of alcohol gel, masks, etc.) and sanitation in plants, cafeterias and offices.
- d. Significant reduction in domestic and international travel, along with obligatory quarantine for people who have arrived from high risk destinations

3. Regarding the existence of committed insurance and its level of coverage, we inform that as of today, we have not identified any events which would trigger coverage from the insurance policies that the Company has contracted.

4. Finally, we hereby inform that we do not currently have any other information that management believes is relevant to provide.

- On March 25, 2020, the Company reported as an essential fact:

That the Company's board of directors unanimously agreed to recommend to the ordinary shareholders' meeting of the Company that was held on April 23, 2020, the distribution and payment, by concept of the definitive dividend for fiscal year 2019, 100% of the net distributable profit obtained by the Company during the business year 2019. The final dividend, calculated on the net profit of US\$278,114,994, corresponded to an amount of US\$1.05668 per share. However, the amount of US\$0.80254 per share was deducted from said final dividend, which was already paid as interim dividends during 2019, leaving a balance of US\$0.25414 per share.

The final dividend balance for business year 2019 was paid in its equivalent in pesos in national currency according to the value of the observed dollar that appears published in the Official Gazette of April 23, 2020, in favor of those shareholders of the Company who were registered in the respective Registry on the fifth business day prior to the one on which it will be paid. Said amounts were proposed to be paid in favor of the shareholders, personally or through their duly authorized representatives, starting at 9:00 a.m. on May 7, 2020.

- On March 27, 2020, the Company reported that management became aware of a modification to the agreement reported as an event of interest to the Company on April 11, 2019, entered into between Sociedad de Inversiones Pampa Calichera SA, Potasios de Chile SA and Inversiones Global Mining (Chile) Limitada, on the one hand and, on the other, Inversiones TLC Spa, a subsidiary of Tianqi Lithium Corp. The modification of the agreement was disclosed by Sociedad de Inversiones Pampa Calichera S.A. to the Chilean market through an essential fact.
- On April 23, 2020, the 45th ordinary general meeting of shareholders of the Company was held, in which the following matters were agreed, among others:
 - (a) To approve the Company's Balance Sheet, the Annual Report, the Financial Statements and the External Auditors' Report for the year ending on December 31, 2019.
 - (b) To appoint PricewaterhouseCoopers Consultores Auditores SpA as the Company's External Auditors for the period January 1 through December 31, 2020.
 - (c) To approve the distribution of a final dividend as recommended by the Board of Directors and communicated as an essential fact (hecho esencial) on March 25, 2020.
 - (d) To approve the remuneration structure for the Board members, and the members of the Board committees, and expenses associated with each.
- On May 19, 2020, the Company's board of directors agreed to pay a provisional dividend equivalent to US\$0.17092 per share, charged to the Company's profits for fiscal year 2020. Said amount will be paid in its equivalent in pesos, national currency, according to the value of the Observed Dollar that appears published in the Official Gazette on May 29, 2020.
- On August 25, 2020, the board of directors agreed to call an extraordinary shareholders' meeting to discuss the approval and distribution of a special dividend (*dividend eventual*). The meeting was held on September 29, 2020, to submit to the shareholders' consideration the distribution and payment of a special dividend equivalent to US\$0.37994 per share charged to the retained earnings of the Company.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

- Additionally, the board of directors agreed to modify the dividend policy agreed on March 25 for the business year 2020 and to be informed at the ordinary shareholders' meeting held on April 23.
- On September 29, 2020, the shareholders of the Company, meeting in an extraordinary shareholders' meeting, approved the distribution and payment of a special dividend equivalent to US\$0.37994 per share charged to the retained earnings of the Company.
- On October 8, 2020, the Company announced that it decided to deepen its commitment to the environment and the sustainability of its operations and the entire value creation cycle in which the company participates.
- On October 30, 2020, the Company paid settlements issued by the Internal Revenue Service for ThUS\$63,900.
- On November 11, 2020, the Company signed a binding term summary (the "Term Summary") providing for a settlement of the class action litigation with Lead Plaintiff Council of the Borough of South Tyneside, acting in its capacity as the Administering Authority of the Tyne and Wear Pension Fund, captioned *Villella v. Chemical and Mining Company of Chile, Inc.*, 1:15-cv-02106-ER (S.D.N.Y.) (the "Class Action"). The Class Action settlement will resolve the claims by class plaintiffs relating to alleged noncompliance with the securities laws and regulations in the United States in connection with certain disclosures made by the Company. Pursuant to the Term Summary, the Company has agreed to pay 62,500,000 United States dollars. The parties will negotiate in good faith to execute a definitive stipulation of settlement and related documents to be filed for Court approval. The amount to be paid under the settlement will be reflected as an expense in the financial statements of the Company as of the third quarter of 2020, in the account "Other Expenses by Function".
- On November 11, 2020, the DOJ filed a motion to dismiss the criminal information against the Company reported in Note 23.
- On December 14, 2020, the Company was informed through a press release published today, that Kore Potash has received correspondence from the Minister of Mines of the Republic of Congo expressing disappointment at the speed of progress on the development of the projects in the Sintoukola Basin and questioning Kore Potash's compliance with its obligations to the Government of Congo. Kore Potash continues its discussions with the Minister of Mines in relation to this matter, and SQM is monitoring the evolution of this dialogue. SQM's financial statements as of September 30, 2020 reflect an investment in Kore Potash of approximately US\$27 million in investment in associates for SQM's 20.26% ownership interest in Kore Potash.
- On December 22, 2020, the Company announced that it has reached a long-term agreement to supply lithium products to LG Energy Solution (LGES). As part of the agreement which will run from 2021 to 2029, SQM will supply battery grade lithium carbonate and lithium hydroxide for the production of high-quality cathode material, a key component of electric car battery cells. In total, the contract considers, approximately, 55,000 MT of lithium carbonate equivalent (LCE). The signing of this large-scale long-term supply agreement is an important milestone for SQM not only because it is part of its growth strategy, but also because it solidifies its prominent position as a high-quality lithium supplier for the production of batteries for electric vehicles. LGES and SQM are two significant players in the electromobility industry who are both fully committed to the development of the industry's future.
- On December 23, 2020, the Company informed the CMF that its board of directors had approved initiating the process to increase the company's capital of up to US\$1.1 billion through the issuance of up to 22.4 million Series B shares of common stock. The process will begin with an extraordinary shareholders' meeting, in which the shareholders will be asked to approve the capital increase. This vote will require approval of 2/3 of the Series A shares, granting withdrawal rights to dissident Series A shareholders, and a majority of the Series A and Series B shares voting together as a single class. The extraordinary shareholders' meeting will be held on January 22,

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

2021. The capital increase will be subject to a mandatory 30-day preemptive rights offering period for existing shareholders under Chilean law, and it is expected that a parallel preemptive rights offering will be made to existing holders of the company's American Depositary Receipts.

As a global company that develops and produces diverse products for several industries essential for human progress, such as health, nutrition, renewable energy and technology, through innovation and technological development, our need to invest in growth projects and new technologies is fundamental. The capital increase proposed by the board of directors is intended to finance part of our ambitious US\$1.9 billion investment plan for the years 2021-2024 which will allow us to expand our operations of lithium, iodine and nitrates. Most of this capex will be executed in Chile where we have access to great natural resources such as the Salar de Atacama and our Caliche ore deposits. This plan also includes the 50,000 metric ton Mt. Holland lithium hydroxide project in Western Australia, a 50/50 joint venture that we are developing with our partner Wesfarmers. We believe all of these investments are necessary to grow and maintain our leading world position in the lithium, potassium nitrate, iodine and thermo-solar salts markets:

- approximately US\$1 billion is related to lithium carbonate expansion in Chile, from 70,000 metric tons to 180,000 metric tons, the lithium hydroxide production expansions from 13,500 metric tons to 30,000 metric tons in Chile and the Mount Holland project in Australia,
- approximately US\$440 million will be invested in our mining operations of caliche ore and plant capacity for nitrates and iodine, of which US\$150 million is related to a seawater pipeline project, and
- maintenance capex is expected to remain at approximately US\$120 million per year while depreciation is expected to average US\$250 million per year.

The final investment decision on Mt. Holland project is expected to be taken by the board during the first quarter 2021, before the preemptive rights offering period.

Relevant or Essential Facts Pertaining to Soquimich Comercial S.A. (SQMC)

On March 24, 2020, it was reported that the board of directors of Soquimich Comercial S.A. agreed (1) to modify the "Dividend Policy for Business Year 2019" in order to incorporate into said Policy the payment of the eventual dividend for US\$5,000,000. - equivalent to the amount of US\$0.01837 per share, to be paid out of the accumulated earnings of SQMC; (2) propose to the next Ordinary Shareholders' Meeting of the Company to be held in April 2020, which approves the distribution and payment of definitive dividends for the business year 2019, 100% of the net profit for the year commercial of 2019, which reached the sum of US\$5,078,587.13, which corresponds to a final dividend of US\$0.01866 per share; (3) accordingly, propose to the Ordinary Shareholders' Meeting to be held next April, the payment of an eventual dividend of US\$0.01837 per share, to be paid out of the accumulated profits of SQMC, and a final dividend of US\$0.01866 per share, corresponding to 100% of the net profits obtained by SQMC in the 2019 business year.

On November 17, 2020, it was reported that the board of directors of Soquimich Comercial S.A. agreed (1) to modify the "2020 Business Year Dividend Policy" in order to incorporate into said Policy the payment of the eventual dividend for US\$10,000,000. - equivalent to the amount of US\$0.03675 per share, to be paid out of the accumulated earnings of SQMC. Said payment will be submitted to the consideration of the next Extraordinary Shareholders' Meeting of the Company, which was called for December 11, 2020 at 10:00 a.m. at Los Militares 4290, 1st floor, Las Condes, Santiago, so that it resolves in this regard and, if applicable, such eventual dividend will be paid on December 21, 2020; (2) The amount of US\$0.03675 per share corresponding to the eventual dividend indicated, if applicable, will be paid in its equivalent in pesos, national currency, according to the dollar exchange rate observed on the day on which said dividend is approved by the Extraordinary Shareholders' Meeting, in favor of those SQMC shareholders who are registered in the respective Registry on the fifth business day prior to the one on which the same will be paid.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

On December 11, 2020, it was reported that the shareholders of Soquimich Comercial SA, met in an Extraordinary Shareholders' Meeting called for 10:00 am today, Friday, December 11, 2020, unanimously agreed to approve the distribution of a eventual dividend, charged to the accumulated profits of the Company, in the amount of \$27.12775 (twenty-seven point one two seven seven five) pesos per share. Said eventual dividend will be paid starting on December 21, 2020, in favor of those SQMC shareholders who are registered in the respective Registry on the fifth business day prior to that.

9) SUMMARY OF COMMENTS AND PROPOSALS BY SHAREHOLDERS AND THE DIRECTORS' COMMITTEE

According to Chilean Law No, 18,046, section 3, article 74, there have been no comments or proposals from SQM's shareholders or Directors' Committee regarding the Company's business.

10) FINANCIAL REPORTS**10) A) FINANCIAL REPORTS OF THE REPORTING ENTITY****Report of Independent Auditors****INDEPENDENT AUDITOR'S REPORT**

Santiago, March 3, 2021

To the Shareholders and Directors
Sociedad Química y Minera de Chile S.A.

We have audited the accompanying consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). This responsibility includes the design, implementation and maintenance of a relevant internal control for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with Chilean generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the entity's internal control. Consequently, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Santiago, March 3, 2021
Sociedad Química y Minera de Chile S.A.
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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sociedad Química y Minera de Chile S.A. and subsidiaries as of December 31, 2020 and 2019 and the results of its operations and cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS).

Digitally signed by Bruno Rogelio Nalle DN: cn=, o=PricewaterhouseCoopers. The digital certificate is embedded in the electronic version of this document.

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Consolidated Classified Statements of Financial Position

ASSETS	Note N°	As of December 31, 2020	As of December 31, 2019
		ThUS\$	ThUS\$
Current Assets			
Cash and cash equivalents	11.1	509,102	588,530
Other current financial assets	14.1	348,069	505,490
Other current non-financial assets	18	57,399	50,552
Trade and other receivables, current	14.2	365,206	399,142
Trade receivables due from related parties, current	13.5	62,601	61,227
Current inventories	12	1,093,028	983,338
Current tax assets	29.1	132,224	91,433
Total current assets other than those classified as held for sale or disposal		2,567,629	2,679,712
Non-current assets or groups of assets classified as held for sale	30	1,629	2,454
Total non-current assets held for sale		1,629	2,454
Total current assets		2,569,258	2,682,166
Non-current assets			
Other non-current financial assets	14.1	51,925	8,778
Other non-current non-financial assets	18	22,042	19,729
Trade receivables, non-current	14.2	11,165	1,710
Investments classified using the equity method of accounting	9.1-10.3	85,993	109,435
Intangible assets other than goodwill	16.1	178,407	188,358
Goodwill	16.1	41,966	34,726
Property, plant and equipment net	17.1	1,737,319	1,569,906
Right-of-use assets	15.1	30,024	37,164
Tax assets, non-current	29.1	90,364	32,179
Total non-current assets		2,249,205	2,001,985
Total assets		4,818,463	4,684,151

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Classified Statements of Financial Position

Liabilities and Equity	Note N°	As of	As of
		December 31, 2020	December 31, 2019
		ThUS\$	ThUS\$
Current liabilities			
Other current financial liabilities	14.4	68,955	291,128
Lease liabilities, current	15.2	5,528	7,694
Trade and other payables, current	14.5	203,933	205,790
Trade payables due to related parties, current	13.6	606	475
Other current provisions	20.1	104,166	110,565
Current tax liabilities	29.2	22,643	17,874
Provisions for employee benefits, current	19.1	9,096	16,387
Other current non-financial liabilities	20.3	60,955	126,899
Total current liabilities		475,882	776,812
Non-current liabilities			
Other non-current financial liabilities	14.4	1,899,513	1,488,723
Lease liabilities, non-current	15.2	25,546	30,203
Trade and other payables, non-current	14.5	4,027	-
Other non-current provisions	20.1	62,617	34,690
Deferred tax liabilities	29.3	156,101	183,411
Provisions for employee benefits, non-current	19.1	32,199	35,840
Total non-current liabilities		2,180,003	1,772,867
Total liabilities		2,655,885	2,549,679
Equity			
Equity attributable to owners of the Parent	21		
Share capital		477,386	477,386
Retained earnings		1,638,267	1,623,104
Other reserves		7,432	(14,223)
Equity attributable to owners of the Parent		2,123,085	2,086,267
Non-controlling interests		39,493	48,205
Total equity		2,162,578	2,134,472
Total liabilities and equity		4,818,463	4,684,151

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Income

Consolidated Statements of Income	Note N°	For the period from January to December of the year	
		2020	2019
		ThUS\$	ThUS\$
Revenue	25.1	1,817,191	1,943,655
Cost of sales	25.2	(1,334,321)	(1,383,603)
Gross profit		482,870	560,052
Other income	25.3	26,893	18,218
Administrative expenses	25.4	(107,017)	(117,180)
Other expenses	25.5	(99,612)	(25,995)
Impairment of financial assets and reversal of impairment losses	25.7	4,684	(1,057)
Other losses	25.6	(5,313)	(383)
Profit from operating activities		302,505	433,655
Finance income	25.10	13,715	26,289
Finance costs	17-25.9	(82,199)	(76,939)
Share of profit of associates and joint ventures accounted for using the equity method	9.1-10.3	8,940	9,786
Foreign currency translation differences	27	(4,423)	(2,169)
Profit before taxes		238,538	390,622
Income tax expense	29.3	(70,179)	(110,019)
Profit net		168,359	280,603
Profit attributable to:			
Profit attributable to Owners of the Parent		164,518	278,115
Profit attributable to Non-controlling interests		3,841	2,488
		168,359	280,603

Earnings per share	Note N°	For the period from January to December of the year	
		2020	2019
		ThUS\$	ThUS\$
Common shares			
Basic earnings per share (US\$ per share)		0.6251	1.0567
Diluted common shares			
Basic earnings per share (US\$ per share)		0.6251	1.0567

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Profit net	168,359	280,603
Items of other comprehensive income that will not be reclassified to profit for the year, before taxes		
Gains (losses) from measurements of defined benefit plans	974	(3,310)
Gains (losses) from financial assets measured irrevocably at fair value through other comprehensive income	9,784	1,152
Total other comprehensive income (loss) that will not be reclassified to profit for the year, before taxes	10,758	(2,158)
Items of other comprehensive income that will be reclassified to profit for the year, before taxes		
Foreign currency exchange gains (losses)	14,000	787
(Losses) gains from cash flow hedges	(3,706)	1,908
Total other comprehensive income that will be reclassified to profit for the year	10,294	2,695
Other items of other comprehensive income, before taxes	21,052	537
Income taxes related to items of other comprehensive income that will not be reclassified to profit for the year		
Income taxes relating to measurement of defined benefit pension plans through other comprehensive income	(145)	702
Benefit (income tax) relating to (losses) gains on financial assets measured irrevocably at fair value through other comprehensive income	(2,642)	(311)
Total income tax relating to components of other comprehensive income that will be not reclassified to profit for the year	(2,787)	391
Income taxes relating to components of other comprehensive income that will be reclassified to profit for the year		
Income tax benefit (expense) related to (losses) gains from cash flow hedges	1,001	(2,683)
Total income tax relating to components of other comprehensive income that will be reclassified to profit for the year	1,001	(2,683)
Total other comprehensive income	19,266	(1,755)
Total comprehensive income	187,625	278,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	183,941	276,137
Comprehensive income attributable to non-controlling interest	3,684	2,711
	187,625	278,848

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows	Note N°	For the period from January to December of the year	
		2020	2019
		ThUS\$	ThUS\$
Cash flows from (used in) operating activities			
Classes of cash receipts from operating activities			
Cash receipts from sales of goods and rendering of services		1,940,720	2,044,746
Cash receipts from premiums and benefits, annuities and other benefits from policies entered		14,763	2,925
Cash receipts derived from sub-leases		188	361
Classes of Payments			
Cash payments to suppliers for the provision of goods and services		(1,358,347)	(1,284,204)
Cash payments to and on behalf of employees		(161,862)	(195,782)
Cash payments relating to variable leases		(1,117)	(1,037)
Other payments related to operating activities		(87,278)	(25,218)
Net cash generated from operating activities		347,067	541,791
Dividends received		5,387	14,449
Interest paid		(81,567)	(70,963)
Interest received		17,046	25,809
Interest paid on lease liabilities		(1,133)	(1,537)
Income taxes paid		(200,624)	(173,319)
Other cash inflows (1)		96,058	90,741
Net cash generated from operating activities		182,234	426,971
Cash flows from (used in) investing activities			
Cash flows arising from the loss/gain of control of subsidiaries and other businesses		20,996	994
Proceeds from the sale of property, plant and equipment		1,680	487
Other payments to acquire interest in joint ventures		(16,949)	(2,600)
Acquisition of property, plant and equipment		(322,242)	(321,324)
Proceeds from sales of intangible assets		8,203	28,126
Proceeds (payments) related to futures, forward options and swap contracts		(6,902)	1,403
Purchases of intangible assets		(579)	(2,492)
Loans to related parties		(15,000)	-
Other cash inflows (outflows) (2)		163,702	(190,065)
Net cash generated used in investing activities		(167,091)	(485,471)

(1) Other inflows of cash from operating activities include net increases (decreases) of value added tax, banking expenses, expenses associated with obtaining loans and taxes associated with interest payments.

(2) Other inflows (outflows) of cash include investments and redemptions of time deposits and other financial instruments that do not qualify as cash and cash equivalent in accordance with IAS 7, paragraph 7, since they mature in more than 90 days from the original investment date.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows	Note N°	For the period from January to December of the year	
		2020	2019
		ThUS\$	ThUS\$
Cash flows generated from (used in) financing activities			
Repayment of lease liabilities		(8,015)	(7,221)
Proceeds from long-term loans		400,000	450,000
Repayment of borrowings		(264,122)	(7,096)
Dividends paid		(221,995)	(329,787)
Net cash generated (used in) from financing activities		(94,132)	105,896
Net (decrease) increase in cash and cash equivalents before the effect of changes in the exchange rate		(78,989)	47,396
Effects of exchange rate fluctuations on cash and cash equivalents		(439)	(14,932)
(Decrease) increase in cash and cash equivalents		(79,428)	32,464
Cash and cash equivalents at beginning of period		588,530	556,066
Cash and cash equivalents at end of period	11	509,102	588,530

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

Consolidated Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Hedge reserves	Gains and losses from financial assets reserve	Actuarial gains and losses from defined benefit plans reserve	Other miscellaneous reserves	Total reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total Equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at January 1, 2020	477,386	(25,745)	7,196	(270)	(9,490)	14,086	(14,223)	1,623,104	2,086,267	48,205	2,134,472
Net profit	-	-	-	-	-	-	-	164,518	164,518	3,841	168,359
Other comprehensive income	-	14,176	(2,705)	7,142	810	-	19,423	-	19,423	(157)	19,266
Comprehensive income	-	14,176	(2,705)	7,142	810	-	19,423	164,518	183,941	3,684	187,625
Dividends (1)	-	-	-	-	-	-	-	(149,355)	(149,355)	(10,118)	(159,473)
Other increases (decreases) in equity	-	-	-	-	-	2,232	2,232	-	2,232	(2,278)	(46)
Total changes in equity	-	14,176	(2,705)	7,142	810	2,232	21,655	15,163	36,818	(8,712)	28,106
Equity as of December 31, 2020	477,386	(11,569)	4,491	6,872	(8,680)	16,318	7,432	1,638,267	2,123,085	39,493	2,162,578

Consolidated Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Hedge reserves	Gains and losses from financial assets reserve	Actuarial gains and losses from defined benefit plans reserve	Other miscellaneous reserves	Total reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total Equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at January 1, 2019	477,386	(26,307)	7,971	(1,111)	(6,884)	11,332	(14,999)	1,623,104	2,085,491	52,311	2,137,802
Net Profit	-	-	-	-	-	-	-	278,115	278,115	2,488	280,603
Other comprehensive income	-	562	(775)	841	(2,606)	-	(1,978)	-	(1,978)	223	(1,755)
Comprehensive income	-	562	(775)	841	(2,606)	-	(1,978)	278,115	276,137	2,711	278,848
Dividends (1)	-	-	-	-	-	-	-	(278,115)	(278,115)	(6,817)	(284,932)
Other increases (decreases) in equity	-	-	-	-	-	2,754	2,754	-	2,754	-	2,754
Total changes in equity	-	562	(775)	841	(2,606)	2,754	776	-	776	(4,106)	(3,330)
Equity as of December 31, 2019	477,386	(25,745)	7,196	(270)	(9,490)	14,086	(14,223)	1,623,104	2,086,267	48,205	2,134,472

(1) See Note 21.6

The accompanying notes form an integral part of these consolidated financial statements.

Glossary

The Following capitalized terms un these notes will have the following meaning:

- “**ADS**” American Depositary Shares;
- “**CAM**” Arbitration and Mediation Center of the Santiago Chamber of Commerce;
- “**CCHEN**” Chilean Nuclear Energy Commission;
- “**CCS**” cross currency swap;
- “**CINIIF**” International Financial Reporting Interpretations Committee;
- “**CMF**” Financial Market Commission;
- “**Directors’ Committee**” The Company’s Directors’ Committee;
- “**Corporate Governance Committee**” The Company’s Corporate Governance Committee;
- “**Health, Safety and Environment Committee**” The Company’s Health, Safety and Environment Committee;
- “**Lease Agreement**” the mining concessions lease agreement signed by SQM Salar and Corfo in 1993, as subsequently amended;
- “**Project Contract**” project contract for Salar de Atacama undersigned by Corfo and SQM Salar in 1993, as subsequently amended”;
- “**Corfo**” Chilean Economic Development Agency;
- “**DCV**” Central Securities Depository;
- “**DGA**” General Directorate of Water Resources;
- “**Board**” The Company’s Board of Directors;
- “**DOJ**” United States Department of Justice;
- “**Dollar**” o “**US\$**” Dollars of the United States of America;
- “**DPA**” Deferred Prosecution Agreement;
- “**EIEP**” Passive foreign investment company;
- “**United States**” United States of America;
- “**FCPA**” Foreign Corrupt Practices Act of the USA;
- “**FNE**” Chilean National Economic Prosecutor’s Office;
- “**Management**” the Company’s management;
- “**SQM Group**” The corporate group composed of the Company and its subsidiaries
- “**Pampa Group**” Jointly the Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A. and Inversiones Global Mining (Chile) Limitada;
- “**IASB**” International Accounting Standards Board;
- “**SSI**” Staff severance indemnities;

“**IFRIC**” International Financial Reporting Interpretations Committee;
“**IPC**” Consumer Price Index;
“**IRS**” *interest rate swap*;
“**Securities Market Law**” Securities Market Law No. 18,045;
“**Corporate Law**” Ley 18,046 on corporations;
“**ThUS\$**” thousands of Dollars;
“**MUS\$**” millions of Dollars;
“**IAS**” International Accounting Standard;
“**IFRS**” International Financial Reporting Standard;
“**ILO**” International Labour Organization;
“**WHO**” World Health Organization;
“**Pesos**” or “**Ch\$**” Chilean pesos, legal tender in Chile;
“**SEC**” Securities and Exchange Commission;
“**Sernageomin**” National Geology and Mining Service;
“**SIC**” Standard Interpretations Committee;
“**SII**” Chilean Internal Revenue Service;
“**SMA**” Environmental Superintendent’s Office;
“**Company**” Sociedad Química y Minera de Chile S.A.;
“**SQM Industrial**” SQM Industrial S.A.;
“**SQM NA**” SQM North America Corporation;
“**SQM Nitratos**” SQM Nitratos S.A.;
“**SQM Potasio**” SQM Potasio S.A.;
“**SQM Salar**” SQM Salar S.A.;
“**Tianqi**” Tianqi Lithium Corporation; and
“**UF**” Unidad de Fomento (a Chilean Peso based inflation indexed currency unit);
“**WACC**” Weighted Average Cost of Capital.

Note 1 Identification and Activities of the Company and Subsidiaries

1.1 Historical background

Sociedad Química y Minera de Chile S.A. is an open stock corporation founded under the laws of the Republic of Chile and its Chilean Tax Identification Number is 93.007.000-9.

The Company was incorporated through a public deed dated June 17, 1968 by the public notary of Santiago Mr. Sergio Rodríguez Garcés. Its existence was approved by Decree No. 1,164 of June 22, 1968 of the Ministry of Finance, and it was registered on June 29, 1968 in the Registry of Commerce of Santiago, on page 4,537 No. 1,992. SQM's headquarters are located at El Trovador 4285, Floor 6, Las Condes, Santiago, Chile, The Company's telephone number is +(56 2) 2425-2000.

The Company is registered in the CMF under number 184 of March 18, 1983 and is therefore subject to oversight by that entity.

1.2 Main domicile where the Company performs its production activities

The Company's main domiciles are: Calle Dos Sur plot No. 5 - Antofagasta; Arturo Prat 1060 - Tocopilla; Administration Building w/n - Maria Elena; Administration Building w/n Pedro de Valdivia - María Elena, Anibal Pinto 3228 - Antofagasta, Kilometer 1378 Ruta 5 Norte Highway - Antofagasta, Coya Sur Plant w/n - Maria Elena, kilometer 1760 Ruta 5 Norte Highway - Pozo Almonte, Salar de Atacama (Atacama Saltpeter deposit) potassium chloride plant w/n - San Pedro de Atacama, potassium sulfate plant at Salar de Atacama w/n - San Pedro de Atacama, Minsal Mining Camp w/n CL Plant CL, Potassium- San Pedro de Atacama, formerly the Iris Saltpeter office w/n, Commune of Pozo Almonte, Iquique.

1.3 Codes of main activities

The codes of the main activities as established by the CMF, as follows:

- 1700 (Mining)
- 2200 (Chemical products)
- 1300 (Investment)

1.4 Description of the nature of operations and main activities

The products of the Company are mainly derived from mineral deposits found in northern Chile where mining takes place and caliche and brine deposits are processed.

- (a) **Specialty plant nutrition:** Four main types of specialty plant nutrients are produced: potassium nitrate, sodium nitrate, sodium potassium nitrate and specialty blends. In addition, other specialty fertilizers are sold including third party products.
- (b) **Iodine:** The Company produces iodine and iodine derivatives, which are used in a wide range of medical, pharmaceutical, agricultural and industrial applications, including x-ray contrast media, polarizing films for LCD and LED, antiseptics, biocides and disinfectants, in the synthesis of pharmaceuticals, electronics, pigments and dye components.
- (c) **Lithium:** The Company produces lithium carbonate, which is used in a variety of applications, including electrochemical materials for batteries, frits for the ceramic and enamel industries, heat-resistant glass (ceramic glass), air conditioning chemicals, continuous casting powder for steel extrusion, primary aluminum smelting process, pharmaceuticals and lithium derivatives. We are also a leading supplier of lithium hydroxide, which is primarily used as an input for the lubricating greases industry and for certain cathodes for batteries.

- (d) **Industrial chemicals:** The Company produces three industrial chemicals: sodium nitrate, potassium nitrate and potassium chloride. Sodium nitrate is used primarily in the production of glass, explosives, and metal treatment. Potassium nitrate is used in the manufacturing of specialty glass, and it is also an important raw material to produce frits for the ceramics and enamel industries. Solar salts, a combination of potassium nitrate and sodium nitrate, are used as a thermal storage medium in concentrated solar power plants. Potassium chloride is a basic chemical used to produce potassium hydroxide, and it is also used as an additive in oil drilling as well as in food processing.
- (e) **Potassium:** The Company produces potassium chloride and potassium sulfate from brines extracted from the Salar de Atacama. Potassium chloride is a commodity fertilizer used to fertilize a variety of crops including corn, rice, sugar, soybean and wheat. Potassium sulfate is a specialty fertilizer used mainly in crops such as vegetables, fruits and industrial crops.
- (f) **Other products and services:** The Company also sells other fertilizers and blends, some of which we do not produce. Mainly potassium nitrate, potassium sulfate and potassium chloride. This business line also includes revenue from commodities, services, interests, royalties and dividends.

1.5 Other background

(a) Employees

As of December 31, 2020, and 2019, the workforce was as follows:

Employees	As of December 31, 2020			As of December 31, 2019		
	SQM S.A.	other subsidiaries	Total	SQM S.A.	other subsidiaries	Total
Executives	30	85	115	30	91	121
Professionals	94	1,156	1,250	110	1,170	1,280
Technicians and operators	267	3,310	3,577	282	3,481	3,763
Foreign employees	17	548	565	17	560	577
Overall total	408	5,099	5,507	439	5,302	5,741

(b) Main shareholders

As of December 31, 2020, there were 1,358 shareholders.

Following table shows information about the main shareholders of the Company's Series A or Series B shares in circulation as of December 31, 2020 and 2019, in line with information provided by the DCV, with respect to each shareholder that, to our knowledge, owns more than 5% of the outstanding Series A or Series B shares. The following information is derived from our registry and reports managed by the DCV and informed to the CMF and the Chilean Stock Exchange:

Shareholders as of December 31, 2020	No. of Series A	% of Series A shares	No. of Series B	% of Series B shares	% of total shares
Inversiones TLC SpA (1)	62,556,568	43.80%	-	-	23.77%
The Bank of New York Mellon, ADRs	-	-	50,792,452	42.19%	19.30%
Sociedad de Inversiones Pampa Calichera S.A. (2)	44,894,152	31.43%	922,971	0.77%	17.41%
Potasios de Chile S.A.	18,179,147	12.73%	-	-	6.91%
Inversiones Global Mining (Chile) Limitada	8,798,539	6.16%	-	-	3.34%
Euroamerica C de B S. A.	1,418	-	8,788,517	7.30%	3.34%
Banco Santander via foreign investor accounts	-	-	7,294,827	6.06%	2.77%
Banco de Chile via State Street	-	-	6,971,782	5.79%	2.65%
Banco de Chile non-resident third party accounts	-	-	6,129,339	5.09%	2.33%
Inversiones la Esperanza de Chile Limitada	4,147,263	2.90%	46,500	0.04%	1.59%
Banchile Corredora de Bolsa S. A.	459,202	0.32%	2,426,758	2.02%	1.10%
Banco de Chile on behalf of Citibank NA New York customers	177,463	0.12%	1,732,249	1.44%	0.73%

Shareholders as of December 31, 2019	No. of Series A	% of Series A shares	No. of Series B	% of Series B shares	% of total shares
Inversiones TLC SpA (1)	62,556,568	43.80%	-	-	23.77%
Sociedad de Inversiones Pampa Calichera S.A. (2)	44,894,152	31.43%	3,793,154	3.15%	18.50%
The Bank of New York Mellon, ADRs	-	-	38,311,788	31.83%	14.56%
Potasios de Chile S.A.	18,179,147	12.73%	-	-	6.91%
Inversiones Global Mining (Chile) Limitada	8,798,539	6.16%	-	-	3.34%
Banco Itaú via foreign investor accounts	-	-	7,373,216	6.13%	2.80%
Banco de Chile non-resident third party accounts	109	-	6,842,746	5.68%	2.60%
Banco Santander via foreign investor accounts	-	-	6,618,416	5.50%	2.51%
Euroamerica C de B S. A.	3,056	-	4,863,467	4.04%	1.85%
Banchile C de B S. A.	491,729	0.34%	4,285,696	3.56%	1.82%
Inversiones la Esperanza de Chile Limitada	4,147,263	2.90%	46,500	0.04%	1.59%
Bolsa de comercio de Santiago Bolsa de valores	30,590	0.02%	3,077,930	2.56%	1.18%

(1) As reported by DCV, which records the Company's shareholders' register as of December 31, 2020 and December 31, 2019, Inversiones TLC SpA, a subsidiary of Tianqi, is the direct owner of 62,556,568 shares of SQM equivalent to 23.77% of SQM's shares. Through Tianqi's subsidiaries it owns 5,516,772 Series B SQM shares as reported by Inversiones TLC Spa. So as of December 31, 2020, Tianqi owns 25.86% of SQM's total Series A and B shares.

(2) Total Sociedad de Inversiones Pampa Calichera S.A. 57,235,201 Series A and B shares; 11,418,078 Series B shares are held by different brokers.

1.6 Covid-19

In January 2020, the WHO deemed COVID-19 a global pandemic. In March 2020, the Chilean Ministry of Health declared a nationwide State of Emergency. As a precaution, our management has implemented several measures to help reduce the speed at which the coronavirus spreads, including measures to mitigate the spread in the workplace, significant reductions in employee travel and a mandatory quarantine for people who have arrived from high risk destinations, in consultation with governmental and international health organization guidelines, and will continue to implement measures consistent with evolving coronavirus situation.

On March 16, 2020, the Company reported on various points in relation to the outbreak of the COVID-19 virus and its being declared to be a global pandemic by the WHO.

(1) Regarding the financial and operational effects that this situation could mean for the Company, it is worth noting that the Company sells its products worldwide, with Asia, Europe and North America being its main markets. Border closures, decrease in commercial activity and difficulties and disruptions in the supply chains in the markets in which we sell have impacted our ability to fulfill our previous sales volume estimates, the impact on our sales volumes and average prices will depend on the duration of the virus in different markets, the efficiency of the measures implemented to contain the spread of the virus in each country and fiscal incentives that may be implemented in different jurisdictions to promote economic recovery.

For now, our operations have not seen any material impacts related to the outbreak of COVID-19 virus.

We have taken measures to mitigate the impacts of this health emergency on our employees and limit the impact it could have on our operations (described below in point 2).

- (2) Regarding the measures that management has adopted or intends to adopt to mitigate possible financial and/or operational effects, we inform that the Company has implemented a series of measures in its operations in Chile and abroad that seek to protect its workers and reduce the speed at which the virus spreads. The measures adopted by the Company are:
- (a) The flexibility of the working day, arrival and departure times, together with the incentive to work from home in those cases where this is possible.
 - (b) Avoidance of crowds, seminars and large meetings in the Company's offices and operating facilities.
 - (c) Strengthening personal hygiene protocols (use of alcohol-based gel, masks, etc.) and sanitation in plants, cafeterias and offices.
 - (d) Significant reduction in domestic and international travel, along with obligatory quarantine for people who have arrived from high risk destinations.
 - (e) The costs associated with the measures implemented by the company correspond primarily to increased expenses in transportation, supplies, room and board, among others.
- (3) Regarding the existence of committed insurance and its level of coverage, we inform that as of today, we have not identified any events which would trigger coverage from the insurance policies that the Company has contracted.
- (4) Finally, we hereby inform that we do not currently have any other information that management believes is relevant to provide.

As of December 31, 2020, there have been no significant changes in the impacts associated with COVID-19 reported to the CMF.

Note 2 Basis of presentation for the consolidated financial statements

2.1 Accounting period

These consolidated financial statements cover the following periods:

- (a) Consolidated Statements of Financial Position as of December 31, 2020 and 2019
- (b) Consolidated Statements of Income for the periods from January 1 to December 31, 2020 and 2019.
- (c) Consolidated Statements of Comprehensive Income from January 1 to December 31, 2020 and 2019.
- (d) Consolidated Statements of Changes in Equity for the periods ended December 31, 2020 and 2019.
- (e) Consolidated Statements of Cash Flows for the periods ended December 31, 2020 and 2019.

2.2 Consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with IFRS and represent the full, explicit and unreserved adoption of IFRS.

These consolidated financial statements fairly reflect the Company's financial position, as of December 31, 2020 and 2019, the comprehensive results of operations, changes in equity and cash flows occurring for the years then ended.

IFRS establish certain alternatives for their application, those applied by the Company are detailed in this Note and Note 3.

The accounting policies used in the preparation of these consolidated annual accounts comply with each IFRS in force at their date of presentation.

Pursuant to CMF requirements, on December 31, 2020 the effects related to the application of IFRS 16 "Leases" are presented in separate items and the following reclassifications have been made with respect to the information reported on December 31, 2019 to ensure a consistent presentation between periods, which are considered not significant for the previously issued financial statements. See Note 4.

Items	Original balances reported as of December 31, 2019	Reclassification	Balances reclassified as of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Property, plant and equipment, (net)	1,607,070	(37,164)	1,569,906
Right-of-use assets	-	37,164	37,164
Other current financial liabilities	298,822	(7,694)	291,128
Lease liabilities, current	-	7,694	7,694
Other non-current financial liabilities	1,518,926	(30,203)	1,488,723
Lease liabilities, non-current	-	30,203	30,203

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- (a) Inventories are recorded at the lower of cost and net realizable value.
- (b) Financial derivatives measured at fair value.
- (c) Certain financial investments measured at fair value with an offsetting entry in other comprehensive income.

2.4 Accounting pronouncements

New accounting pronouncements

- (a) The following standards, interpretations and amendments are mandatory for the first time for annual periods beginning on January 1, 2020:

Amendments and improvements	Description	Mandatory for annual periods beginning on or after
Amendment to IAS 1 "Presentation of Financial Statements" and "IAS 8" Accounting Policies, Changes in Accounting Estimates and Errors - Published in October 2018.	This amendment establishes a consistent definition of materiality in all the IFRCs and the Conceptual Framework for Financial Information; it clarifies the explanation of the definition of material; and it incorporates some of the guidelines in IAS 1 on immaterial information.	01-01-2020
Amendment to IFRS 3 "Definition of a Business" - Published in October 2018.	This amendment revises the definition of a business. Based on the feedback received by the IASB, the application of the current guidance is frequently seen as too complex, and results in too many transactions that qualify as business combinations.	01-01-2020
Amendments to IFRS 9, IAS 39 and IFRS 7 "Reform to the referential interest rate" Published in September 2019.	These amendments provide certain simplifications in relation to the reform to the referential interest rates. These simplifications relate to hedge accounting and affect the IBOR reform, which generally shouldn't result in the finalization of hedge accounting. However, any hedge ineffectiveness should continue to be recorded in the results.	01-01-2020
Amendment to IFRS 16 "Lease Concessions" - Published in May 2020.	This amendment provides lessees with an optional exemption regarding the assessment of whether a lease concession associated with COVID-19 is a lease modification. Lessees may opt to account for lease concessions as they would if there were no lease modifications. In many cases, this would give rise to the accounting for a concession as a variable lease payment.	01-01-2020

Management confirm that the adoption of the aforementioned standards, amendments and interpretations did not significantly impact the company's consolidated financial statements.

- (b) Standards, interpretations and amendments issued that had not become effective for financial statements beginning on January 1, 2020 and which the Company has not adopted early are as follows:

Standards and Interpretations	Description	Mandatory for annual periods beginning on or after
Amendment to IAS 1 "Presentation of financial statements" on classification of liabilities.	These limited scope amendments of IAS 1 "Presentation of financial statements" clarify that the liabilities will be classified as current or non-current depending on the rights that exist at the close of the reporting period. The classification is not affected by the expectations of the entity or the events subsequent to the report date (for example, the receipt of a waiver or noncompliance with the pact). The amendment also clarifies what IAS 1 means when referring to "liquidation" of a liability. The amendment must be applied retroactively in accordance with IAS 8. In May 2020, the IASB issued an "Exposure Draft" proposing deferral of the effective application date to January 1, 2023.	01-01-2022
Reference to the Conceptual Framework - Amendments to IFRS 3.	Minor modifications were made to IFRS 3 "Definition of a Business" to update references to the conceptual framework for financial reporting and to add an exception to the recognition of contingent liabilities and contingent assets within the scope of IAS 37 "Provisions, contingent liabilities and contingent assets" and Interpretation 21 "Levies." The modifications also confirm that contingent assets should not be recognized in the date of acquisition.	01-01-2022
Amendment to IAS 16 "Property, plant and equipment"	This prohibits companies from deducting from the cost of the property any revenue received from the sale of articles produced while the company is preparing the asset for its anticipated use. The company must recognize this sales revenue and associated costs in the profit or loss for the fiscal year.	01-01-2022
Amendment to IAS 37, "Provisions, contingent liabilities and contingent assets."	This clarifies for onerous contracts which inevitable costs a company must include to assess whether a contract will result in a loss.	01-01-2022
IFRS 9 Financial Instruments.	This clarifies which fees must be included in the 10% test for the derecognition of financial liabilities.	01-01-2022
IFRS 16 Leases.	Modification of illustrative example 13 to eliminate the illustration of lessor payments in relation to improvements to rental properties, to eliminate any confusion as to the treatment of lease incentives.	01-01-2022
IFRS 1 First-time Adoption of International Financial Reporting Standards.	This enables entities that have measured their assets and liabilities against book values in their head office books to also measure the accumulated translation differences using the amounts notified by the head office. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.	01-01-2022
Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures", Published in September 2014.	These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not), A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	undetermined

Management believes that the adoption of the above standards, amendments and interpretations will not have a significant impact on the Company's financial statements.

2.5 Basis of consolidation

(a) Subsidiaries

The Company established control as the basis of consolidation of its financial statements. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The consolidation of a subsidiary starts when the Group controls it and it is no longer included in the consolidation when this control is lost.

Subsidiaries are consolidated through a line by line method, adding items that represent assets, liabilities, income and expenses with a similar content, and eliminating operations between companies within the SQM Group.

Results for dependent companies acquired or disposed of during the period are included in the consolidated accounts from the date on which control is transferred to the SQM Group or until the date when this control ends, as relevant.

To account for an acquisition of a business, the Company uses the acquisition method. Under this method, the acquisition cost is the fair value of assets delivered, equity securities issued, and incurred or assumed liabilities at the date of exchange. Assets, liabilities and contingencies identifiable assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure the non-controlling interest of the acquiree either at fair value or as proportional share of net identifiable assets of the acquire.

The details of the consolidated companies can be found in Note 8.

2.6 Investments in associates and joint ventures

(a) Joint ventures

Investments in joint arrangements are classified as joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

With respect to joint operations, the Company recognizes its direct right to the assets, liabilities, income and expenses of the joint arrangement.

(b) Joint ventures and investments in associates

Interests in companies over which joint control is exercised (joint ventures) or where an entity has significant influence (associates) are recognized using the equity accounting method. Significant influence is presumed when the investor owns over 20% of the investee's share capital. The investment is recognized using this method in the statement of financial position at cost plus changes subsequent to acquisition and includes the proportional share of the associate's equity. For these purposes, the percentage interest in the associate is used. The associated acquired goodwill is included in the investee's book value and is not amortized. The debit or credit to the income statement reflects the proportional share of the profit or loss of the associate or joint venture.

Unrealized gains from transactions with joint ventures or associates are eliminated in accordance with the Company's percentage interest in such entities. Any unrealized losses are also eliminated, unless that transaction provides evidence that the transferred asset is impaired.

Changes in associate's or joint ventures equity are recognized proportionally with a charge or credit to "Other Reserves" and are classified according to their origin. The reporting dates of the associate or joint ventures, the Company and related policies are similar for equivalent transactions and events in similar circumstances. In the event that significant influence is lost, or the investment is sold, or held for sale, the equity method is suspended, not recognizing the proportional share of the gain or loss. If the resulting value under the equity method is negative, the share of profit or loss is reflected as zero in the consolidated financial statements, unless there is a commitment by the Company to restore the capital position of the Company, in which case the related risk provision and expense are recorded.

Dividends received by these companies are recorded by reducing the value of the investment and are shown in cash flows from operating activities, and the proportional share of the gain or loss recognized in accordance with the equity method is included in the consolidated income statement under "Share of Gains (Losses) of Associates and Joint Ventures Accounted for Using the Equity Method".

Note 3 Significant accounting policies

3.1 Classification of balances as current and non-current

In the consolidated statement of financial position, balances are classified in consideration of their recovery (maturity) dates; i.e., those maturing within a period equal to or less than 12 months are classified as current counted from the closing date of the consolidated financial statements and those with maturity dates exceeding the aforementioned period are classified as non-current.

The exception to the foregoing relates to deferred taxes, which are classified as non-current, regardless of the maturity they have.

3.2 Functional and presentation currency

The Company's consolidated financial statements are presented in United States dollars, without decimal places, which is the Company's functional and presentation currency and is the currency of the main economic environment in which it operates. Consequently, the term foreign currency is defined as any currency other than the U.S. dollar.

3.3 Accounting policy for foreign currency translation

(a) SQM group entities:

The revenue, expenses, assets and liabilities of all entities that have a functional currency other than the presentation currency are converted to the presentation currency as follows:

- Assets and liabilities are converted at the closing exchange rate prevailing on the reporting date.
- Revenues and expenses of each profit or loss account are converted at monthly average exchange rates.
- All resulting foreign currency translation gains and losses are recognized as a separate component in translation reserves.

In consolidation, foreign currency differences arising from the translation of a net investment in foreign entities are recorded in shareholder's equity ("other reserves"). At the date of disposal, such foreign currency translation differences are recognized in the statement of income as part of the gain or loss from the sale.

The main exchange rates and UF used to translate monetary assets and liabilities, expressed in foreign currency at the end and average of each period in respect to U.S. dollars, are as follows:

Currencies	Closing exchange rates		Average exchange rates	
	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Brazilian real	5.18	4.02	5.14	4.11
New Peruvian sol	3.62	3.31	3.60	3.35
Argentine peso	84.14	59.83	82.62	59.86
Japanese yen	105.56	108.90	103.81	109.12
Euro	0.81	0.89	0.82	0.90
Mexican peso	19.93	18.89	19.97	19.11
Australian dollar	1.30	1.43	1.33	1.45
Pound Sterling	0.74	0.76	0.74	0.76
South African rand	14.61	14.06	14.88	14.42
Chilean peso	710.95	748.74	731.92	767.22
Chinese yuan	6.51	6.98	6.53	7.01
Indian rupee	73.30	71.31	73.65	71.16
Thai Baht	29.94	29.97	30.08	30.22
Turkish lira	7.36	5.94	7.70	5.85
UF (*)	40.89	37.81	39.73	36.90

(*) US\$ per UF

(b) Transactions and balances

The Company's non-monetary transactions in currencies other than the functional currency (Dollar) are translated to the respective functional currencies of Group entities at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All differences are recorded in the statement of income except for all monetary items that provide an effective hedge for a net investment in a foreign operation. These items are recognized in other comprehensive income until disposal of the investment, when they are recognized in the statement of income. Charges and credits attributable to foreign currency translation differences on those hedge monetary items are also recognized in other comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are retranslated to the functional currency at the historical exchange rate of the transaction. Non-monetary items that are measured based on fair value in a foreign currency are translated using the exchange rate at the date on which the fair value is determined.

3.4 Consolidated statement of cash flows

Cash equivalents correspond to highly liquid short-term investments that are easily convertible into known amounts of cash and subject to insignificant risk of changes in their value and mature in less than three months from the date of acquisition of the instrument.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above.

The statement of cash flows present cash transactions performed during the year, determined using the direct method.

3.5 Accounting policy for Financial assets

Management determines the classification of its financial assets, in accordance with the provisions of IFRS 9, at fair value (either through other comprehensive income, or through profit or loss), and at amortized cost. The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

In the initial recognition, the Company measures its financial assets at fair value more or less, in the case of a financial asset that is not accounted for at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset on the date when the Company commits to the purchase or sale of an asset. In the case of account receivables and other accounts receivables, the transaction price at the initial recognition is measured in accordance with the provisions of IFRS 15.

After initial recognition, the Company measures its financial assets according to the Company's business model for managing its financial assets and the contractual terms of its cash flows:

- (a) Financial instruments measured at amortized cost. Financial assets that meet the following conditions are included in this category (i) the business model that supports it aims to maintain the financial assets to obtain the contractual cash flows and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are only payments of the principal and interest on the outstanding principal amount. The Company's financial assets that meet these conditions are: (ii) cash equivalents; (iii) related party receivables; (iv) trade debtors; (v) other receivables.
- (b) Financial instruments at fair value. A financial asset should be measured at fair value through profit or loss or fair value through other comprehensive income, depending on the following:
 - (i) "Fair Value Through Other Comprehensive Income": Assets held to collect contractual cash flows and to be sold, where the asset cash flows are only capital and interest payments, are measured at fair value through other comprehensive income. Changes in book values are through other comprehensive income, except for the recognition of impairment losses, interest income and exchange gains and losses, which are recognized in the income statement. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the income statement. Interest income from these financial assets is included in financial income using the effective interest method. Exchange gains and losses are presented in the income statement and impairment losses are separately presented in the income statement.
 - (ii) "Fair Value Through Profit and Loss": Assets that do not meet the amortized cost or "Fair Value Through Other Comprehensive Income" criteria are valued at "Fair Value Through Profit and Loss".
- (c) Financial equity assets at fair value through other comprehensive income. Equity instruments that are not classified as held for trading and which the Group has irrevocably chosen to recognize in this category.

Financial asset impairment

The Company evaluates expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment method used depends on whether there has been a significant increase in credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses using the lifetime expected loss on all trade receivables. Expected credit losses are measured by grouping receivables by their shared credit risk characteristics and days overdue.

The Company has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for these assets. Expected loss rates are based on sales payment profiles and historical credit losses within this period. Historical loss rates are adjusted to reflect current and expected information regarding macroeconomic factors that affect the ability of customers to meet their commitments.

Impairment losses from receivables and contract assets are shown as net impairment losses in the line “Impairment of financial assets and reversal of impairment losses”, see Note 25.7. The subsequent recovery of previously canceled amounts is accredited in the same line.

3.6 Financial liabilities

Management determines the classification of its financial liabilities in accordance with the provisions of IFRS 9, at fair value or at amortized cost. The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

At the initial recognition, the Company measures its financial liabilities by their fair value more or less, in the case of a financial liability that is not accounted for at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial liability. After initial recognition, the Company measures its financial liabilities at amortized cost unless the Company, at the initial moment, irrevocably designates the financial liability as measured at fair value through profit or loss.

Financial liabilities measured at amortized cost are commercial accounts payable and other accounts payable and other financial liabilities.

Valuation at amortized cost is made using the effective interest rate method. Amortized cost is calculated by considering any premium or discount on the acquisition and includes transaction costs that are an integral part of the effective interest rate.

Financial liabilities are recorded as not current when they mature in more than 12 months and as current when they mature in less than 12 months.

3.7 Reclassification of financial instruments

When the Company changes its business model for managing financial assets, it will reclassify all its financial assets affected by the new business model. Financial liabilities cannot be reclassified.

3.8 Financial instrument derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; and the control of the financial assets has not been retained.

The Company derecognizes a financial liability when its contractual obligations or a part of these are discharged, paid to the creditor or legally extinguished from the principle responsibility contained in the liability.

3.9 Derivative and hedging financial instruments

Derivatives are recognized initially at fair value as of the date on which the derivatives contract is signed and, they are subsequently assessed at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative has been designated as an accounting hedge instrument and, if so, it depends on the type of hedging, which may be as follows:

- a) Fair value hedge of assets and liabilities recognized (fair value hedges);
- b) Hedging of a single risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

At the beginning of the transaction, the Company documents the relationship that exists between hedging instruments and those items hedged, as well as their objectives for risk management purposes and the strategy to conduct different hedging operations.

The Company also documents its evaluation both at the beginning and at the end of each period if the derivatives used in hedging transactions are highly effective to offset changes in the fair value or in cash flows of hedged items.

The fair value of derivative instruments used for hedging purposes is shown in Note 14.3. Changes in the cash flow hedge reserve are classified as a non-current asset or liability if the remaining expiration period of the hedged item is more than 12 months, and as a current asset or liability if the remaining expiration period of the hedged item is less than 12 months.

Derivatives that are not designated or do not qualify as hedging derivatives are classified as current assets or liabilities, and changes in the fair value are directly recognized through profit or loss.

a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps that hedge fixed rate borrowings is recognized in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognized in profit or loss within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity using a recalculated effective interest rate.

b) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is initially recognized with a debit or credit to other comprehensive income, while any ineffective portion is immediately recognized with a debit or credit to income, as appropriate depending on the nature of the hedged risk. The amounts accumulated in net equity are carried over to results when the hedged items are settled or when these have an impact on results.

When a hedging instrument no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

3.10 Derivative financial instruments not considered as hedges

Derivative financial instruments not considered as hedges are recognized at fair value with the effect in the results of the year. The Company has derivative financial instruments to hedge foreign currency risk exposure.

The Company continually evaluates the existence of embedded derivatives in both its contracts and in its financial instruments. As of December 31, 2020, and December 31, 2019, the Company does not have any embedded derivatives.

3.11 Deferred acquisition costs from insurance contracts

Acquisition costs from insurance contracts are classified as prepayments and correspond to insurance contracts in force, recognized using the straight-line method and on an accrual basis independent of payment date. These are recognized under other non-financial assets.

3.12 Leases

(i) Right-of-use assets

The Company recognizes right-of-use assets on the initial lease date (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, adjusted by any new measurement of the lease liability. The cost of right-of-use assets includes the amount of recognized lease liabilities, direct initial costs incurred and lease payments made on the start date or sooner, less the lease incentives received. Unless the Company is reasonably sure it will take ownership of the leased asset at the end of the lease period, the assets recognized through right-of-use are depreciated in a straight line during the shortest period of their estimated useful life and lease period. Right-of-use assets are subject to impairment as per “IAS 36 Impairment of Assets”.

(ii) Lease liabilities

On the lease start date, the Company recognizes lease liabilities measured at present value of lease payments that will be made during the lease period. Lease payments include fixed payments (including payments that are essentially fixed), less incentives for lease receivables, variable lease payments that are dependent on an index or rate and amounts that are expected to be paid as guaranteed residual value. Lease payments also include the exercise price of a purchase option if the Company is reasonably sure it will exercise this and penalty payments for terminating a lease, if the lease period reflects that the Company will exercise the option to terminate. Variable lease payments that are not dependent on an index or rate are recognized as expenses in the period that produces the event or condition that triggers payment.

When calculating the present value of lease payments, the Company uses the incremental borrowing rate on the initial lease date if the interest rate implicit in the lease cannot be determined easily. After the start date, the lease liability balance will increase to reflect the accumulation of interest and will diminish as lease payments are made. Furthermore, the book value of lease liabilities is remeasured in the event of an amendment, a change in the lease period, a change in the fixed lease payments in substance or a change in the assessment to buy the underlying asset.

Payments made that affect lease liabilities are presented as part of the financing activities in the cash flow statement.

(iii) Short-term leases and low-value asset leases

The Company applies the short-term lease recognition exemption to leases with a lease term of 12 months or less starting on the start date and that don't have a purchase option. It also applies the low-value asset lease recognition exemptions. Lease payments in short-term leases and low-value asset leases are recognized as lineal expenses during the lease term.

(d) Significant judgments in the determination of the lease term for contracts with renewal options

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if it is reasonably certain that this will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain that this will not be exercised.

The Company has the option, under some of its leases, to lease assets for additional terms. The Company applies its judgment when assessing whether it is reasonably certain that it will exercise the option to renovate. In other words, it considers all the relevant factors that create an economic incentive for it to exercise the option to renovate. After the start date, the Company reevaluates the lease term if there is a significant event or change in the circumstances that are under its control and affect its capacity to exercise (or not exercise) the option to renovate.

3.13 Inventory measurement

The method used to determine the cost of inventories is the weighted average monthly cost of warehouse storage. In determining production costs for own products, the company includes the costs of labor, raw materials, materials and supplies used in production, depreciation and maintenance of the goods that participate in the production process, the costs of product movement necessary to maintain stock on location and in the condition in which they are found, and also includes the indirect costs of each task such as laboratories, process and planning areas, and personnel expenses related to production, among others.

For finished and in-process products, the company has four types of provisions, which are reviewed quarterly:

1. **Provision associated with the lower value of stock:** The provision is directly identified with the product that generates it and involves three types: (i) provision of lower realizable value, which corresponds to the difference between the inventory cost of intermediary or finished products, and the sale price minus the necessary costs to bring them to the same conditions and location as the product with which they are compared; (ii) provision for future uncertain use that corresponds to the value of those products in process that are likely not going to be used in sales based on the company's long-term plans; (iii) reprocessing costs of products that are unfeasible for sale due to current specifications.
2. **Provision associated with physical differences in inventory:** A provision is made for differences that exceed the tolerance considered in the respective inventory process (physical and annual inventories are taken for the productive units in Chile and the port of Tocopilla, the business subsidiaries depend on the last zero ground obtained, but in general it is at least once a year), these differences are recognized immediately.
3. **Potential errors in the determination of stock:** The company has an algorithm that is reviewed at least once a year and corresponds to diverse percentages assigned to each inventory based on the product, location, complexity involved in the associated measurement, rotation and control mechanisms.
4. **Provisions undertaken by business subsidiaries:** these are historical percentages that are adjusted as zero ground is attained based on normal inventory management.

Inventories of raw materials, materials and supplies for production are recorded at acquisition cost. Cyclical inventories are performed in warehouses, as well as general inventories every three years. Differences are recognized at the moment they are detected. The company has a provision that makes quarterly calculations from percentages associated with each type of material (classification by warehouse and rotation), these percentages use the lower value resulting from deterioration or obsolescence as well as potential losses. This provision is reviewed at least annually, and considers the historical profit and loss obtained in the inventory processes.

3.14 Transactions with non-controlling interests

Non-controlling interests are recorded in the consolidated statement of financial position within equity but separate from equity attributable to the owners of the Parent.

3.15 Related party transactions

Transactions between the Company and its subsidiaries are part of the Company's normal operations within its scope of business activities. Conditions for such transactions are those normally effective for those types of operations with regard to terms and market prices. The maturity conditions vary according to the originating transaction.

3.16 Property, plant and equipment

Property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation, amortization and impairment losses that they might have experienced.

In addition to the price paid for the acquisition of tangible property, plant and equipment, the Company has considered the following concepts as part of the acquisition cost, as applicable:

- (a) Accrued interest expenses during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are those that require a substantial period prior to being ready for use. The interest rate used is that related to the project's specific financing or, should this not exist, the average financing rate of the investor company.
- (b) The future costs that the Company will have to experience, related to the closure of its facilities at the end of their useful life, are included at the present value of disbursements expected to be required to settle the and its subsequent variation is recorded directly in results.

Having initially recognized provisions for closure and refurbishment, the corresponding cost is capitalized as an asset in "Property, plant and equipment" and amortized in line with the amortization criteria for the associated assets.

Construction-in-progress is transferred to property, plant and equipment in operation once the assets are available for use and the related depreciation and amortization begins on that date.

Extension, modernization or improvement costs that represent an increase in productivity, ability or efficiency or an extension of the useful lives of property, plant and equipment are capitalized as a higher cost of the related assets. All the remaining maintenance, preservation and repair expenses are charged to expense as they are incurred.

The replacement of assets, which increase the asset's useful life or its economic capacity, are recorded as a higher value of property, plant and equipment with the related derecognition of replaced or renewed elements.

Gains or losses which are generated from the sale or disposal of property, plant and equipment are recognized as income (or loss) in the period and calculated as the difference between the asset's sales value and its net carrying value.

Costs derived from the daily maintenance of property, plant and equipment are recognized when incurred.

3.17 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated through the straight-line distribution of cost over the estimated technical useful life of the asset, which is the period in which the Company expects to use the asset. When components of one item of property, plant and equipment have different useful lives, they are recorded as separate assets. Useful lives are reviewed on an annual basis.

Fixed assets located in Salar de Atacama consider useful life to be the lesser value between the technical useful life and the years remaining until 2030.

In the case of certain mobile equipment, depreciation is performed depending on the hours of operation.

The useful lives used for the depreciation and amortization of assets included in property, plant and equipment in years are presented below:

Classes of property, plant and equipment	Minimum life or rate (years)	Maximum life or rate (years)	life or average rate in years
Mining assets	3	7	6
Energy generating assets	3	16	9
Buildings	3	25	13
Supplies and accessories	2	10	7
Office equipment	5	5	5
Transport equipment	5	8	6
Network and communication equipment	4	10	8
IT equipment	5	11	7
Machinery, plant and equipment	5	25	13
Other property, plant and equipment	3	15	10

3.18 Goodwill

Goodwill acquired represents the excess in acquisition cost on the fair value of the Company's ownership of the net identifiable assets of the subsidiary on the acquisition date. Goodwill acquired related to the acquisition of subsidiaries is included in the line item goodwill, which is subject to impairment tests annually or more frequently if events or changes in circumstances indicate that it might be impaired and is stated at cost less accumulated impairment losses. Gains and losses related to the sale of an entity include the carrying value of goodwill related to the entity sold.

This intangible asset is assigned to cash-generating units with the purpose of testing impairment losses. It is allocated based on cash-generating units expected to obtain benefits from the business combination from which the aforementioned goodwill acquired arose.

3.19 Intangible assets other than goodwill

Intangible assets other than goodwill mainly relate to water rights, emission rights, commercial brands, costs for rights of way for electricity lines, license costs and the development of computer software and mining property and concession rights, client portfolio and commercial agent.

(a) Water rights

Water rights acquired by the Company relate to water from natural sources and are recorded at acquisition cost. Given that these assets represent legal rights granted in perpetuity to the Company, they are not amortized, but are subject to annual impairment tests.

(b) Rights of way for electric lines

As required for the operation of industrial plants, the Company has paid rights of way in order to install wires for the different electric lines on third party land. These rights are presented under intangible asset. Amounts paid are capitalized at the date of the agreement and amortized in the statement of income, according to the life of the right of way.

(c) Computer software

Licenses for IT programs acquired are capitalized based on their acquisition and customization costs. These costs are amortized over their estimated useful lives.

Expenses related to the development or maintenance of IT programs are recognized as an expense as and when incurred. Costs directly related to the production of unique and identifiable IT programs controlled by the Group, and which will probably generate economic benefits that are higher than its costs during more than a year, are recognized as intangible assets. Direct costs include the expenses of employees who develop information technology software and general expenses in accordance with corporate charges received.

The costs of development for IT programs are recognized as assets are amortized over their estimated useful lives.

(d) Mining property and concession rights

The Company holds mining property and concession rights from the Chilean and Western Australian Governments. Property rights from the State of Chile are usually obtained at no initial cost (other than the payment of mining patents and minor recording expenses) and once the rights on these concessions have been obtained, they are retained by the Company while annual patents are paid. Such patents, which are paid annually, are recorded as prepaid assets and amortized over the following twelve months. Amounts attributable to mining concessions acquired from third parties that are not from the Chilean Government are recorded at acquisition cost within intangible assets.

(e) Estimated useful lives or amortization rates used for finite identifiable intangible assets

Finite useful life measures the length of, or number of production or similar units constituting that useful life., except for the mining claims granted by Corfo, which correspond to assets subject to restitution. For this reason they are considered assets with a finite useful life and their useful life is assigned until the year 2030 when the contract ends.

The estimated useful life for software which they are amortized corresponds to the periods defined by the contracts or rights from which they originate.

a. Minimum and maximum amortization lives or rates of intangible assets:

Estimated useful life or amortization rate	Minimum Life or Rate	Maximum Life or Rate
Water rights and rights of way	Indefinite	Indefinite
Mining rights granted by Corfo	10 years	10 years
Mining rights	Unit-production method	
IT programs	2 years	8 years

3.20 Research and development expenses

Research and development expenses are charged to profit or loss in the period in which the expenditure was incurred.

3.21 Exploration and evaluation expenses

The Company holds mining concessions for exploration and exploitation of ore, the Company gives the following treatment to expenses associated with exploration and assessment of these resources:

(a) Caliche

Once the rights have been obtained, the Company records the disbursements directly associated with the exploration and assessment of the deposit as an at cost asset. These disbursements include the following items: geological surveys, drilling, borehole extraction and sampling, activities related to the technical assessment and commercial viability of the extraction, and in general, any disbursement directly related to specific projects where the objective is to find ore resources.

If the technical studies determine that the ore grade is not economically viable, the asset is directly charged to profit and loss. If determined otherwise, the asset described above is associated with the extractable ore tonnage which is amortized as it is used. These assets are presented in the “other non-current non-financial assets” category, reclassifying the portion related to the area to be extracted that year as inventories.

(b) Metal exploration

Expenses related to metal exploration are charged to profit or loss in the period in which they are recognized if the project assessed doesn't qualify for consideration as advanced exploration, otherwise these are amortized during the development stage.

(c) Salar de Atacama exploration

Salar de Atacama exploration expenses are presented as non-current assets as the property, plant and equipment category and correspond mainly to wells that can also be used in the extraction of the deposit and/or monitoring, these are amortized over 10 years.

(d) Mount Holland exploration

Mount Holland exploration expenses are presented into “Property, Plant and Equipment”, specifically in Constructions in progress and primarily consider exploration boreholes and complementary studies for the lithium ore study of the area of Western Australia, Australia. These expenses will begin to be amortized in the development stage.

3.22 Impairment of non-financial assets

Assets subject to depreciation and amortization are also subject to impairment testing, provided that an event or change in the circumstances indicates that the amounts in the accounting records may not be recoverable, an impairment loss is recognized for the excess of the book value of the asset over its recoverable amount.

For assets other than goodwill, the Group annually assesses whether there is any indication that a previously recognized impairment loss may no longer exist or may have decreased. Should such indications exist, the recoverable amount is estimated.

The recoverable amount of an asset is the higher between the fair value of an asset or cash generating unit less costs of sales and its value in use, and is determined for an individual asset unless the asset does not generate any cash inflows that are clearly independent from other assets or groups of assets

In evaluating value in use, estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessment, the value of money over time and the specific asset risks.

Impairment losses from continuing operations are recognized with a debit to profit or loss in the categories of expenses associated with the impaired asset function.

A previously recognized impairment loss is only reversed if there have been changes in the estimates used to determine the asset's recoverable amount since the last time an impairment loss was recognized. If this is the case, the carrying value of the asset is increased to its recoverable amount. This increased amount cannot exceed the carrying value that would have been determined, net of depreciation, if an asset impairment loss had not been recognized in prior years. This reversal is recognized with a credit to profit or loss.

Assets with indefinite lives are assessed for impairment annually.

The current value of future cash flows generated by these assets has been estimated given the variation in sales volumes, market prices and costs, discounted with a WACC rate. For December 31, 2020, the WACC rate was 9.73%.

3.23 Minimum dividend

As required by Chilean law and regulations, our dividend policy is decided upon from time to time by our Board of Directors and is announced at the Annual Ordinary Shareholders' Meeting, which is generally held in April of each year. Shareholder approval of the dividend policy is not required. However, each year the Board must submit the declaration of the final dividend or dividends in respect of the preceding year, consistent with the then-established dividend policy, to the Annual Ordinary Shareholders' Meeting for approval. As required by the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated net income for that year (determined in accordance with CMF regulations), unless and to the extent the Company has a deficit in retained earnings. (See Note 21.4).

3.24 Earnings per share

The basic earnings per share amounts are calculated by dividing the profit for the year attributable to the ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

The Company has not conducted any type of operation of potential dilutive effect that would entail the disclosure of diluted earnings per share.

3.25 Capitalization of interest expenses

The cost of interest is recognized as an expense in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23.

The Company capitalizes all interest costs directly related to the construction or to the acquisition of property, plant and equipment, which require a substantial time to be suitable for use.

The financial expenses accrued during the construction period that are directly attributable to the acquisition, construction or production of assets that qualify for this, use the corresponding interest rate for the financing specific to the project; where this does not exist, the mean financing rate of the subsidiary that makes the investment is used.

3.26 Other provisions

Provisions are recognized when:

- The Company has a present, legal or constructive obligation as the result of a past event.
- It is more likely than not that certain resources must be used, to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

In the event that the provision or a portion of it is reimbursed, the reimbursement is recognized as a separate asset solely if there is certainty of income.

In the consolidated statement of income, the expense for any provision is presented net of any reimbursement.

Should the effect of the value of money over time be significant, provisions are discounted using a discount rate before tax that reflects the liability's specific risks. When a discount rate is used, the increase in the provision over time is recognized as a finance cost.

The Company's policy is to maintain provisions to cover risks and expenses based on a better estimate to deal with possible or certain and quantifiable responsibilities from current litigation, compensations or obligations, pending expenses for which the amount has not yet been determined, collaterals and other similar guarantees for which the Company is responsible. These are recorded at the time the responsibility or the obligation that determines the compensation or payment is generated.

3.27 Obligations related to employee termination benefits and pension commitments

Obligations towards the Company's employees comply with the provisions of the collective bargaining agreements in force, which are formalized through collective employment agreements and individual employment contracts, except for the United States, which is regulated in accordance with employment plans in force up to 2002. (See more details in Note 19.4).

These obligations are valued using actuarial calculations, according to the projected unit credit method which considers such assumptions as the mortality rate, employee turnover, interest rates, retirement dates, effects related to increases in employees' salaries, as well as the effects on variations in services derived from variations in the inflation rate. The criteria in force contained in the revised IAS 19 are also considered.

Actuarial gains and losses that may be generated by variations in defined, pre-established obligations are directly recorded in "Other Comprehensive Income".

Actuarial losses and gains have their origin in deviations between the estimate and the actual behavior of actuarial assumptions or in the reformulation of established actuarial assumptions.

The Company's subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation using a net salary progressive rate net of adjustments for inflation, mortality and turnover assumptions, deducting the resulting amounts at present value. The net balance of this obligation is presented under the "Non-Current Provisions for Employee Benefits" (refer to Note 19.4).

3.28 Compensation plans

Compensation plans implemented through benefits provided in share-based payments settled in cash are recognized in the financial statements at their fair value, in accordance with IFRS 2. Changes in the fair value of options granted are recognized with a charge to payroll in the results for the period (see Note 19.6).

3.29 Revenue recognition

Revenue includes the fair value of considerations received or receivable for the sale of goods and services during the performance of the Company's activities. Revenue is presented net of value added tax, estimated returns, rebates and discounts and after the elimination of sales among subsidiaries.

Revenues are recognized when the specific conditions for each income stream are met, as follows:

(a) Sale of goods

The sale of goods is recognized when the Company has delivered products to the customer, and there is no obligation pending compliance that could affect the acceptance of products by the customer. The delivery does not occur until products have been shipped to the customer or confirmed as received by the customer, and the related risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products in accordance with the conditions established in the sale, when the acceptance period has ended, or when there is objective evidence that those criteria required for acceptance have been met.

Sales are recognized in consideration of the price set in the sales agreement, net of volume discounts and estimated returns at the date of the sale. Volume discounts are evaluated in consideration of annual foreseen purchases and in accordance with the criteria defined in agreements.

(b) Sale of services

Revenue associated with the rendering of services is recognized considering the degree of completion of the service as of the date of presentation of the consolidated classified statement of financial position, provided that the result from the transaction can be estimated reliably.

(c) Income from dividends

Income from dividends is recognized when the right to receive the payment is established.

3.30 Finance income and finance costs

Finance income is mainly composed of interest income from financial instruments such as term deposits and mutual fund deposits. Interest income is recognized in profit or loss at amortized cost, using the effective interest rate method.

Finance costs are mainly composed of interest on bank borrowing expenses, interest on bonds issued and interest capitalized for borrowing costs for the acquisition, construction or production or qualifying assets. Borrowing costs and bonds issued are also recognized in profit or loss using the effective interest rate method.

3.31 Current income tax and deferred

Corporate income tax for the year is determined as the sum of current and deferred income taxes from the different consolidated companies.

Current taxes are based on the application of the various types of taxes attributable to taxable income for the period.

Differences between the book value of assets and liabilities and their tax basis generate the balance of deferred tax assets or liabilities, which are calculated using the tax rates expected to be applicable when the assets and liabilities are realized.

In conformity with current tax regulations, the provision for corporate income tax and taxes on mining activity is recognized on an accrual basis, presenting the net balances of accumulated monthly tax provisional payments for the fiscal period and associated credits. The balances of these accounts are presented in current income taxes recoverable or current taxes payable, as applicable.

The income tax and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in the statement of income accounts or equity accounts in the consolidated statement of financial position, considering the origin of the gains or losses which have generated them.

At each reporting period, the carrying amount of deferred tax assets is reviewed and recognized only if it is probable that future taxable amounts will be available to allow the recovery of all or a portion of the deferred tax assets.

With respect to deductible temporary differences associated with investments in subsidiaries, associated companies and interest in joint ventures, deferred tax assets are recognized solely provided that it is more likely than not that the temporary differences will be reversed in the near future and that there will be taxable income with which they may be used. The deferred taxes related to items directly recognized in equity is registered with effect on other comprehensive income and not with effect on income.

Deferred tax assets and liabilities are offset if there is a legally receivable right of offsetting tax assets against tax liabilities and the deferred tax is related to the same tax entity and authority.

The recognized deferred tax assets refer to the amount of income tax to recover in future periods, related to:

- a) deductible temporary differences;
- b) compensation for losses obtained in prior periods, which have not yet been subject to tax deduction; and
- c) compensation for unused credits from prior periods.

The Company recognizes deferred tax assets when it has the certainty that they can be offset with tax income from subsequent periods, unused tax losses or credits to date, but only when this availability of future tax income is probable and can be used for offsetting these unused tax losses or credits.

The recognized deferred tax liabilities refer to the amount of income tax to pay in a future period, related to taxable temporary differences.

3.32 Operating segment reporting

IFRS 8 requires that companies adopt a management approach to disclose information on the operations generated by its operating segments. In general, this is the information that management uses internally for the evaluation of segment performance and making the decision on how to allocate resources for this purpose.

An operating segment is a group of assets and operations responsible for providing products or services subject to risks and performance that are different from those of other business segments. A geographical segment is responsible for providing products or services in a given economic environment subject to risks and performance that are different from those of other segments operating in other economic environments.

Allocation of assets and liabilities, to each segment is not possible given that these are associated with more than one segment, except for depreciation, amortization and impairment of assets, which are directly allocated in accordance with the criteria established in the costing process for product inventories to the corresponding segments.

3.33 Primary accounting criteria, estimates and assumptions

Management is responsible for the information contained in these consolidated financial statements, which expressly indicate that all the principles and criteria included in IFRS, as issued by the IASB, have been applied in full.

In preparing the consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries, management has made judgments and estimates to quantify certain assets, liabilities, revenues, expenses and commitments included therein. Basically, these estimates refer to:

- Estimated useful lives are determined based on current facts and past experience and take into consideration the expected physical life of the asset, the potential for technological obsolescence, and regulations. (See Notes 3.22, 16 and 17).

- Impairment losses of certain assets - Goodwill and intangible assets that have an indefinite useful life are not amortized and are assessed for impairment on an annual basis, or more frequently if the events or changes in circumstances indicate that these may have deteriorated. Other assets, including property, plant and equipment, exploration assets, goodwill and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. If an impairment assessment is required, the assessment of value in use often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. Changes in such estimates could impact the recoverable values of these assets. Estimates are reviewed regularly by management (See Notes 16 and 17).
- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments (See Note 19) and determination of long-term provisions.
- Contingencies – The amount recognized as a provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, considering the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, the assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements (See Notes 22).
- Volume determination for certain in-process and finished products is based on topographical measurements and technical studies that cover the different variables affecting products in stock (density and moisture, among others), and related allowance.
- Estimates for obsolescence provisions to ensure that the carrying value of inventory is not in excess of the net realizable Inventory valuation. (See Note 12).

Despite the fact that these estimates have been made on the basis of the best information available on the date of preparation of these consolidated financial statements, certain events may occur in the future and oblige their amendment (upwards or downwards) over the next few years, which would be made prospectively.

3.34 Environment

In general, the Company follows the criteria of considering amounts used in environmental protection and improvement as environmental expenses. However, the cost of facilities, machinery and equipment used for the same purpose are considered property, plant and equipment, as the case may be.

Note 4 Changes in accounting estimates and policies

4.1 Changes in accounting estimates

There have been no changes in the methodologies used to determine such estimates in the periods presented.

4.2 Changes in accounting policies

The accounting principles and criteria were consistently applied in both periods, except for the new instructions established by the CMF for the taxonomy of the financial statements in 2020. The presentation of right-of-use assets and lease liabilities recognized under IFRS 16 has been modified. This change has been made as of January 01, 2020 and retroactively as of December 31, 2019.

Note 5 Financial risk management

5.1 Financial risk management policy

The Company's financial risk management policy is focused on safeguarding the stability and sustainability of the Company and its subsidiaries with regard to all such relevant financial uncertainty components.

The Company's operations are subject to certain financial risk factors that may affect its financial position or results. The most significant risk exposures are market risk, liquidity risk, currency risk, credit risk, and interest rate risk, among others.

There could also be additional risks, which are either unknown or known but not currently deemed to be significant, which could also affect the Company's business operations, its business, financial position, or profit or loss.

The financial risk management structure includes identifying, determining, analyzing, quantifying, measuring and controlling these events. Management and in particular, Finance Management, is responsible for constantly assessing the financial risk.

5.2 Risk Factors

(a) Credit risk

A global economic contraction may have potentially negative effects on the financial assets of the Company, which are primarily made up of financial investments and trade receivables, and the impact on of our customers could extend the payment terms of the Company's receivables by increasing its exposure to credit risk. Although measures are taken to minimize the risk, this global economic situation could mean losses with adverse material effects on the business, financial position or profit and loss of the Company's operations.

Trade receivables: to mitigate credit risk, the Company maintains active control of collection and requires the use of credit insurance. Credit insurance covers the risk of insolvency and unpaid invoices corresponding to 80% of all receivables with third parties. For the uncovered portion, the Company uses other instruments such as letters of credit and prepayments. The credit risk associated with receivables is analyzed in Note 14.2 b) and the associated accounting policy can be found in Note 3.5.

The concentration of credit risk with respect to sales debtors is reduced, due to the large number of companies that comprise the Company's customer base and their distribution throughout the world.

No significant modifications have been made during the period to risk models or parameters used in comparison to December 31, 2019, and no modifications have been made to contractual cash flows that have been significant during this period.

Financial investments: correspond to time deposits whose maturity date is greater than 90 days and less than 360 days from the date of investment, so they are not exposed to excessive market risks. The counterparty risk in implementation of financial operations is assessed on an ongoing basis for all financial institutions in which the Company holds financial investments.

The credit quality of financial assets that are not past due or impaired can be evaluated by reference to external credit ratings (if they are available) or historical information on counterparty late payment rates:

Financial institution	Financial assets	Rating			As of December 31, 2020
		Moody's	S&P	Fitch	ThUS\$
Banco de Crédito e Inversiones	Time deposits	P-1	A-1	-	9,002
Banco de Chile	Time deposits	P-1	A-1	-	10,503
Banco Estado	Time deposits	P-1	A-1	-	1,001
Banco Itau Corpbanca	Time deposits	P-2	A-2	-	7,299
Banco Santander – Santiago	Time deposits	P-1	A-1	-	16,702
Scotiabank Sud Americano	Time deposits	-	-	F1+	7,002
JP Morgan US dollar Liquidity Fund Institutional	Investment fund	Aaa-mf	AAAm	AAAmf	102,753
Legg Mason - Western Asset Institutional cash reserves	Investment fund	-	AAAm	AAAmf	107,625
Other banks with lower balances	Time deposits	-	-	-	86
Total					261,973

Financial institution	Financial assets	Rating			As of December 31, 2020
		Moody's	S&P	Fitch	ThUS\$
Banco de Crédito e Inversiones	90 days to 1 year	P-1	A-1	-	185,589
Banco Itau Corpbanca	90 days to 1 year	P-2	A-2	-	49,006
Banco Santander – Santiago	90 days to 1 year	P-1	A-1	-	45,168
Banco Scotiabank Sud Americano	90 days to 1 year	-	-	F1+	31,668
JP Morgan Asset Management	90 days to 1 year	P-1	A-1	N1+	34,028
Total					345,459

Financial institution	Financial assets	Rating			As of December 31, 2019
		Moody's	S&P	Fitch	ThUS\$
Banco de Chile	Time deposits	P-1	A-1	-	50,221
Banco de Crédito e Inversiones	Time deposits	P-1	A-1	-	42,096
Banco Itau Corpbanca	Time deposits	P-2	A-2	-	39,093
Banco Santander	Time deposits	P-1	A-1	-	2,708
Scotiabank Sud Americano	Time deposits	-	-	F1+	14,428
Banco Estado	Time deposits	P-1	A-1	-	500
BBVA Banco Francés	Time deposits	-	-	-	53
JP Morgan US dollar Liquidity Fund Institutional	Investment fund	Aaa-mf	AAAm	AAAmf	181,155
Legg Mason - Western Asset Institutional cash reserves	Investment fund	-	AAAm	AAAmf	146,078
Total					476,332

Financial institution	Financial assets	Rating			As of December 31, 2019
		Moody's	S&P	Fitch	ThUS\$
Banco Scotiabank Sud Americano	90 days to 1 year	P-2	-	-	54,180
Banco de Crédito e Inversiones	90 days to 1 year	P-1	A-1	-	178,448
Banco Santander (*)	90 days to 1 year	P-1	A-1	-	74,365
Banco Itau Corpbanca	90 days to 1 year	P-2	A-2	-	127,579
Banco Security	90 days to 1 year	-	A-2	F2	17,965
Banco de Chile	90 days to 1 year	-	-	-	18,026
Banco Estado	90 days to 1 year	P-1	A-1	-	15,126
Total					485,689

(*) This includes ThUS\$ 1,870 associated with collateral in guarantee used to reduce the liquidity risk.

(b) Currency risk

The functional currency of the company is the US dollar, due to its influence on the determination of price levels, its relation to the cost of sales and considering that a significant part of the Company's business is conducted in this currency. However, the global nature of the Company's business generates an exposure to exchange rate variations of several currencies with the US dollar. Therefore, the Company maintains hedge contracts to mitigate the exposure generated by its main mismatches (net between assets and liabilities) in currencies other than the US dollar against the exchange rate variation, updating these contracts periodically depending on the amount of mismatching to be covered in these currencies. Occasionally, subject to the approval of the Board, the Company ensures short-term cash flows from certain specific line items in currencies other than the US dollar.

A significant portion of the Company's costs, especially salary payments, is associated with the Peso. Therefore, an increase or decrease in its exchange rate with the US dollar would affect the Company's profit and loss. By the fourth quarter of 2020, approximately US\$ 473 million accumulated in expenses are associated with the Peso.

As of December 31, 2020, the Company held derivative instruments classified as hedges of foreign exchange risks associated with 100% of all of the bond liabilities denominated in UF, for an asset at fair value of US\$ 18.41 million. As of December 31, 2019, a liability was recognized amounting to US\$ 18.9 million.

Furthermore, on December 31, 2020, the Company held derivative instruments classified as hedges of foreign exchange risks associated with 100% of all nominative term deposits in UF and in pesos, at a fair value of US\$ 21 million in liabilities. On December 31, 2019, an asset was recognized for an amount of US\$ 16.4 million.

(c) Interest rate risk

Interest rate fluctuations, primarily due to the uncertain future behavior of markets, may have a material impact on the financial results of the Company. Significant increases in the rate could make it difficult to access financing at attractive rates for the Company's investment projects.

The Company maintains current and non-current financial debt at fixed rates and LIBOR rate plus spread.

As of December 31, 2020, the Company has around 4% of its financial liabilities linked to variations in the LIBOR rate. 100% of these obligations are covered by derivative instruments classified as interest rate hedging; therefore, a significant rate increase would not impact our financial condition.

(d) Liquidity risk

Liquidity risk relates to the funds needed to comply with payment obligations. The Company's objective is to maintain financial flexibility through a comfortable balance between fund requirements and cash flows from regular business operations, bank borrowings, bonds, short term investments, and marketable securities, among others. For this purpose, the Company keeps a high liquidity ratio¹, which enables it to cover current obligations with clearance. (On December 31, 2020, this was 5.40).

The Company has an important capital expense program which is subject to change over time.

On the other hand, world financial markets go through periods of contraction and expansion that are unforeseeable in the long-term and may affect SQM's access to financial resources. Such factors may have a material adverse impact on the Company's business, financial position and results of operations.

The Company constantly monitors the matching of its obligations with its investments, taking due care of maturities of both, from a conservative perspective, as part of this financial risk management strategy. As of December 31, 2020, the Company had unused, available revolving credit facilities with banks, for a total of US\$ 478 million.

The position in other cash and cash equivalents are invested in highly liquid mutual funds with an AAA risk rating.

(1) Unsecured obligations are presented on a contractual basis and have no effects related to anticipated redemptions.

As of December 31, 2020 (figures expressed in millions of US dollars)	Nature of undiscounted cash flows				
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank borrowings	70.08	0.94	71.40	-	72.34
Unsecured obligations (1)	1,872.09	88.22	927.17	1,727.14	2,742.53
Sub total	1,942.17	89.16	998.57	1,727.14	2,814.87
Hedging liabilities	40.21	6.06	12.34	11.07	29.47
Derivative financial instruments	5.39	5.39	-	-	5.39
Sub total	45.60	11.45	12.34	11.07	34.86
Current and non-current lease liabilities	31.07	6.40	21.04	7.17	34.61
Trade accounts payable and other accounts payable	203.93	203.93	-	-	203.93
Total	2,222.77	310.94	1,031.95	1,745.38	3,088.27

As of December 31, 2019 (figures expressed in millions of US dollars)	Nature of undiscounted cash flows				
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank borrowings	70.19	2.17	74.87	-	77.04
Unsecured obligations	1,697.11	326.34	614.29	1,184.38	2,125.01
Sub total	1,767.30	328.51	689.16	1,184.38	2,202.05
Hedging liabilities	23.66	6.57	24.33	32.37	63.27
Derivative financial instruments	3.17	3.17	-	-	3.17
Sub total	26.83	9.74	24.33	32.37	66.44
Current and non-current lease liabilities	37.90	8.90	23.01	10.27	42.18
Trade accounts payable and other accounts payable	205.79	205.79	-	-	205.79
Total	2,037.82	552.94	736.50	1,227.02	2,516.46

¹ All current assets divided by all current liabilities.

5.3 Risk measurement

The Company has methods to measure the effectiveness and efficiency of financial risk hedging strategies, both prospectively and retrospectively. These methods are consistent with the risk management profile of the SQM Group. See Note 14.8

Note 6 Separate information on the main office, parent entity and joint action agreements

6.1 Parent's stand-alone assets and liabilities

Parent's stand-alone assets and liabilities	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Assets	4,173,308	4,069,649
Liabilities	(2,050,223)	(1,983,382)
Equity	2,123,085	2,086,267

6.2 Parent entity

Pursuant to Article 99 of the Securities Market Law, the CMF may determine that a company does not have a controlling entity in accordance with the distribution and dispersion of its ownership. On November 30, 2018, the CMF issued the ordinary letter No. 32,131 whereby it determined that the Pampa Group do not exert decisive power over the management of the Company since it does not have a predominance in the ownership that allows it to make management decisions. Therefore, the CMF has determined not to consider Pampa Group the controlling entity of the Company and that the Company does not have a controlling entity given its current ownership structure.

Note 7 Board of Directors, Senior Management and Key management personnel

7.1 Remuneration of the Board of Directors and Senior Management

1) Board of directors

SQM S.A. is managed by a Board of Directors which is composed of 8 regular directors, who are elected for a three-year period. The Board of Directors was elected during the ordinary shareholders' meeting held on April 25, 2019, which included the election of 2 independent directors.

As of December 31, 2020, the Company included the following committees and committee members:

- Directors' Committee: This committee is comprised by Georges de Bourguignon, Laurence Golborne Riveros y Alberto Salas Muñoz, and fulfills the functions established in Article 50 bis of Chilean Law on publicly-held corporations. This committee takes on the role of the audit committee in accordance with the US-based Sarbanes Oxley law.
- The Company's Health, Safety and Environment Committee: This committee is comprised of Gonzalo Guerrero Yamamoto, Patricio Contesse Fica y Robert J. Zatta.
- Corporate Governance Committee: This committee is comprised of Hernán Büchi Buc, Patricio Contesse Fica y Francisco Ugarte Larrain.

During the periods covered by these financial statements, there are no pending receivable and payable balances between the Company, its directors or members of Senior Management, other than those related to remuneration, fee allowances and profit-sharing. In addition, there were no transactions conducted between the Company, its directors or members of Senior Management.

2) Board of Directors' Compensation

Directors' compensation differs according to the period during the corresponding year. Thus, from April 25, 2019 to April 22, 2020 (Period 2019-2020), Directors' compensation was determined by the annual general shareholders' meeting held on April 25, 2019. While for the following period (Period 2020-2021), Directors' compensation was determined by the annual general shareholders' meeting held on April 23, 2020. For each of these periods, Directors' compensation is detailed as follows:

Period 2019-2020

- a) The payment of a fixed, gross and monthly amount of UF 800 in favor of the Chairman of the Board of Directors, of UF 700 in favor of the vice-president of the board of directors and of UF 600 in favor of the remaining six directors and regardless of the number of Board of Directors' Meetings held or not held during the related month.
- b) A variable gross amount payable in national currency to the Chairman and Vice President of the Company equivalent to 0.12% of the net liquid income earned by the Company in 2019;
- c) A variable gross amount payable in local currency to each Company director, excluding the Chairman and Vice President of the Company, equivalent to 0.06% of the net liquid income earned by the Company in 2019.

Period 2020-2021:

- (i) The payment of a fixed, gross and monthly amount of UF 800 in favor of the Chairman of the Board of Directors, of UF 700 in favor of the vice-president of the board of directors and of UF 600 in favor of the remaining six directors and regardless of the number of Board of Directors' Meetings held or not held during the related month.
- (ii) A variable gross amount payable in national currency to the Chairman and Vice President of the Company equivalent to 0.09% of the net liquid income that the Company effectively obtains during the 2020;
- (iii) A variable gross amount payable in local currency to each Company director, excluding the Chairman and Vice President of the Company, equivalent to 0.045% of the net liquid income that the Company effectively obtains during the 2020.

These fixed and variable amounts for both periods shall not be challenged and those expressed in percentage terms shall be paid immediately after the respective annual general shareholders meeting approves the financial statements, the annual report, the account inspectors report and the external auditors report for the respective year. All amounts expressed in UF shall be paid in Chilean pesos at its value on the last day of the respective calendar month, as determined by the CMF (formerly Superintendence of Banks and Financial Institutions) the Chilean Central Bank or any other relevant institution that replaces them.

Accordingly, the compensation and profit sharing paid to members of the Directors' Committee and the directors as of December 31, 2020 amounted to ThUS\$ 4,582 and as of December 31, 2019 to ThUS\$ 5,168.

3) Directors' Committee compensation

Directors' Committee compensation differs according to the period during the corresponding year. Thus, for the Period 2019-2020, Directors' Committee compensation was determined by the annual general shareholders' meeting held on April 25, 2019. While for the Period 2020-2021, Directors' Committee compensation was determined by the annual general shareholders' meeting held on April 23, 2020. For each of these periods the compensation of the Directors Committee comprises:

Period 2019-2020

- a) The payment of a fixed, gross and monthly amount of UF 200 in favor of each of the 3 directors who were members of the Directors' Committee, regardless of the number of meetings of the Directors' Committee that have or have not been held during the month concerned.
- b) The payment in domestic currency and in favor of each of the 3 directors of a variable and gross amount equivalent to 0.02% of total net profit that the Company effectively obtains during the 2019 fiscal year.

Period 2020-2021

- (i) The payment of a fixed, gross and monthly amount of UF 200 in favor of each of the 3 directors who were members of the Directors' Committee, regardless of the number of meetings of the Directors' Committee that have or have not been held during the month concerned.
- (ii) The payment in domestic currency and in favor of each of the 3 directors of a variable and gross amount equivalent to 0.015% of total net profit that the Company effectively obtains during the 2020 fiscal year.

These fixed and variable amounts for both periods shall not be challenged and those expressed in percentage terms shall be paid immediately after the respective annual general shareholders meeting approves the financial statements, the annual report, the account inspectors report and the external auditors report for the respective year. All amounts expressed in UF shall be paid in Chilean pesos at its value on the last day of the respective calendar month, as determined by the CMF (formerly Superintendence of Banks and Financial Institutions) the Chilean Central Bank or any other relevant institution that replaces them.

4) Health, Safety and Environmental Matters Committee:

The remuneration of this committee for the 2019–2020 period was composed of the payment of a fixed, gross, monthly amount of UF 100 for each of the 3 directors on the committee regardless of the number of meetings it has held. For the 2020-2021 period, this remuneration remains unchanged.

5) Corporate Governance Committee

The remuneration for this committee for the 2019–2020 period was composed of the payment of a fixed, gross, monthly amount of UF 100 for each of the 3 directors on the committees regardless of the number of meetings it has held. For the 2020-2021 period, this remuneration remains unchanged.

6) Guarantees constituted in favor of the directors

No guarantees have been constituted in favor of the directors.

7) Senior management compensation:

- a) This includes monthly fixed salary and variable performance bonuses. (See Note 7.2)
- b) The Company has an annual bonus plan based on goal achievement and individual contribution to the Company's results. These incentives are structured as a minimum and maximum number of gross monthly salaries and are paid once a year.
- c) In addition, there are retention bonuses for its executives (see Note 19.6)

8) Guarantees pledged in favor of the Company's management

No guarantees have been pledged in favor of the Company's management.

- 9) Pensions, life insurance, paid leave, shares in earnings, incentives, disability loans, other than those mentioned in the above points.

The Company's Management and Directors do not receive or have not received any benefit during the ended December 31, 2020 and the year ended December 31, 2019 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

7.2 Key management personnel compensation

As of December 31, 2020 and 2019, the number of the key management personnel is 126 and 124, respectively.

Key management personnel compensation	For the year ended December 31, 2020	For the year ended December 31, 2019
	ThUS\$	ThUS\$
Key management personnel compensation	22,858	22,598

Please also see the description of the compensation plan for executives in Note 19.6.

Note 8 Background on companies included in consolidation and non-controlling interests

8.1 Background on companies included in consolidation

The following tables detail general information as of December 31, 2020 and, December 31, 2019, on the companies in which the group exercises control and significant influence:

Subsidiaries	TAX ID No.	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
SQM Nitratos S.A.	96.592.190-7	El Trovador 4285, Las Condes	Chile	Dollar	99.9999	0.0001	100.0000
SQM Potasio S.A.	96.651.060-9	El Trovador 4285, Las Condes	Chile	Dollar	99.9999	-	100.0000
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	Chile	Dollar	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	Chile	Peso	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96.592.180-K	Av. Pdte. Eduardo Frei 4900, Santiago	Chile	Dollar	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285, Las Condes	Chile	Peso	1.0000	99.0000	100.0000
SQM Salar S.A.	79.626.800-K	El Trovador 4285, Las Condes	Chile	Dollar	18.1800	81.8200	100.0000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285, Las Condes	Chile	Dollar	99.0470	0.9530	100.0000
Exploraciones Mineras S.A.	76.425.380-9	El Trovador 4285, Las Condes	Chile	Dollar	0.2691	99.7309	100.0000
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	76.534.490-5	Anibal Pinto 3228, Antofagasta	Chile	Peso	-	100.0000	100.0000
Soquimich Comercial S.A.	79.768.170-9	El Trovador 4285, Las Condes	Chile	Dollar	-	60.6383	60.6383
Comercial Agrorama Ltda. (1)	76.064.419-6	El Trovador 4285, Las Condes	Chile	Peso	-	70.0000	70.0000
Comercial Hydro S.A.	96.801.610-5	El Trovador 4285, Las Condes	Chile	Dollar	-	100.0000	100.0000
Agrorama S.A.	76.145.229-0	El Trovador 4285, Las Condes	Chile	Peso	-	100.0000	100.0000
Orcoma Estudios SPA (2)	76.359.919-1	Apoquindo 3721 OF 131, Las Condes	Chile	Dollar	100.0000	-	100.0000
Orcoma SPA	76.360.575-2	Apoquindo 3721 OF 131, Las Condes	Chile	Dollar	100.0000	-	100.0000
SQM MaG SpA	76.686.311-9	Los Militares 4290, Las Condes	Chile	Dollar	-	100.0000	100.0000
Sociedad Contractual Minera Búfalo	77.114.779-8	Los Militares 4290, Las Condes	Chile	Dollar	99.9000	0.1000	100.0000
SQM Holland B.V. (3)	Foreign	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Netherlands	Dollar	-	100.0000	100.0000
SQM North America Corp.	foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	USA	Dollar	40.0000	60.0000	100.0000
RS Agro Chemical Trading Corporation A.V.V.	foreign	Caya Ernesto O. Petronia 17, Orangestad	Aruba	Dollar	98.3333	1.6667	100.0000
Nitratos Naturais do Chile Ltda.	foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	Dollar	-	100.0000	100.0000
Nitrate Corporation of Chile Ltd.	foreign	1 More London Place London SE1 2AF	United Kingdom	Dollar	-	100.0000	100.0000
SQM Corporation N.V.	foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Curacao	Dollar	0.0002	99.9998	100.0000

(1) SQM controls Soquimich Comercial, which in turn controls Comercial Agrorama Ltda, SQM has management control over Comercial Agrorama Ltda

(2) In January 2020, SQM S.A. acquired 49% of Orcoma Estudio SPA, taking ownership of 100% of the company.

(3) In June, 2020, SQM S.A. acquired the remaining 50% of SQM Holland B.V., taking ownership of 100% of the company. See Note 10.2 (a)

Subsidiaries	TAX ID No.	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
SQM Perú S.A.	foreign	Avenida Camino Real N° 348 of. 702, San Isidro, Lima	Peru	Dollar	0.0091	99.9909	100.0000
SQM Ecuador S.A.	foreign	Av. José Orrantía y Av. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211	Ecuador	Dollar	0.00401	99.9960	100.0000
SQM Brasil Ltda.	foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Baruereri, CEP 06455-020, Sao Paulo	Brazil	Dollar	0.7100	99.2900	100.0000
SQI Corporation N.V. (4)	foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Curacao	Dollar	-	-	-
SQMC Holding Corporation.	foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	USA	Dollar	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	foreign	From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokio	Japan	Dollar	0.1597	99.8403	100.0000
SQM Europe N.V.	foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	Dollar	0.5800	99.4200	100.0000
SQM Italia SRL (5)	foreign	Via A. Meucci, 5 500 15 Grassina Firenze	Italy	Dollar	-	-	-
SQM Indonesia S.A.	foreign	Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede	Indonesia	Dollar	-	80.0000	80.0000
North American Trading Company	foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	USA	Dollar	-	100.0000	100.0000
SQM Virginia LLC	foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	USA	Dollar	-	100.0000	100.0000
SQM Comercial de México S.A. de C.V.	foreign	Av. Moctezuma 144-4 Ciudad del Sol CP 45050, Zapopan, Jalisco México	Mexico	Dollar	0.0100	99.9900	100.0000
SQM Investment Corporation N.V.	foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Curacao	Dollar	1.0000	99.0000	100.0000
Royal Seed Trading Corporation A.V.V.	foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	Dollar	1.6700	98.3300	100.0000
SQM Lithium Specialties Limited Partnership	foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	USA	Dollar	-	100.0000	100.0000
Soquimich SRL Argentina (6)	foreign	Espejo 65 Oficina 6 – 5500, Mendoza	Argentina	Dollar	-	-	-
Comercial Caimán Internacional S.A.	foreign	Edificio Plaza Bancomer	Panama	Dollar	-	100.0000	100.0000
SQM France S.A.	foreign	ZAC des Pommiers 27930, FAUVILLE	France	Dollar	-	100.0000	100.0000
Administración y Servicios Santiago S.A. de C.V.	foreign	Av. Moctezuma 144-4 Ciudad del Sol CP 45050, Zapopan, Jalisco México	Mexico	Dollar	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	foreign	Av. Moctezuma 144-4 Ciudad del Sol CP 45050, Zapopan, Jalisco México	Mexico	Dollar	-	100.0000	100.0000
SQM Australia PTY	foreign	Level 16, 201 Elizabeth Street Sydney	Australia	Dollar	-	100.0000	100.0000

(4) In July 2020, this Company was liquidated.

(5) In July 2020, Soquimich European Holdings liquidated SQM Italia SRL.

(6) In December 2020, this Company was Liquidated.

Subsidiaries	TAX ID No.	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
Soquimich European Holding B.V.	foreign	Loacalellikade 1 Parnassustoren 1076 AZ Amsterdam	Holland	Dollar	-	100.0000	100.0000
SQM Iberian S.A.	foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	Dollar	-	100.0000	100.0000
SQM Africa Pty Ltd.	foreign	Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	Dollar	-	100.0000	100.0000
SQM Oceania Pty Ltd.	foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	Dollar	-	100.0000	100.0000
SQM Beijing Commercial Co. Ltd.	foreign	Room 1001C, CBD International Mansion N 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R.	China	Dollar	-	100.0000	100.0000
SQM Thailand Limited	foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	Dollar	-	99.9960	99.9960
SQM Colombia SAS	foreign	Cra 7 No 32 – 33 piso 29 Pbx: (571) 3384904 Fax: (571) 3384905 Bogotá D.C. – Colombia.	Colombia	Dollar	-	100.0000	100.0000
SQM International N.V.	foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	Dollar	0.5800	99.4200	100.0000
SQM (Shanghai) Chemicals Co. Ltd.	foreign	Room 4703-33, 47F, No.300 Middle Huaihai Road, Huangpu district, Shanghai	China	Dollar	-	100.0000	100.0000
SQM Korea LLC (7)	foreign	Suite 22, Kyobo Building, 15th Floor, 1 Jongno Jongno-gu, Seoul, 03154 South Korea	Korea	Dollar	-	100.0000	100.0000

(7) This Company was formed in October 2020.

8.2 Assets, liabilities, results of consolidated subsidiaries as of December 31, 2020.

Subsidiaries	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Currents	Non-currents	Currents	Non-currents			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
SQM Nitratos S.A.	475,132	63,848	395,914	5,047	188,973	40,570	40,489
SQM Potasio S.A.	16,680	1,108,579	155,379	23,323	2,465	29,791	29,722
Serv. Integrales de Tránsito y Transf. S.A.	55,142	36,291	75,848	6,485	36,383	6,067	6,060
Isapre Norte Grande Ltda.	812	839	795	181	3,224	71	79
Ajay SQM Chile S.A.	25,441	1,549	9,563	713	38,193	1,857	1,857
Almacenes y Depósitos Ltda.	256	51	-	-	-	(5)	50
SQM Salar S.A.	855,683	1,035,088	814,686	214,914	581,494	51,849	51,517
SQM Industrial S.A.	950,058	679,345	634,105	113,230	853,550	150,594	151,442
Exploraciones Mineras S.A.	16,572	22,293	9,010	-	13,513	1,972	1,972
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	279	571	305	396	2,390	55	32
Soquimich Comercial S.A.	136,623	13,796	56,293	12,630	117,982	7,560	7,606
Comercial Agrorama Ltda.	683	970	4,215	23	1,432	(149)	(148)
Comercial Hydro S.A.	4,834	15	14	4	28	12	12
Agrorama S.A.	55	-	5,631	10	244	175	179
Orcoma SpA	3	2,365	35	-	-	(13)	(13)
Orcoma Estudio SpA	4	4,559	411	-	-	(496)	(496)
SQM MaG SPA	1,491	521	1,129	6	2,559	197	197
Sociedad Contractual Minera Búfalo	50	323	350	-	-	-	-
SQM Holland B.V.	3,767	16,248	460	4	1,227	(505)	(505)
SQM North America Corp.	124,679	21,085	107,801	1,638	212,410	(1,059)	1,828
RS Agro Chemical Trading Corporation A.V.V.	5,155	-	88	-	-	(24)	(24)
Nitratos Naturais do Chile Ltda.	-	128	3,109	-	-	195	195
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	7,696	56,356	3,607	-	-	(5,318)	(5,252)
SQM Perú S.A.	25	-	83	-	-	(8)	(8)
SQM Ecuador S.A.	26,490	918	23,074	59	33,730	471	471
SQM Brasil Ltda.	217	1	508	2,111	-	(16)	(16)
Subtotal	2,712,903	3,065,739	2,302,413	380,774	2,089,797	283,843	287,246

Subsidiaries	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss) Currents
	Currents	Non-currents	Currents	Non-currents			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
SQMC Holding Corporation L.L.P.	30,777	16,414	1,687	-	-	2,113	2,113
SQM Japan Co. Ltd.	25,122	243	21,926	255	66,685	367	367
SQM Europe N.V.	456,357	3,844	399,930	2,411	669,693	(12,791)	(12,791)
SQM Indonesia S.A.	3	-	1	-	-	-	-
North American Trading Company	156	145	-	-	-	38	38
SQM Virginia LLC	14,798	14,340	14,798	-	-	(5)	(5)
SQM Comercial de México S.A. de C.V.	107,803	7,574	76,721	1,972	213,154	1,429	1,429
SQM Investment Corporation N.V.	13,965	132,994	5,434	864	-	(12,265)	(12,071)
Royal Seed Trading Corporation A.V.V.	21	-	18,851	-	-	(40)	(40)
SQM Lithium Specialties LLP	15,746	3	1,264	-	-	(5)	(5)
Comercial Caimán Internacional S.A.	258	-	1,122	-	-	3	3
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	221	47	350	188	2,857	36	36
SQM Nitratos México S.A. de C.V.	141	13	77	20	993	12	12
Soquimich European Holding B.V.	5,046	172,956	245	-	-	(20,411)	(20,151)
SQM Iberian S.A.	41,485	2,359	20,118	4	108,156	504	504
SQM Africa Pty Ltd.	47,069	1,420	37,636	-	60,994	(920)	(920)
SQM Oceania Pty Ltd.	3,951	-	1,516	-	3,130	400	400
SQM Beijing Commercial Co. Ltd.	12,086	30	9,942	-	18,755	126	126
SQM Thailand Limited	3,539	-	83	-	3,033	(387)	(387)
SQM Colombia SAS	11,621	176	11,653	-	13,439	528	528
SQM International NV	31,998	923	17,374	4,027	135,386	2,587	2,587
SQM Shanghai Chemicals Co. Ltd.	84,318	379	79,482	-	82,398	3,195	3,195
SQM Australia Pty Ltd.	21,749	130,152	4,306	158	-	(2,641)	(2,641)
SQM Korea LLC	587	122	42	-	-	(33)	(33)
Subtotal	929,162	484,140	724,672	9,899	1,378,673	(38,160)	(37,706)
Total	3,642,065	3,549,879	3,027,085	390,673	3,468,470	245,683	249,540

8.2 Assets, liabilities, results of consolidated subsidiaries as of December 31, 2019.

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current	Non-current	Current	Non-current			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Nitratos S.A.	368,474	41,688	292,535	3,521	167,481	39,530	39,440
Proinsa Ltda.	-	-	-	-	-	-	-
SQM Potasio S.A.	14,983	978,525	116,734	23,317	3,350	125,975	125,334
Serv. Integrales de Tránsito y Transf. S.A.	19,317	36,025	50,229	2,075	30,061	(2,650)	(2,703)
Isapre Norte Grande Ltda.	809	604	684	153	3,816	25	(2)
Ajay SQM Chile S.A.	17,780	1,259	1,284	374	24,883	1,510	1,510
Almacenes y Depósitos Ltda.	243	45	-	-	-	(8)	(85)
SQM Salar S.A.	734,837	886,099	549,726	201,273	775,010	153,550	152,781
SQM Industrial S.A.	833,283	766,097	497,377	120,741	752,107	105,198	103,894
Exploraciones Mineras S.A.	3,099	31,081	6,296	-	-	(213)	(213)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	184	570	305	338	2,341	17	(14)
Soquimich Comercial S.A.	134,808	15,448	41,104	12,349	124,787	5,079	5,072
Comercial Agrorama Ltda.	862	1,313	4,467	19	2,755	(836)	(837)
Comercial Hydro S.A.	4,791	21	12	6	28	18	18
Agrorama S.A.	669	-	6,133	9	3,146	(1,407)	(1,376)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	156	4,522	29	-	-	-	-
SQM MaG SPA	1,955	615	1,888	2	2,888	412	412
SQM North America Corp.	115,924	19,656	98,332	2,751	241,102	537	(214)
RS Agro Chemical Trading Corporation A.V.V.	5,155	-	64	-	-	(25)	(25)
Nitratos Naturais do Chile Ltda.	2	135	3,314	-	-	7	7
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	7,696	160,381	3,594	-	-	12,376	12,308
SQM Perú S.A.	29	-	80	-	-	(141)	(141)
SQM Ecuador S.A.	31,603	712	28,508	70	38,131	818	818
SQM Brasil Ltda.	194	-	598	2,250	-	(231)	(231)
SQI Corporation N.V.	56	34	77	-	-	(3)	(3)
Subtotal	2,301,985	2,947,190	1,703,384	369,248	2,171,886	439,538	435,750

Subsidiaries	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss) Currents
	Currents	Non-currents	Currents	Non-currents			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQMC Holding Corporation L.L.P.	28,889	16,190	1,687	-	-	2,585	2,585
SQM Japan Co. Ltd.	68,805	228	66,015	201	168,557	270	270
SQM Europe N.V.	429,926	4,608	361,059	2,824	729,730	5,387	5,387
SQM Italia SRL	1,158	-	15	-	-	5	5
SQM Indonesia S.A.	3	-	1	-	-	-	-
North American Trading Company	157	145	39	-	-	-	-
SQM Virginia LLC	14,804	14,345	14,804	-	-	(1)	(1)
SQM Comercial de México S.A. de C.V.	102,068	7,597	72,023	2,387	216,185	2,983	2,983
SQM Investment Corporation N.V.	13,811	30,888	5,518	975	-	(74)	(74)
Royal Seed Trading Corporation A.V.V.	44	-	18,834	-	-	(42)	(42)
SQM Lithium Specialties LLP	15,752	3	1,264	-	-	(1)	(1)
Soquimich SRL Argentina	57	-	165	-	-	(24)	(24)
Comercial Caimán Internacional S.A.	256	-	1,122	-	-	(5)	(5)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	235	72	402	211	3,463	21	21
SQM Nitratos México S.A. de C.V.	140	18	97	18	1,008	13	13
Soquimich European Holding B.V.	5,851	174,968	1,299	30,802	-	11,750	11,682
SQM Iberian S.A.	52,750	2,350	41,680	4	105,634	361	361
SQM Africa Pty Ltd.	57,639	1,728	47,594	-	63,567	(939)	(939)
SQM Oceania Pty Ltd.	5,440	-	3,459	-	2,085	444	444
SQM Beijing Commercial Co. Ltd.	11,723	20	9,695	-	14,487	(148)	(148)
SQM Thailand Limited	4,912	11	1,081	-	5,354	369	369
SQM Colombia SAS	9,505	151	10,089	37	7,574	(439)	(439)
Sacal S.A.	-	-	-	-	-	-	-
SQM International	40,652	831	32,549	-	75,229	800	800
SQM Shanghai Chemicals Co. Ltd.	36,250	133	34,367	-	77,599	(73)	(74)
SQM Australia Pty Ltd.	12,113	108,068	5,661	56	-	(2,030)	(2,030)
Subtotal	913,285	362,360	730,633	37,515	1,470,472	21,212	21,143
Total	3,215,270	3,309,550	2,434,017	406,763	3,642,358	460,750	456,893

8.3 Background on non-controlling interests

Subsidiary	% of interests in the ownership held by non-controlling interests	Profit (loss) attributable to non-controlling interests for the period ended		Equity, non-controlling interests for the period ended		Dividends paid to non-controlling interests for the period ended	
		As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Potasio S.A.	0.000001%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49.00000%	910	740	8,189	8,517	1,238	882
Soquimich Comercial S.A.	39.36168%	2,976	1,999	32,078	38,103	8,880	5,935
Comercial Agrorama Ltda.	30.00000%	(45)	(251)	(775)	(693)	-	-
Agrorama S.A.	0.00000%	-	-	-	-	-	-
Orcoma Estudios SPA	0.00000%	-	-	-	2,277	-	-
SQM Indonesia S.A.	20.00000%	-	-	1	1	-	-
Total		3,841	2,488	39,493	48,205	10,118	6,817

Note 9 Equity-accounted investees

9.1 Investments in associates recognized according to the equity method of accounting

As of December 31, 2020, and December 31, 2019, in accordance with criteria established in Note 2:

Associates	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method for the period ended		Share in other comprehensive income of associates accounted for using the equity method for the period ended		Share in total other comprehensive income of associates accounted for using the equity method for the period ended	
	As of December 31, 2020 (**)	As of December 31, 2019 (**)	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	11,505	11,609	(156)	634	-	1	(156)	635
Doktor Tarsa Tarim Sanayi AS (*)	-	26,001	4,031	3,912	-	198	4,031	4,110
Ajay North America	14,468	14,669	2,191	2,871	-	-	2,191	2,871
Ajay Europe SARL	7,875	7,451	1,029	1,165	756	(179)	1,785	986
SQM Eastmed Turkey (*)	-	623	247	354	-	(42)	247	312
Kore Potash PLC	26,175	24,739	(224)	(534)	(374)	(549)	(598)	(1,083)
Total	60,023	85,092	7,118	8,402	382	(571)	7,500	7,831

(*) As of December 31, 2020, these investments no longer form part of the group. See Note 9.4 (a).

(**) These investments include adjustments for unrealized results.

Associate	Description of the nature of the relationship	Address	Country of incorporation	Share of ownership in associates	Dividends received for the period ending	
					As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	Distribution and commercialization of specialty plant nutrients in the Middle East.	PO Box 71871, Abu Dhabi	United Arab Emirates	37%	-	-
Ajay North America	Production and distribution of iodine and iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States	49%	1,967	2,796
Ajay Europe SARL	Production and distribution of iodine and iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50%	1,197	1,055
Kore Potash PLC	Prospecting, exploration and mining development.	L 3 88 William ST Perth, was 6000	United Kingdom	20.20%	-	-
Total					3,164	3,851

The companies described in the table below are related parties of the following associates:

- (1) Doktor Tarsa Tarim Sanayi AS
- (2) Terra Tarsa B.V.
- (3) Abu Dhabi Fertilizer Industries WWL

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates (*)	Dividends received for the period ending	
					As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Terra Tarsa Ukraine LLC (2)	Distribution and trading of specialty plant nutrients.	74800 Ukraine, Kakhovka, 4 Yuzhnaya Str.	Ukraine	100%	-	-
Terra Tarsa BV (1)	Distribution and trading of specialty plant nutrients in the Middle East.	Herikerbergweg 238, Luna Arena, 1101CM Amsterdam PO Box 23393, 1100DW Amsterdam Zuidoost	Holland	50%	-	-
Plantacote NV (1)	Sale of CRF and production and sales of WSNPK.	Houtdok-Noordkaai 25a, 2030 Antwerpen, Belgium	Belgium	100%	-	-
Doctochem Tarim Sanayai Ticaret LTD (1)	Production, distribution and trading of specialty plant nutrition.	Eski Büyükdere Cad No: 7 GIZ 2000 Plaza K:17 D:67-68 Maslak Sariyer İstanbul.	Turkey	100%	-	-
Terra Tarsa Don LLC (2)	Distribution and sale of specialty fertilizers.	Zorge Street, house 17, 344090, Rostov-on-Don	Russian Federation	100%	-	-
Doktolab Tarim Arastirma San. (1)	Laboratory services.	27. Cd. No:2, 07190 Aosb 2. Kısım/Döşemealti, Antalya, Turkey	Turkey	100%	-	-
International Technical and Trading Agencies Co WLL (3)	Distribution and trading of specialty plant nutrients, in the Middle East.	P.O Box: 950918 Amman 11195	Jordan	50%	-	-
Total					-	-

(*) This percentage does not consider the shareholdings of the holders of these subsidiaries.

9.2 Assets, liabilities, revenue and expenses of associates

Associate	As of December 31, 2020				For the period ended as of December 31, 2020			
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	29,313	8,586	6,706	101	6,641	(420)	-	(420)
Ajay North America	18,513	15,749	4,737	-	42,920	4,471	-	4,471
Ajay Europe SARL	22,032	1,493	7,773	-	41,950	2,058	1,736	3,794
Kore Potash PLC	5,691	124,112	786	-	-	(3,233)	486	(2,747)
Total	75,549	149,940	20,002	101	91,511	2,876	2,222	5,098

Associate	As of December 31, 2019				For the period ended as of December 31, 2019			
	Assets		Liabilities		Revenue	Gain (loss)	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	28,543	9,971	7,133	-	31,588	1,713	4	1,717
Doktor Tarsa Tarim Sanayi AS	97,797	15,196	22,420	38,522	93,768	7,824	396	8,220
Ajay North America	19,748	13,250	3,061	-	38,833	5,860	-	5,860
Ajay Europe SARL	19,589	1,456	6,144	-	35,709	2,329	(358)	1,971
SQM Eastmed Turkey	2,718	1,833	2,600	704	3,086	709	(84)	625
Kore Potash PLC	7,938	119,362	2,214	-	-	(2,716)	(2,791)	(5,507)
Total	176,333	161,068	43,572	39,226	202,984	15,719	(2,833)	12,886

9.3 Other information

The Company has no participation in unrecognized losses in investments in associates.

The Company has no investments that are not accounted for according to the equity method.

The basis of preparation of the financial information of associates corresponds to the amounts included in the financial statements in conformity with IFRS.

9.4 Disclosures on interest in associates

(a) Transactions conducted in 2020:

- During the second quarter, Kore Potash PLC made a share payment to its non-executive board members which resulted in a 0.60% share reduction for the company. This resulted in a transfer in equity of non-controlling interest to other reserves in an amount of ThUS\$ 754.
- During the third quarter of 2020 SQM S.A. increased its shares in Kore Potash PLC to 20.26% as a result of the acquisition of 260,598,591 shares out of 584,753,846 shares issued for a capital increase corresponding to ThUS\$ 1,679.
- During the third quarter of 2020, its interest in Doktor Tarsa Tarim and its subsidiaries were sold through Soquimich European Holdings B.V. at a value of ThUS\$ 33,066, which brought about a loss of ThUS\$ 11,408. As of the end of the fourth quarter of 2020, there was a balance of ThUS\$ 4,745 in other current receivables and ThUS\$ 9,491 in non-current receivables.
- During the fourth quarter of 2020, SQM Holland B.V. acquired a WSNPK business from Plantacote N.V. at a value of ThUS\$ 16,757, which generated goodwill of ThUS\$7,380.
- During the third quarter of 2020, shares held in SQM Eastmed Turkey were sold through Soquimich European Holdings B.V. at a value of ThUS\$ 618, which brought about a loss of ThUS\$ 408.
- During the fourth quarter of 2020, Kore Potash PLC made a share-based payment to its non-executive board members, which resulted in a 0.06% share reduction for the company, finalizing with a share percentage of 20.20%. This resulted in a decrease in consolidated equity of non-controlling interests in other reserves of ThUS\$ 79.

(b) Transactions conducted in 2019:

- SQM S.A. increased the capital of Kore Potash Ltd by ThUS\$ 2,600 in July 2019, which increased its interest to 19.67% of the shareholder's investment.
- On December 11, 2019, Doktor Tarsa Tarim Sanayi AS acquired 100% of the shares in Doctochem Tarim Sanayi Ticaret LTD.

Note 10 Joint Ventures

10.1 Policy for the accounting of equity accounted investment in joint ventures

This accounting policy is described in Note 2.6. For these joint ventures there is no quoted market price to measure these investments.

At the date of issuance of these financial statements, the Company is not aware of the existence of any significant contingent liabilities associated with the partnerships in joint ventures.

10.2 Disclosures of interest in joint ventures

a) Operations conducted in 2020

- In the second quarter of 2020, the Company has taken 100% ownership of SQM Vitas BV through the subsidiary Soquimich European Holdings with a cost of ThUS\$ 1,276 and its name has been changed to SQM Holland. (See Note 8.1)
- In the second quarter of 2020, shares held in Arpa Speciali S.R.L. were sold through SQM Pavoni & C., SpA. at a value of ThUS\$ 56, which brought about a loss of ThUS\$ 125. An initial installment of ThUS\$ 17 was charged, leaving two pending installments of ThUS\$ 20 maturing June 30, 2021 and June 30, 2022. The pending installments are classified as other accounts receivable.
- In the third quarter of 2020, shares held in Coromandel SQM India were sold through Soquimich European Holdings B.V. at a value of ThUS\$ 1,505, which brought about a loss of ThUS\$ 643.
- During fourth quarter of 2020, the shares in SQM Qingdao-Star Co, Ltd. were sold through SQM Industrial S.A. for ThUS\$ 1,303, which brought about a gain of ThUS\$ 62. As of December 31, 2020, the sale proceeds were recorded in other receivables.
- A subsequent event associated with the joint venture with Sichuan SQM Migao Chemical Fertilizers Co Ltd. is reported in Note 31.2. Accordingly, the effect on the statement of income for the fourth quarter of 2020 under "Other gains (losses)" is a gain of ThUS\$7,036 on the reversal of the impairment associated with this investment.

b) Operations conducted in 2019

- On January 01, 2019, SQM Vitas Perú changed its functional currency from the Peruvian sol to Dollar.

10.3 Investment in joint ventures accounted for under the equity method of accounting

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership	Dividends received for the period ending	
					As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	Production and distribution of soluble fertilizers.	Huangjing Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province	China	50%	-	-
Coromandel SQM India	Production and distribution of potassium nitrate.	1-2-10, Sardar Patel Road, Secunderabad – 500003 Andhra Pradesh	India	50%	-	-
SQM Vitas Fzco.	Production and commercialization of specialty plant, animal nutrition and industrial hygiene.	Jebel Ali Free Zone P.O. Box 18222, Dubai	United Arab Emirates	50%	-	10,598
SQM Qingdao Star Corp Nutrition Co. Ltd.	Production and distribution of nutrient plant solutions with specialties NPK soluble.	Longquan Town, Jimo City, Qingdao Municipality, Shandong Province	China	50%	2,223	-
Pavoni & C. Spa	Production of specialty fertilizers and others for distribution in Italy and other countries.	Corso Italia 172, 95129 Catania (CT), Sicilia	Italy	50%	-	-
Covalent Lithium Pty Ltd.	Development and operation of the Mt Holland Lithium project, which will include the construction of a lithium extraction and refining mine.	L18, 109 St Georges Tce Perth WA 6000 PO Box Z5200 St Georges Tce Perth WA 6831	Australia	50%	-	-
Total					2,223	10,598

The companies described in the following table are related to the following joint ventures:

(1) SQM Vitas Fzco.

(2) Pavoni & C. Spa.

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership (*)	Dividends received for the period ending	
					As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
SQM Vitas Brasil Agroindustria (1)	Production and trading of specialty vegetable and animal nutrition and industrial hygiene.	Via Cndeias, Km. 01 Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia.	Brazil	49.99%	-	-
SQM Vitas Perú S.A.C. (1)	Production and trading of specialty vegetable and animal nutrition and industrial hygiene	Av. Juan de Arona 187, Torre B, Oficina 301-II, San Isidro, Lima	Peru	50%	-	-
Arpa Speciali S.R.L. (2)	Production of specialty fertilizers and others for distribution in Italy and other countries.	Mantova (MN) Via Cremona 27 Int. 25	Italy	50,48%	-	-
Total					-	-

(*) The percentages presented correspond to the ownership used in the consolidation of the company.

Joint Venture	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method, for the period ended		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, for the period ended		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method for the period ended	
	As of December 31, 2020 (***)	As of December 31, 2019 (****)	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Coromandel SQM India (*)	-	1,568	-	(98)	-	(38)	-	(136)
SQM Vitas Fzco.	9,720	9,111	2,010	1,797	(1,469)	437	541	2,234
SQM Qingdao Star Corp Nutrition Co. Ltd. (*)	-	3,464	83	296	-	-	83	296
SQM Vitas B.V.	-	1,304	-	(15)	-	(27)	-	(42)
Pavoni & C. Spa	7,222	6,864	9	36	349	(255)	358	(219)
Covalent Lithium Pty Ltd. (**)	-	40	-	-	16	(13)	16	(13)
Sichuan SQM Migao Chemical Fertilizers Co Ltd.(***)	9,028	1,992	(280)	(632)	-	-	(280)	(632)
Total	25,970	24,343	1,822	1,384	(1,104)	104	718	1,488

(*) As of December 31, 2020, these investments were no longer part of the group, see note 10.2 (a).

(**) As of December 31, 2020, this joint venture has a negative value of ThUS\$ (92), which is presented in Other non-current provisions.

(***) See subsequent events in Notes 10.2 and 31.2.

(****) These investments include adjustments for unrealized gains.

The amounts described in the following box represent numbers used in the consolidation of the company:

Associates	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method, for the period ended		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, for the period ended		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method for the period ended	
	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Vitas Brasil Agroindustria (1)	3,511	5,347	1,018	564	(1,469)	(225)	(451)	339
SQM Vitas Perú S.A.C. (1)	1,659	1,955	660	211	-	661	660	872
Arpa Speciali S.R.L. (2)(*)	-	92	-	31	-	(1)	-	30
Total	5,170	7,394	1,678	806	(1,469)	435	209	1,241

The following companies are subsidiaries of:

- (1) SQM Vitas Fzco.
- (2) Pavoni & C. Spa

10.4 Assets, liabilities, revenue and expenses from joint ventures

Joint Venture	As of December 31, 2020				For the period ended December 31, 2020			
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	29,507	4,412	14,156	-	9	(562)	-	(562)
Coromandel SQM India	-	-	-	-	-	-	-	-
SQM Vitas Fzco.	(496)	20,431	496	-	-	4,019	-	4,019
SQM Qingdao Star Corp Nutrition Co. Ltd.	-	-	-	-	-	-	-	-
SQM Vitas Brasil Agroindustria	40,064	5,527	33,410	-	78,960	2,036	(2,938)	(902)
SQM Vitas Perú S.A.C.	34,548	7,928	33,145	1,080	37,591	1,319	-	1,319
Pavoni & C. Spa	10,645	7,493	9,270	836	15,958	16	698	714
Covalent Lithium Pty Ltd.	1,418	2,131	2,823	910	-	(232)	33	(199)
Total	115,686	47,922	93,300	2,826	132,518	6,596	(2,207)	4,389

Joint Venture	As of December 31, 2019				For the period ended December 31, 2019			
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	28,668	5,129	13,472	-	7	(1,262)	-	(1,262)
Coromandel SQM India	4,504	633	1,704	-	8,197	(197)	(77)	(274)
SQM Vitas Fzco.	9,695	1	1,136	-	36	3,595	(876)	2,719
SQM Qingdao Star Corp Nutrition Co. Ltd.	7,534	26	632	-	12,003	592	-	592
SQM Vitas B.V.	2,609	-	2	-	-	(30)	(53)	(83)
SQM Vitas Brasil Agroindustria	46,118	7,299	40,334	-	87,901	1,128	(451)	677
SQM Vitas Perú S.A.C.	29,452	8,378	24,855	6,044	28,590	421	1,322	1,743
Pavoni & C. Spa	9,444	7,074	8,466	735	14,296	71	(510)	(439)
Covalent Lithium Pty Ltd.	1,616	958	2,111	383	-	-	(25)	(25)
Total	139,640	29,498	92,712	7,162	151,030	4,318	(670)	3,648

10.5 Other Joint Venture disclosures

Joint Venture	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	30	33	-	-	-	-
Coromandel SQM India	-	2,240	-	-	-	-
SQM Vitas Fzco.	4,251	3,071	-	-	-	-
SQM Qingdao Star Corp Nutrition Co. Ltd.	-	4,640	-	-	-	-
SQM Vitas B.V.	-	2,609	-	-	-	-
SQM Vitas Brasil Agroindustria	4,065	2,101	6,820	9,106	-	-
SQM Vitas Perú S.A.C.	1,043	225	227	258	691	895
Pavoni & C. Spa	767	314	5,573	5,509	-	-
Covalent Lithium Pty Ltd.	653	693	953	472	-	-
Total	10,809	15,926	13,573	15,345	691	895

Joint Venture	Depreciation and amortization expense for the period ending		Interest expense for the period ending		Income tax benefit (expense) for the period ending	
	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	(394)	(743)	-	-	244	153
Coromandel SQM India	-	(291)	-	(4)	-	(27)
SQM Vitas Fzco.	(1)	-	(2)	(7)	-	-
SQM Qingdao Star Corp Nutrition Co. Ltd.	-	(62)	-	-	-	(241)
SQM Vitas B.V.	-	-	-	(1)	-	-
SQM Vitas Brasil Agroindustria	(355)	(33)	(656)	(1,176)	(34)	181
SQM Vitas Perú S.A.C.	(257)	(287)	(326)	(435)	(197)	(316)
Pavoni & C. Spa	(263)	(149)	(410)	-	(120)	(214)
Covalent Lithium Pty Ltd.	(213)	(126)	(18)	(32)	714	-
Total	(1,483)	(1,691)	(1,412)	(1,655)	607	(464)

10.6 Joint Ventures

In 2017, together with our subsidiary SQM Australia Pty, we entered into an agreement to acquire 50% of the assets of the Mt Holland lithium project in Western Australia. The Mt Holland Lithium Project consist, to design, construct and operate a mine, concentrator and refinery to produce approximately 50,000 metric tons of lithium hydroxide per year.

On January 23, 2020, after finalizing the definitive feasibility study, the Company and its project partner Wesfarmers Limited, have decided to postpone the final investment decision to the first quarter of 2021.

In addition, the Company will finance the activities of Mt Holland for a year in an amount of US\$ 30 million. As of December 31, 2020, the Company had made contributions in the amount of US\$ 30 million, of which, US\$ 15 million was paid in favor of the partner in the project and presented as other receivables. If the Company does not approve the investment decision, Wesfarmers Limited does not have an obligation to pay the joint venture an amount equal to the amount contributed by the Company.

See subsequent events in Note 31.2.

Note 11 Cash and cash equivalents

11.1 Types of cash and cash equivalents

As of December 31, 2020, and December 31, 2019, cash and cash equivalents are detailed as follows:

Cash	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Cash on hand	54	71
Cash in banks	244,848	105,141
Other demand deposits	2,227	6,986
Total Cash	247,129	112,198

Cash equivalents	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Short-term deposits, classified as cash equivalents	51,595	149,099
Short-term investments, classified as cash equivalents	210,378	327,233
Total cash equivalents	261,973	476,332
Total cash and cash equivalents	509,102	588,530

11.2 Short-term investments, classified as cash equivalents

As of December 31, 2020, and December 31, 2019, the short-term investments classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

Institution	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	107,625	181,155
JP Morgan US dollar Liquidity Fund Institutional	102,753	146,078
Total	210,378	327,233

Short-term investments are highly liquid mutual funds that are basically invested in short-term fixed rate notes in the U.S. market.

11.3 Information on cash and cash equivalents by currency

As of December 31, 2020, and December 31, 2019, information on cash and cash equivalents by currency is detailed as follows:

Currency	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Peso (*)	7,190	8,240
Dollar	454,402	558,572
Euro	17,144	3,131
Mexican Peso	1,378	2,103
South African Rand	14,286	3,929
Japanese Yen	1,646	1,559
Peruvian Sol	3	4
Indian rupee	6	6
Chinese Yuan	11,597	2,484
Indonesian rupee	3	3
Argentine Peso	-	3
Pound Sterling	19	3
Australian Dollar	1,411	8,492
South Korean won	16	-
Dirham United Arab Emirates	-	-
Polish Zloty	1	1
Total	509,102	588,530

(*) The Company maintains financial derivative instruments policies which allow management to convert term deposits denominated in pesos and UF to Dollars.

11.4 Amount restricted cash balances

As of December 31, 2020, and December 31, 2019, cash balances are presented with some form of restriction (see note 22.7).

Financial assets pledged as collateral

On November 4, 2004, Isapre Norte Grande has a guarantee equivalent to the total amount owed to its subsidiaries and medical suppliers, which is administered and maintained by Banco de Chile.

As of December 31, 2020, and, December 31, 2019 pledged assets are as follows

Restricted cash balances	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Isapre Norte Grande Ltda.	731	551
Total	731	551

11.5 Short-term deposits, classified as cash equivalents

The detail at the end of each period is as follows:

Receiver of the deposit	Type of deposit	Original Currency	Interest Rate	Placement date	Expiration date	Principal	Interest accrued to-date	As of December 31, 2020
						ThUS\$	ThUS\$	ThUS\$
Banco Santander - Santiago	Fixed term	Dollar	0.35%	12-30-2020	03-30-2021	7,000	-	7,000
Scotiabank Sud Americano	Fixed term	Dollar	0.35%	11-30-2020	01-08-2021	1,500	1	1,501
Banco de Chile	Fixed term	Dollar	0.61%	11-30-2020	01-08-2021	2,000	1	2,001
Banco de Chile	Fixed term	Dollar	0.61%	11-30-2020	01-08-2021	3,500	1	3,501
Banco crédito e inversiones	Fixed term	Dollar	0.46%	12-01-2020	01-15-2021	500	-	500
Scotiabank Sud Americano	Fixed term	Dollar	0.4%	12-01-2020	01-15-2021	500	-	500
Scotiabank Sud Americano	Fixed term	Dollar	0.4%	12-02-2020	01-20-2021	2,500	1	2,501
Banco Santander - Santiago	Fixed term	Dollar	0.5%	12-09-2020	01-25-2021	500	-	500
Scotiabank Sud Americano	Fixed term	Dollar	0.5%	12-09-2020	01-25-2021	1,000	-	1,000
Banco Santander - Santiago	Fixed term	Dollar	0.5%	12-09-2020	01-25-2021	6,000	1	6,001
Banco crédito e inversiones	Fixed term	Dollar	0.51%	12-09-2020	01-25-2021	6,000	1	6,001
Banco crédito e inversiones	Fixed term	Dollar	0.26%	12-14-2020	01-29-2021	500	-	500
Banco Estado	Fixed term	Dollar	0.14%	12-14-2020	01-29-2021	1,000	1	1,001
Scotiabank Sud Americano	Fixed term	Dollar	0.4%	12-14-2020	01-29-2021	1,500	-	1,500
Banco de Chile	Fixed term	Dollar	0.56%	12-14-2020	01-29-2021	5,000	1	5,001
Banco Itaú Corpbanca	Fixed term	Dollar	0.68%	12-18-2020	01-01-2021	500	-	500
Banco Itaú Corpbanca	Fixed term	Dollar	0.68%	12-18-2020	02-01-2021	2,000	1	2,001
Banco crédito e inversiones	Fixed term	Dollar	0.2%	12-23-2020	02-05-2021	2,000	1	2,001
Banco Itaú Corpbanca	Fixed term	Dollar	0.4%	12-24-2020	02-08-2021	1,000	-	1,000
Banco Santander - Santiago	Fixed term	Dollar	0.26%	12-29-2020	01-08-2021	2,500	1	2,501
Banco Santander - Santiago	Fixed term	Dollar	0.15%	12-30-2020	02-12-2021	700	-	700
Banco Itaú Corpbanca	Fixed term	Peso	0.35%	12-29-2020	01-05-2021	3,798	-	3,798
BBVA Banco Francés	Fixed term	Dollar	1.8%	12-31-2020	03-06-2021	86	-	86
Total						51,584	11	51,595

Receiver of the deposit	Type of deposit	Original Currency	Interest Rate	Placement date	Expiration date	Principal	Interest accrued to-date	As of December 31, 2019
						ThUS\$	ThUS\$	ThUS\$
Banco crédito e inversiones	Fixed term	Dollar	3.45%	11-18-2019	02-13-2020	18,000	74	18,074
Banco crédito e inversiones	Fixed term	Dollar	2.85%	12-26-2019	02-20-2020	20,000	8	20,008
Banco de Chile	Fixed term	Dollar	3.45%	11-15-2019	01-23-2020	14,000	62	14,062
Banco de Chile	Fixed term	Dollar	3.50%	11-15-2019	01-09-2020	18,000	80	18,080
Banco de Chile	Fixed term	Dollar	3.45%	11-15-2019	01-16-2020	18,000	79	18,079
Banco Itaú Corpbanca	Fixed term	Dollar	2.90%	12-26-2019	02-20-2020	33,000	13	33,013
Scotiabank Sud Americano	Fixed term	Peso	2.16%	12-30-2019	01-08-2020	6,812	-	6,812
Banco crédito e inversiones	Fixed term	Dollar	3.51%	11-21-2019	01-28-2020	1,000	4	1,004
Banco crédito e inversiones	Fixed term	Dollar	3.75%	12-02-2019	02-27-2020	2,000	6	2,006
Banco crédito e inversiones	Fixed term	Dollar	3.60%	11-25-2019	01-28-2020	1,000	4	1,004
Banco Estado	Fixed term	Dollar	2.15%	12-16-2019	01-06-2020	500	-	500
Banco Santander - Santiago	Fixed term	Dollar	2.55%	12-09-2019	02-04-2020	1,700	3	1,703
Banco Itaú Corpbanca	Fixed term	Dollar	2.55%	12-16-2019	01-06-2020	2,500	3	2,503
Banco Itaú Corpbanca	Fixed term	Dollar	3.64%	11-29-2019	02-13-2020	1,500	5	1,505
Banco Itaú Corpbanca	Fixed term	Dollar	2.80%	11-12-2019	01-28-2020	2,000	8	2,008
Banco Santander - Santiago	Fixed term	Dollar	2.33%	10-16-2019	01-12-2020	1,000	5	1,005
Scotiabank Sud Americano	Fixed term	Dollar	2.45%	12-17-2019	01-13-2020	3,600	3	3,603
Scotiabank Sud Americano	Fixed term	Dollar	3.20%	11-13-2019	01-30-2020	500	2	502
Scotiabank Sud Americano	Fixed term	Dollar	3.40%	12-02-2019	02-27-2020	2,000	5	2,005
Scotiabank Sud Americano	Fixed term	Dollar	3.45%	11-18-2019	01-30-2020	1,500	6	1,506
BBVA Banco Francés	Fixed term	Dollar	39%	12-26-2019	01-27-2020	52	1	53
Banco Itaú S.A.	On demand	Dollar	8%	10-17-2019	01-17-2020	64	-	64
Total						148,728	371	149,099

11.6 Net Debt reconciliation

This section sets out an analysis of net debt and relating movements for each of the periods presented. The definition of the net debt is described in Note 21.1.

Net debt	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Cash and cash equivalents	509,102	588,530
Other current financial assets	348,069	505,490
Other non-current financial hedge assets	37,276	3,918
Other current financial liabilities	(68,955)	(291,128)
Lease liabilities, current	(5,528)	(7,694)
Other non-current financial liabilities	(1,899,513)	(1,488,723)
Lease liabilities, non-current	(25,546)	(30,203)
Total	(1,105,095)	(719,810)

Cash and cash equivalents	As of December 31, 2019	From cash flow			Not from cash flow			As of December 31, 2020
		Amounts from loans	Amounts from interests	Other cash income/expenses	Hedging and non- hedging instruments	Exchange rate differences	Others	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Obligations with the public and bank loans	(1,753,028)	(136,692)	73,933	7,819	-	(33,280)	(81,616)	(1,922,864)
Current and non-current lease liabilities	(37,897)	8,015	1,133	-	-	-	(2,325)	(31,074)
Financial instruments derived from hedging	(23,655)	814	7,634	-	(20,909)	-	(4,094)	(40,210)
Financial instruments derived from non-hedging	(3,169)	-	-	-	(2,226)	-	-	(5,395)
Current and non-current financial liabilities	(1,817,749)	(127,863)	82,700	7,819	(23,135)	(33,280)	(88,035)	(1,999,543)
Cash and cash equivalents	588,530	-	-	(78,988)	-	(440)	-	509,102
Deposits that do not qualify as cash and cash equivalents	485,689	-	-	(123,196)	-	(14,032)	(3,002)	345,459
Derivatives from hedge assets	21,188	-	(1,216)	(39,290)	56,207	-	388	37,277
Derivatives from other financial non-hedge assets	2,532	-	-	6,902	(6,824)	-	-	2,610
Total	(719,810)	(127,863)	81,484	(226,753)	26,248	(47,752)	(90,649)	(1,105,095)

The definition of debt is described in Note 14.

Note 12 Inventories

The composition of inventory at each period-end is as follows:

Type of inventory	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Raw material	10,694	7,287
Production supplies	31,007	26,064
Products-in-progress	487,830	457,563
Finished product	563,497	492,424
Total	1,093,028	983,338

As of December 31, 2020, and December 31, 2019, the Company held caliche stockpiles, solutions in solar ponds and intermediary salts amounting ThUS\$ 422,535 and ThUS\$ 393,600, respectively (including products in progress).

As of December 31, 2020, bulk inventories recognized within work in progress and finished goods were ThUS\$ 108,909 and ThUS\$ 176,561, respectively. As of December 31, 2019, bulk inventories recognized within work in progress and finished goods were ThUS\$ 104,295 and ThUS\$ 204,686, respectively. Bulk products in progress do not include ponds or stockpiles, but they do include intermediary salts on pads.

As of December 31, 2020, and 2019, inventory allowances recognized, amounted to ThUS\$ 80,930 and ThUS\$ 88,174, respectively. For finished and in-process products, recognized allowances include the provision associated with the lower value of stock (considers lower realizable value, uncertain future use, reprocessing costs of off-specification products, etc.), provision for inventory differences and the provision for potential errors in the determination of inventories (e.g., errors in topography, grade, moisture, etc.), (see Note 3.13).

For raw materials, supplies, materials and parts, the lower value provision was associated to the proportion of defective materials and potential differences.

The breakdown of inventory allowances is detailed as follows:

Type of inventory	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Raw material and supplies for production	1,934	2,488
Products-in-progress	66,122	71,468
Finished product	12,874	14,218
Total	80,930	88,174

The Company has not pledged inventory as collateral for the periods indicated above.

As of December 31, 2020, and December 31, 2019, movements in provisions are detailed as follows:

Conciliation	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Beginning balance	88,174	105,282
Increase in Lower Value (1)	(5,404)	(6,987)
Additional Provision Differences of Inventory (2)	(704)	(123)
Increase / Decrease eventual differences and others (3)	1,244	(6,262)
Provision Used	(2,380)	(3,736)
Total changes	(7,244)	(17,108)
Final balance	80,930	88,174

- (1) There are three types of Lower Value Provisions: (a) Economic Realizable Lower Value, (b) Potential Inventory with Uncertain Future Use and (c) Reprocessing Costs of Off-Specification Products.
- (2) Provisions for Inventory Differences generated when physical differences are detected when taking inventory, which exceed the tolerance levels for this process.
- (3) This algorithm corresponds to the provision of diverse percentages based on the complexity in the measurement and rotation of stock, as well as standard differences based on previous results, as is the case with provisions relating to Commercial Offices.

Note 13 Related party disclosures**13.1 Related party disclosures**

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash, no guarantees have been delivered or received for trade and other receivables due from related parties or trade and other payables due to related parties.

13.2 Relationships between the parent and the entity

Pursuant to Article 99 of Law of the Securities Market Law, the CMF may determine that a company does not have a controlling entity in accordance with the distribution and dispersion of its ownership. On November 30, 2018, the CMF issued the ordinary letter No. 32,131 whereby it determined that Pampa Group, do not exert decisive power over the management of the Company since it does not have a predominance in the ownership that allows it to make management decisions. Therefore, the CMF has determined not to consider Pampa Group as the controlling entity of the Company and that the Company does not have a controlling entity given its current ownership structure.

13.3 Detailed identification of related parties and subsidiaries

As of December 31, 2020 and December 31, 2019, the detail of entities that are identified as subsidiaries or related parties of the SQM Group is as follows:

Tax ID No	Name	Country of origin	Functional currency	Nature
foreign	Nitratos Naturais Do Chile Ltda.	Brazil	Dollar	Subsidiary
foreign	Nitrate Corporation of Chile Ltd.	United Kingdom	Dollar	Subsidiary
foreign	SQM North America Corp.	United States	Dollar	Subsidiary
foreign	SQM Europe N.V.	Belgium	Dollar	Subsidiary
foreign	Soquimich European Holding B.V.	Netherlands	Dollar	Subsidiary
foreign	SQM Corporation N.V.	Curacao	Dollar	Subsidiary
foreign	SQM Comercial De México S.A. de C.V.	Mexico	Dollar	Subsidiary
foreign	North American Trading Company	United States	Dollar	Subsidiary
foreign	Administración y Servicios Santiago S.A. de C.V.	Mexico	Dollar	Subsidiary
foreign	SQM Perú S.A.	Peru	Dollar	Subsidiary
foreign	SQM Ecuador S.A.	Ecuador	Dollar	Subsidiary
foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	Dollar	Subsidiary
foreign	SQMC Holding Corporation L.L.P.	United States	Dollar	Subsidiary
foreign	SQM Investment Corporation N.V.	Curacao	Dollar	Subsidiary
foreign	SQM Brasil Limitada	Brazil	Dollar	Subsidiary
foreign	SQM France S.A.	France	Dollar	Subsidiary
foreign	SQM Japan Co. Ltd.	Japan	Dollar	Subsidiary
foreign	Royal Seed Trading Corporation A.V.V.	Aruba	Dollar	Subsidiary
foreign	SQM Oceania Pty Limited	Australia	Dollar	Subsidiary
foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	Dollar	Subsidiary
foreign	SQM Indonesia S.A.	Indonesia	Dollar	Subsidiary
foreign	SQM Virginia L.L.C.	United States	Dollar	Subsidiary
foreign	Comercial Caimán Internacional S.A.	Panama	Dollar	Subsidiary
foreign	SQM África Pty. Ltd.	South Africa	Dollar	Subsidiary
foreign	SQM Colombia SAS	Colombia	Dollar	Subsidiary
foreign	SQM Internacional N.V.	Belgium	Dollar	Subsidiary
foreign	SQM (Shanghai) Chemicals Co. Ltd.	China	Dollar	Subsidiary
foreign	SQM Lithium Specialties LLC	United States	Dollar	Subsidiary
foreign	SQM Iberian S.A.	Spain	Dollar	Subsidiary
foreign	SQM Beijing Commercial Co. Ltd.	China	Dollar	Subsidiary
foreign	SQM Thailand Limited	Thailand	Dollar	Subsidiary
foreign	SQM Australia PTY	Australia	Dollar	Subsidiary
foreign	SQM Holland B.V.	Netherlands	Dollar	Subsidiary
foreign	SQM Korea LLC	Korea	Dollar	Subsidiary
96.801.610-5	Comercial Hydro S.A.	Chile	Dollar	Subsidiary
96.651.060-9	SQM Potasio S.A.	Chile	Dollar	Subsidiary
96.592.190-7	SQM Nitratos S.A.	Chile	Dollar	Subsidiary
96.592.180-K	Ajay SQM Chile S.A.	Chile	Dollar	Subsidiary
79.947.100-0	SQM Industrial S.A.	Chile	Dollar	Subsidiary
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Peso	Subsidiary
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Peso	Subsidiary

Tax ID No	Name	Country of origin	Functional currency	Nature
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	Dollar	Subsidiary
79.768.170-9	Soquimich Comercial S.A.	Chile	Dollar	Subsidiary
79.626.800-K	SQM Salar S.A.	Chile	Dollar	Subsidiary
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Peso	Subsidiary
76.425.380-9	Exploraciones Mineras S.A.	Chile	Dollar	Subsidiary
76.064.419-6	Comercial Agrorama Ltda.	Chile	Peso	Subsidiary
76.145.229-0	Agrorama S.A.	Chile	Peso	Subsidiary
76.359.919-1	Orcoma Estudios SPA	Chile	Dollar	Subsidiary
76.360.575-2	Orcoma SPA	Chile	Dollar	Subsidiary
76.686.311-9	SQM MaG SpA	Chile	Dollar	Subsidiary
77.114.779-8	Sociedad Contractual Minera Búfalo	Chile	Dollar	Subsidiary
foreign	Abu Dhabi Fertilizer Industries WWL	Arab Emirates	Arab Emirates dirham	Associate
foreign	Ajay North America	United States	Dollar	Associate
foreign	Ajay Europe SARL	France	Euro	Associate
foreign	Kore Potash PLC	United Kingdom	Dollar	Associate
foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	China	Dollar	Joint venture
foreign	SQM Vitas Fzco.	Arab Emirates	Arab Emirates dirham	Joint venture
foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	China	Dollar	Joint venture
foreign	Covalent Lithium Pty Ltd.	Australia	Dollar	Joint venture
foreign	Pavoni & C, SPA	Italy	Euro	Joint venture
96.511.530-7	Sociedad de Inversiones Pampa Calichera	Chile	Dollar	Other related parties
96.529.340-K	Norte Grande S.A.	Chile	Peso	Other related parties
79.049.778-9	Callegari Agrícola S.A.	Chile	Peso	Other related parties
foreign	SQM Vitas Brasil Agroindustria (1)	Brazil	Real brazilian	Other related parties
foreign	SQM Vitas Perú S.A.C. (1)	Peru	Dollar	Other related parties
foreign	Abu Dhabi Fertilizer Industries WWL (2)	Oman	United Arab Emirates dirham	Other related parties
foreign	International Technical and Trading Agencies CO WLL (2)	Jordan	United Arab Emirates dirham	Other related parties

(1) These Companies are subsidiaries of the joint venture SQM Vitas Fzco.

(2) These Companies are subsidiaries of the joint venture Abu Dhabi Fertilizer Industries WWL Ltda. and therefore it absorbs these and takes responsibility of all of their assets and liabilities.

* The following entities were considered related parties as of December 31, 2019 (see Note 9.4 letter a and Note 10.2): SQI Corporation N.V., SQM Italia SRL, Doktor Tarsa Tarim, SQM Eastmed Turkey, Terra Tarsa Ukraine LLC, Terra Tarsa B.V., Plantacote N.V., Terra Tarsa Don LLC, Doktolab Tarim Arastirma San., Doctochem Tarim Sanayi Ticaret Ltd. STI, Coromandel SQM India Sichuan SQM Migao Chemical Fertilizers Co Ltd. and Arpa Speciali S.R.L.

The following other related parties correspond to mining contractual corporations.

Tax ID No.	Name	Country of origin	Functional currency	Relationship
N/A	Ara Dos Primera del Salar de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Ara Tres Primera del Salar de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Ara Cuatro Primera del Salar de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Ara Cinco Primera del Salar de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Curicó Dos Primera del Salar de Pampa Alta, Sierra Gorda	Chile	Peso	Other related parties
N/A	Curicó Tres Primera del Sector de Pampa Alta, Sierra Gorda	Chile	Peso	Other related parties
N/A	Evelyn Veinticuatro Primera de Sierra Gorda	Chile	Peso	Other related parties
N/A	Filomena Tres Primera de Oficina Filomena, Sierra Gorda	Chile	Peso	Other related parties
N/A	Filomena Cuatro Primera de Oficina Filomena, Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Cuatro Primera de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Cuatro Segunda del Salar de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Cuatro Tercera de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Cuatro Cuarta de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Cuatro Quinta de Pampa Blanca, Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Primera del Salar de Pampa Blanca de Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Segunda del Salar de Pampa Blanca de Sierra Gorda	Chile	Peso	Other related parties
N/A	Francis Tercera del Salar de Pampa Blanca de Sierra Gorda	Chile	Peso	Other related parties
N/A	Ivon Primera de Sierra Gorda	Chile	Peso	Other related parties
N/A	Ivon Décima Segunda de Sierra Gorda	Chile	Peso	Other related parties
N/A	Ivon Sexta de Sierra Gorda	Chile	Peso	Other related parties
N/A	Julia Primera de Sierra Gorda	Chile	Peso	Other related parties
N/A	Lorena Trigésimo Quinta de Sierra Gorda	Chile	Peso	Other related parties
N/A	Perseverancia Primera de Sierra Gorda	Chile	Peso	Other related parties
N/A	Tamara 40 Primera del Sector S.E. OF. Concepción, Sierra Gorda	Chile	Peso	Other related parties
N/A	Tamara Tercera de Oficina Concepción, Sierra Gorda	Chile	Peso	Other related parties
N/A	Tamara 40 Segunda del Sector S.E. OF Concepción, Sierra Gorda	Chile	Peso	Other related parties

13.4 Detail of related parties and related party transactions

Transactions between the Company and its subsidiaries, associated businesses, joint ventures and other related parties are part of the Company's common transactions. Their conditions are those customary for this type of transactions in respect of terms and market prices. Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2020 and 2019, the detail of significant transactions with related parties is as follows

Tax ID No	Name	Nature	Country of origin	Transaction	As of	As of
					December 31, 2020	December 30, 2019
					ThUS\$	ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	Sale of products	1,053	14,767
Foreign	Ajay Europe S.A.R.L.	Associate	France	Sale of products	23,162	21,348
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	1,197	1,055
Foreign	Ajay North America LL.C.	Associate	USA	Sale of products	20,259	16,932
Foreign	Ajay North America LL.C.	Associate	USA	Dividends	1,967	2,796
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of products	-	3,749
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	Sale of products	41,341	46,876
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Peru	Sale of products	17,723	24,138
Foreign	SQM Vitas Fzco	Joint venture	United Arab Emirates	Dividends	-	10,598
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	1,510	3,955
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of products	-	1,929
Foreign	Terra Tarsa Ukraine LLC	Other related parties	Ukraine	Sale of products	737	1,280
Foreign	Plantacote NV	Other related parties	Belgium	Sale of products	-	4,096
Foreign	Pavoni & CPA	Joint venture	Italy	Sale of products	1,125	3,152
Foreign	Arpa Speciali S.R.L.	Other related parties	Italy	Sale of products	-	2,359
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Dividends	2,223	-
Foreign	Terra Tarsa Don LLC	Other related parties	Russian Federation	Sale of products	-	40
Foreign	SQM Eastmed Turkey	Associate	Turkey	Sale of products	-	47

Below is a list of transactions with clients and suppliers with whom a relationship with key Company personnel was identified:

Tax ID No	Name	Nature	Country of origin	Transaction	As of
					December 31, 2020
					ThUS\$
10.581.580-8	Gonzalo Guerrero Yamamoto	Chairman / director	Chile	Services – Supplier	20
71.644.300-0	Universidad del Desarrollo	Chairman / director	Chile	Services – Supplier	125
72.012.000-3	Universidad Tecnológica de Chile	Chairman / director	Chile	Services – Supplier	41
76.389.727-3	Sociedad Periodística El Libero	Shareholders	Chile	Services – Supplier	-
76.825.265-3	Link Capital Partners SpA	Family of director	Chile	Services – Supplier	224
76.839.170-k	Proveedora Industrial Arrigoni	Director in common	Chile	Services – Supplier	5
90.193.000-7	El Mercurio S.A.P.	Family of director	Chile	Services – Supplier	36
92.580.000-7	Emp. Nac. Telecomunicaciones S.A.	Family of director	Chile	Services – Supplier	1,847
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Family of director	Chile	Services – Supplier	264
97.004.000-5	Banco de Chile	Director in common	Chile	Services – Supplier	44,696
99.012.000-5	Cia. de Seg. de Vida Consorcio Nacional	Family of director	Chile	Services – Supplier	71
90.266.000-3	Enaex S.A.	Director in common	Chile	Services – Client	19
92.580.000-7	Emp. Nac. Telecomunicaciones S.A.	Family of director	Chile	Services – Client	43
96.529.340-K	Norte Grande S.A.	Director in common	Chile	Lease	135

13.5 Trade receivables due from related parties, current:

Tax ID No	Name	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	Dollar	-	110
Foreign	Ajay Europe S.A. R.L.	Associate	France	Euro	4,625	3,712
Foreign	Ajay North America LLC.	Associate	United States of America	Dollar	2,956	2,290
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	United Arab Emirates Dirham	595	803
96.511.530-7	Soc. de Inversiones Pampa Calichera	Other related parties	Chile	Dollar	6	6
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	Dollar	24,335	27,275
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Peru	Dollar	24,205	23,475
Foreign	Coromandel SQM India	Joint venture	India	Indian Rupee	-	1,792
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	United Arab Emirates Dirham	236	234
Foreign	Terra Tarsa Ukraine LLC	Other related parties	Ukraine	Ukrainian hryvnia	-	7
Foreign	Terra Tarsa Don LLC	Other related parties	Federation of Russia	Russian Ruble	-	13
Foreign	Plantacote NV	Other related parties	Belgium	Euro	-	657
Foreign	SQM Eastmed Turkey	Associate	Turkey	Euro	-	47
Foreign	Pavoni & C SpA	Joint venture	Italy	Euro	1,095	1,028
Foreign	Arpa Speciali S.R.L.	Other related parties	Italy	Euro	-	134
Foreign	Covalent Lithium Pty Ltd.	Joint venture	Australia	Australia	84	-
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltd.	Joint venture	China	Dollar	4,464	-
	Allowance				-	(356)
Total					62,601	61,227

The receivables for Sichuan SQM Migao Chemical Fertilizers Co Ltda. are presented net of provisions (provisions as of December 31, 2020 ThUS\$ 6,502 and December 31, 2019 ThUS\$ 10,965).

13.6 Trade payables due to related parties, current:

Tax ID No	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Foreign	Ajay Europe S.A.R.L.	Associate	France	Euro	50	-
Foreign	Ajay North America LLC.	Associate	United States of America	Dollar	232	-
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Dollar	-	243
Foreign	Covalent Lithium Pty Ltd	Joint venture	Australia	Australian dollar	324	232
Total					606	475

13.7 Other disclosures:

As of December 31, 2020, the Company has made contributions to Mt Holland in favor of Wesfarmers in the amount of US\$ 15 million. This value is presented in the financial statements in the line "Trade and other accounts receivable." For more details, see Note 10.6.

Note 7 describes the remuneration of the Board of Directors, administration and key management personnel.

Note 14 Financial instruments

14.1 Types of other current and non-current financial assets

Description of other financial assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Financial assets at amortized cost (1)	345,459	485,689
Derivative financial instruments		
- For hedging	-	17,270
- Non-hedging (2)	2,610	2,531
Total other current financial assets	348,069	505,490
Financial assets at fair value through other comprehensive income	14,569	4,785
Derivative financial instruments		
- For hedging	37,276	3,918
Other financial assets at amortized cost	80	75
Total other non-current financial assets	51,925	8,778

Institution	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Banco de Crédito e Inversiones	185,589	185,400
Banco Santander (3)	45,168	74,365
Banco Itau Corpbanca	49,006	120,628
Banco Security	-	17,964
Banco de Chile	-	18,026
Banco Estado	-	15,126
Scotiabank Sud Americano	31,668	54,180
JP Morgan Asset Management	34,028	-
Total	345,459	485,689

- (1) Corresponds to term deposits whose maturity date is greater than 90 days and less than 360 days from the investment date constituted in the aforementioned financial institutions:
- (2) Correspond to forwards and options that were not classified as hedging instruments (See detail in Note 14.3).
- (3) As of December 31, 2020, there were no margin calls and as of December 31, 2019, this value was ThUS\$ 1,870.

14.2 Trade and other receivables

Trade and other receivables	As of December 31, 2020			As of December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables, current	313,265	-	313,265	367,583	-	367,583
Prepayments, current	19,900	-	19,900	20,309	-	20,309
Other receivables, current	32,041	11,165	43,206	11,250	1,710	12,960
Total trade and other receivables	365,206	11,165	376,371	399,142	1,710	400,852

See discussion about credit risk in Note 5.2.

Trade and other receivables	As of December 31, 2020			As of December 31, 2019		
	Assets before allowances	Allowance for doubtful trade receivables	Assets for trade receivables, net	Assets before allowances	Allowance for doubtful trade receivables	Assets for trade receivables, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables related to credit operations, current	327,586	(14,321)	313,265	383,775	(16,192)	367,583
Trade receivables, current	327,586	(14,321)	313,265	383,775	(16,192)	367,583
Prepayments, current	20,684	(784)	19,900	21,092	(783)	20,309
Other receivables, current	36,664	(4,623)	32,041	15,659	(4,409)	11,250
Current trade and other receivables	57,348	(5,407)	51,941	36,751	(5,192)	31,559
Other receivables, non-current	11,165	-	11,165	1,710	-	1,710
Non-current receivables	11,165	-	11,165	1,710	-	1,710
Total trade and other receivables	396,099	(19,728)	376,371	422,236	(21,384)	400,852

(a) Portfolio analysis

As of December 31, 2020, and December 31, 2019 the detail of the renegotiated portfolio is as follows:

As of December 31, 2020				
Portfolio analysis				
Past due segments	Number of customers with non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS\$	Number of customers with renegotiated portfolio	Gross renegotiated portfolio ThUS\$
Current	1,281	301,939	23	179
1 - 30 days	119	12,140	8	60
31 - 60 days	12	1,226	-	-
61 - 90 days	5	159	-	-
91 - 120 days	5	1,448	1	41
121 - 150 days	2	2,384	2	2
151 - 180 days	3	1,398	4	12
181 - 210 days	1	-	2	5
211 - 250 days	3	2	6	114
>250 days	156	5,030	64	1,447
Total	1,587	325,726	110	1,860

As of December 31, 2019				
Portfolio analysis				
Past due segments	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS\$	Number of customers renegotiated portfolio	Gross renegotiated portfolio ThUS\$
Current	1,486	351,931	69	892
1 - 30 days	166	20,195	72	526
31 - 60 days	26	1,279	4	10
61 - 90 days	12	519	3	54
91 - 120 days	5	1,026	2	66
121 - 150 days	5	361	7	49
151 - 180 days	7	190	2	33
181 - 210 days	4	51	-	-
211 - 250 days	6	48	8	11
>250 days	144	5,449	137	1,085
Total	1,861	381,049	304	2,726

(b) Estimate for doubtful accounts

As of December 31, 2020							
Trade and other receivables	Trade accounts receivable days past due					Trade	Trade receivables due from related parties
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days		
						ThUS\$	ThUS\$
Expected Loss Rate on	1%	10%	39%	52%	79%	-	-
Total Gross Book Value	302,118	12,200	1,226	159	11,883	327,586	70,145
Deterioration Estimate	3,187	1,207	477	83	9,367	14,321	7,545

As of December 31, 2019							
Trade and other receivables	Trade accounts receivable days past due					Trade	Trade receivables due from related parties
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days		
						ThUS\$	ThUS\$
Expected Loss Rate on	1%	18%	34%	44%	78%	-	-
Total Gross Book Value	352,823	20,721	1,288	573	8,370	383,775	72,550
Deterioration Estimate	5,285	3,664	440	251	6,552	16,192	11,323

As of December 31, 2020, and December 31, 2019, movements in provisions are as follows:

Provisions	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Provision Impairment Accounts receivable at the beginning of the Period	32,707	32,634
(Decrease) increase impairment of accounts receivable	(4,684)	1,057
Use of Provision Applied to Accounts Receivable	(750)	(984)
Impairment of Accounts Receivable Provision at the end of the Period	27,273	32,707
(1) Trade and Other Receivables Provision	14,321	16,192
(2) Current other Receivables Provision	5,407	5,192
(3) Provision Trade payables due to related parties, current	7,545	11,323
Recovery of Insurance	347	320
Impairment of Accounts Receivable Provision	27,273	32,707
Renegotiated Provision	1,728	1,905
Non-renegotiated Provision	25,545	30,802

14.3 Hedging assets and liabilities

The balance represents derivative financial instruments measured at fair value which have been classified as hedges for exchange and interest rate risks relating to the total obligations with the public associated with bonds in UF and investments in Chilean pesos. As of December 31, 2020, the notional amount of cash flows agreed upon in US dollars of the cross-currency swap contracts amounted to ThUS\$ 565,295 (As of December 31, 2019 amounted to ThUS\$ 435,167).

Expressed in ThUS\$	Assets / (Liabilities) Derivative Instrument	Total Realized	Hedging Reserve in Gross Equity
Hedging with debt as underlying as of December 31, 2020			
Hedging Assets	37,276	24,428	12,848
Hedging Liabilities	(19,195)	(12,956)	(6,239)
Underlying Debt Hedge	18,081	11,472	6,609
Underlying Investment Coverage as of December 31, 2020			
Hedging Assets	-	-	-
Hedging Liabilities	(21,004)	(20,626)	(378)
Underlying Investments Hedge	(21,004)	(20,626)	(378)

Expressed in ThUS\$	Assets / (Liabilities) Derivative Instrument	Total Realized	Hedging Reserve in Gross Equity
Hedging with debt as underlying as of December 31, 2019			
Hedging Assets	3,918	(4,194)	8,112
Hedging Liabilities	(22,771)	(25,363)	2,592
Underlying Debt Hedge	(18,853)	(29,557)	10,704
Underlying Investment Coverage as of December 31, 2019			
Hedging Assets	17,270	17,857	(587)
Hedging Liabilities	(889)	(711)	(178)
Underlying Investments Hedge	16,381	17,146	(765)

Hedging Effect in Profit and Equity for the period as of December 31, 2020	Variation Total	Result	Hedge Reserve Variation
Analysis Effect by Type of Coverage			
Underlying Debt Hedge	36,935	41,029	(4,094)
Underlying Investments Hedge	(37,385)	(37,772)	387
Total hedging effect on profit or loss and equity in the period	(450)	3,257	(3,707)
Analysis Effect by type of asset			
Hedging in Current and Non-Current Assets	16,088	10,765	5,323
Hedging in Current and Non-Current Liabilities	(16,538)	(7,508)	(9,030)
Total Hedge Effect in Profit or Loss and Equity for the period	(450)	3,257	(3,707)

The balances in the “total realized” column consider the intermediate effects of the contracts in force from January 1 to December 31, 2020 and from January 1 to December 31, 2019.

Derivative contract maturities are detailed as follows:

Series	Contract amount		Currency	Maturity date
	ThUS\$			
H	134,049		UF	01/04/2023
O	58,748		UF	02/01/2022
P	134,228		UF	01/15/2028
Q	106,933		UF	06/01/2030

Effectiveness

The Company uses cross currency swap derivative instruments to hedge the possible financial risk associated with the volatility of the exchange rate associated with Chilean pesos and UF. The objective is to hedge the exchange rate and inflation financial risks associated with bonds payable. Hedges are documented and tested to measure their effectiveness.

Based on a comparison of critical terms, hedging is highly effective, given that the hedged amount is consistent with obligations maintained for bonds denominated in Pesos and UF. Likewise, hedging contracts are denominated in the same currencies and have the same maturity dates of bond principal and interest payments.

Effectiveness tests have verified that hedges are effective as of the reporting date.

14.4 Financial liabilities

Other current and non-current financial liabilities

As of December 31, 2020, and December 31, 2019, the detail is as follows:

Other current and non-current financial liabilities	As of December 31, 2020			As of December 31, 2019		
	Currents	Non-Current	Total	Currents	Non-Current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Liabilities at amortized cost						
Bank borrowings	82	69,376	69,458	199	69,138	69,337
Obligations with the public	36,781	1,816,626	1,853,407	280,578	1,403,108	1,683,686
Derivative financial instruments						
For hedging	26,699	13,511	40,210	7,183	16,477	23,660
Non-Hedging	5,393	-	5,393	3,168	-	3,168
Total	68,955	1,899,513	1,968,468	291,128	1,488,723	1,779,851

Current and non-current bank borrowings

As of December 31, 2020, and 2019, the detail is as follows:

Current and non-current bank borrowings	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current loans	82	199
Non-current loans	69,376	69,138
Current and non-current loans	69,458	69,337

a) Bank borrowings, current:

As of December 31, 2020, and December 31, 2019, the detail of this caption is as follows:

Debtor			Creditor			Currency or adjustment index	Payment of interest	Repayment	Effective rate	Nominal rate
Tax ID No.	Company	Country	Tax ID No.	Financial institution	Country					
93.007.000-9	SQM S.A.	Chile	O-E	Scotiabank Cayman	USA	USD	Upon maturity	05/30/2023	1.00%	1.36%

Debtor		Creditor		Nominal amounts as of December 31, 2020			Current amounts as of December 31, 2020				
Company		Financial institution		Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Subtotal	Borrowing costs	Total
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.		Scotiabank Cayman		-	-	-	-	82	82	-	82
Total				-	-	-	-	82	82	-	82

Debtor			Creditor			Currency or adjustment index	Repayment	maturity	Effective rate	Nominal rate
Tax ID No	Company	Country	Tax ID No	Financial institution	Country					
93.007.000-9	SQM S.A.	Chile	Foreign	Scotiabank Cayman	USA	US\$	Upon maturity	05/29/2023	2.11%	3.01%
Foreign	Nitratos Naturais do Chile Lim.	Brazil	Foreign	Banco ITAU Brasil	Brazil	BRL	Upon maturity	12/31/2019	13.57%	4.25%

Debtor		Creditor		Nominal amounts as of December 31, 2019			Current amounts as of December 31, 2019				
Company		Financial institution		Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Subtotal	Borrowing costs	Total
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.		Scotiabank Cayman		-	-	-	-	187	187	-	187
Nitratos Naturais do Chile		Banco ITAU Brasil		-	-	-	12	-	12	-	12
Total				-	-	-	12	187	199	-	199

b) Unsecured obligations, current:

As of December 31, 2020, and December 31, 2019, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax ID No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01/28/2021	US\$	Semiannual	Upon maturity	1.95%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04/03/2021	US\$	Semiannual	Upon maturity	1.08%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUS\$450	05/07/2021	US\$	Semiannual	Upon maturity	3.59%	4.25%
93.007.000-9	SQM S.A.	Chile	-	MUS\$400	01/22/2021	US\$	Semiannual	Upon maturity	4.17%	4.25%
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2021	UF	Semiannual	Semiannual	0.58%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2021	UF	Semiannual	Upon maturity	2.24%	3.80%
93.007.000-9	SQM S.A.	Chile	563	P	01/15/2021	UF	Semiannual	Upon maturity	2.37%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06/01/2021	UF	Semiannual	Upon maturity	2.92%	3.45%

Effective rates of bonds in Pesos and UF are expressed and calculated in Dollars based on the flows agreed in Cross Currency Swap Agreements.

Company	Country	Series	Nominal amounts as of December 31, 2020			Carrying amounts of maturities as of December 31, 2020				
			Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Subtotal	Borrowing costs	Total
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Chile	MUS\$250	4,648	-	4,648	4,648	-	4,648	(433)	4,215
SQM S.A.	Chile	MUS\$300	-	2,658	2,658	-	2,658	2,658	(614)	2,044
SQM S.A.	Chile	MUS\$450	7,508	-	7,508	7,508	-	7,508	(679)	6,829
SQM S.A.	Chile	MUS\$400	-	2,869	2,869	-	2,869	2,869	(237)	2,632
SQM S.A.	Chile	H	18,212	-	18,212	18,212	-	18,212	(172)	18,040
SQM S.A.	Chile	O	962	-	962	962	-	962	(82)	880
SQM S.A.	Chile	P	1,824	-	1,824	1,824	-	1,824	(12)	1,812
SQM S.A.	Chile	Q	-	350	350	-	350	350	(21)	329
Total			33,154	5,877	39,031	33,154	5,877	39,031	(2,250)	36,781

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax I No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	04/21/2020	US\$	Semiannual	Upon maturity	0.43%	5.50%
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01/28/2020	US\$	Semiannual	Upon maturity	2.35%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04/03/2020	US\$	Semiannual	Upon maturity	1.42%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUS\$450	05/07/2020	US\$	Semiannual	Upon maturity	4.07%	4.25%
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2020	UF	Semiannual	Semiannual	1.36%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2020	UF	Semiannual	Upon maturity	2.41%	3.80%
93.007.000-9	SQM S.A.	Chile	563	P	01/15/2020	UF	Semiannual	Upon maturity	2.71%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06/01/2020	UF	Semiannual	Upon maturity	3.11%	3.45%

Company	Country	Series	Nominal amounts as of December 31, 2019			Carrying amounts of maturities as of December 31, 2019				
			Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Subtotal	Borrowing costs	Total
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Chile	MUS\$250	-	252,674	252,674	-	252,674	252,674	(386)	252,288
SQM S.A.	Chile	MUS\$250	4,648	-	4,648	4,648	-	4,648	(433)	4,215
SQM S.A.	Chile	MUS\$300	-	2,658	2,658	-	2,658	2,658	(614)	2,044
SQM S.A.	Chile	MUS\$450	-	2,869	2,869	-	2,869	2,869	(679)	2,190
SQM S.A.	Chile	H	17,166	-	17,166	17,166	-	17,166	(139)	17,027
SQM S.A.	Chile	O	890	-	890	890	-	890	(67)	823
SQM S.A.	Chile	P	1,686	-	1,686	1,686	-	1,686	(12)	1,674
SQM S.A.	Chile	Q	-	323	323	-	323	323	(6)	317
Total			24,390	258,524	282,914	24,390	258,524	282,914	(2,336)	280,578

Effective rates of bonds in Pesos and UF are expressed and calculated in Dollars based on the flows agreed in Cross Currency Swap Agreements.

c) Classes of interest-bearing loans, non-current

The following table shows the details of bank loans as of December 31, 2020 and 2019:

Debtor			Creditor			Currency or adjustment index	Type of amortization	Effective rate	Nominal rate
Tax ID No.	Company	Country	Tax ID No.	Financial institution	Country				
93.007.000-9	SQM S.A.	Chile	Foreign	Scotiabank Cayman	USA	USD	Maturity	1.98%	1.36%

Debtor		Creditor		Nominal non-current maturities as of December 31, 2020				Carrying amounts of maturities as of December 31, 2020				
Company	Financial institution	Between 1 and 2	Between 2 and 3	Between 3 and 4	Total	Between 1 and 2	Between 2 and 3	Between 3 and 4	Subtotal	Costs of obtaining loans	Total	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Scotiabank Cayman	-	70,000	-	70,000	-	70,000	-	70,000	(624)	69,376	
Total		-	70,000	-	70,000	-	70,000	-	70,000	(624)	69,376	

Debtor			Creditor			Currency or adjustment index	Type of amortization	Effective rate	Nominal rate
Tax ID No.	Company	Country	Tax ID No.	Financial institution	Country				
93.007.000-9	SQM S.A.	Chile	Foreign	Scotiabank Cayman	USA	USD	Maturity	2.84%	3.01%

Debtor		Creditor		Nominal non-current maturities as of December 31, 2019					Carrying amounts of maturities as of December 31, 2019				
Company	Financial institution	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Costs of obtaining loans	Total		
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
SQM S.A.	Scotiabank Cayman	-	-	70,000	70,000	-	-	70,000	70,000	(862)	69,138		
Total		-	-	70,000	70,000	-	-	70,000	70,000	(862)	69,138		

d) Non-current unsecured interest-bearing bonds

The following table shows the details of “unsecured debentures that accrue non-current interest” as of December 31, 2020, and 2019:

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax ID No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01/28/2025	US\$	Semiannual	Upon maturity	4.08%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04/03/2023	US\$	Semiannual	Upon maturity	3.43%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUS\$450	05/07/2029	US\$	Semiannual	Upon maturity	4.18%	4.25%
93.007.000-9	SQM S.A.	Chile	-	MUS\$400	01/22/2050	US\$	Semiannual	Upon maturity	4.22%	4.25%
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	4.76%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.68%	3.80%
93.007.000-9	SQM S.A.	Chile	563	P	01/15/2028	UF	Semiannual	Upon maturity	3.24%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06/01/2038	UF	Semiannual	Upon maturity	3.43%	3.45%

Series	Nominal non-current maturities as of December 31, 2020						Carrying amounts of maturities as of December 31, 2020								
	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Subtotal	Bond issuance costs	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
MUS\$250	-	-	-	250,000	-	250,000	-	-	-	250,000	-	250,000	(1,336)	248,664	
MUS\$300	-	300,000	-	-	-	300,000	-	300,000	-	-	-	300,000	(781)	299,219	
MUS\$450	-	-	-	-	450,000	450,000	-	-	-	-	450,000	450,000	(5,020)	444,980	
MUS\$400	-	-	-	-	400,000	400,000	-	-	-	-	400,000	400,000	(6,582)	393,418	
H	-	-	-	-	126,386	126,386	-	-	-	-	126,386	126,386	(1,378)	125,008	
O	-	-	-	-	61,334	61,334	-	-	-	-	61,334	61,334	(904)	60,430	
P	-	-	-	-	122,668	122,668	-	-	-	-	122,668	122,668	(77)	122,591	
Q	-	-	-	-	122,668	122,668	-	-	-	-	122,668	122,668	(352)	122,316	
Total	-	300,000	-	250,000	1,283,056	1,833,056	-	300,000	-	250,000	1,283,056	1,833,056	(16,430)	1,816,626	

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax ID No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01/28/2025	US\$	Semiannual	Upon maturity	4.08%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04/03/2023	US\$	Semiannual	Upon maturity	3.43%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUS\$450	05/07/2029	US\$	Semiannual	Upon maturity	4.19%	4.25%
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	4.78%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.70%	5.50%
93.007.000-9	SQM S.A.	Chile	563	P	01/15/2028	UF	Semiannual	Upon maturity	3.24%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06/01/2038	UF	Semiannual	Upon maturity	3.45%	3.45%

Series	Nominal non-current maturities as of December 31, 2019						Carrying amounts of maturities as of December 31, 2019								
	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Subtotal	Bond issuance costs	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
MUS\$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(1,514)	248,486	
MUS\$300	-	-	300,000	-	-	300,000	-	-	300,000	-	-	300,000	(1,393)	298,607	
MUS\$450	-	-	-	-	450,000	450,000	-	-	-	-	450,000	450,000	(5,923)	444,077	
H	13,749	13,749	13,749	13,749	75,621	130,617	13,749	13,749	13,749	13,749	75,621	130,617	(1,253)	129,364	
O	-	-	-	-	56,715	56,715	-	-	-	-	56,715	56,715	(811)	55,904	
P	-	-	-	-	113,430	113,430	-	-	-	-	113,430	113,430	(89)	113,341	
Q	-	-	-	-	113,430	113,430	-	-	-	-	113,430	113,430	(101)	113,329	
Total	13,749	13,749	313,749	13,749	1,059,196	1,414,192	13,749	13,749	313,749	13,749	1,059,196	1,414,192	(11,084)	1,403,108	

e) Additional information**Bonds**

As of December 31, 2020 and December 31, 2019, the details of each issuance are as follows:

(i) Series “H” bonds

On January 13, 2009, the Company placed the Series H bond for UF 4,000,000 (ThUS\$ 139,216) at an annual interest rate of 4.9%, with a term of 21 years and amortizations of principal beginning in July, 2019.

On July 5, 2019, amortization of principal amounted to UF 181,818.18, (ThUS\$ 7,494) with an associated cross currency swap hedge income of ThUS\$ 439.

On January 5, 2020, amortization of principal amounted to UF 181,818.18. (ThUS\$ 6,787) with an associated cross currency swap hedge loss of ThUS\$ 268.

On July 5, 2020, amortization of principal amounted to UF 181,818.18. (ThUS\$ 6,509) with an associated cross currency swap hedge loss of ThUS\$ 546.

See more details in Note 21.1

For the periods ended December 31, 2020, and December 31, 2019, the Company has made the following payments with a charge to the Series H bonds and their associated CCS hedging:

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payments of interest, Series H bonds	6,601	7,868
CCS Coverage	2,575	1,952

(ii) Single series bonds, second issue MUS\$ 250

On April 21, 2010, the Company informed the CMF of its placement in international markets of an unsecured bond of ThUS\$ 250,000, pursuant to Rule 144 -A and Regulation S of the Securities and Exchange Commission with a maturity of 10 years with an annual interest rate of 5.5%.

The Company paid the principal on April 21, 2020.

For the periods ended December 31, 2020 and December 31, 2019, the detail of payments charged to the line of single series bonds, second issue is as follows

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Interest payment	6,875	13,750

(iii) Series “O” bonds

On April 4, 2012, the Company issued “Series O” for UF 1,500,000 (ThUS\$ 69,901) at a term of 21 years with a single payment at the maturity of the term and an annual interest rate of 3.80%.

See more details in Note 21.1

For the periods ended December 31, 2020, and December 31, 2019, the Company has made the following payments with a charge to Series O bonds and their associated CCS hedging:

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payment of interest, Series O bonds	2,070	2,308
CCS Coverage	599	354

(iv) Single series bonds, third issue MUS\$ 300

On April 3, 2013, the Company issued a non-secured bond in the United States with a value of US\$ 300 million. pursuant to Rule 144-A and Regulation S of the SEC. The bond is for a 10-year term with an annual coupon rate of 3.625%.

For the periods ended 31, 2020, and December 31, 2019, the following payments have been made with a debit to the line of single-series bonds, third issue:

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payment of interest	10,875	10,875

(v) Single series bonds, fourth issuance MUS \$250

On October 23, 2014, the Company issued unsecured bonds amounting ThUS\$ 250,000 in international markets, pursuant to Rule 144-A and Regulation S of the Securities and Exchange Commission. These bonds mature in 2025 and have annual interest rate of 4.375%.

For the periods ended on December 31, 2020 and December 31, 2019, the following payments have been made.

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payment of interest	10,938	10,938

(vi) Series "P" bonds

The Company on March 31, 2018 issued the placement on the stock market of the Series "P" bond (the "Bonds" Series P) with a value of UF 3,000,000, with a charge to the 10 year Bonds Line registered in the CMF Securities Registry under number 563.

The bonds Series P (i) mature on January 15, 2028; (ii) will accrue on the unpaid principal, expressed in UF, at an annual interest rate of 3.25% from January 15, 2018; and (iii) can be early redeemed by the Company starting from the date of placement, that was, as of April 5, 2018.

For the periods ended on December 31, 2020 and December 31, 2019, the following payments and their associated CCS have been made:

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payment of interest series P	3,534	3,960
CCS Coverage	3,439	2,995

(vii) Series Q bonds

On October 31, 2018, the issuance of Series Q bonds was authorized in the general stock market for the amount of UF 3,000,000, which were registered in the Securities Registry of your Commission on February 14, 2012 under number 700.

The bonds Series Q (i) mature on the first day of June 2038; (ii) will earn an interest rate of 3.45% per annum on the outstanding capital, expressed in Unidades de Fomento, from June 1, 2018 thereon; and (iii) may be early redeemed by the Company starting from the placement date, that was, as of November 8, 2018.

On November 8, 2018, all the Series Q Bonds have been placed and sold to Euroamerica S.A. for a total amount of \$ 83,567,623,842, which was paid in full and in cash by Euroamerica S.A. to the Company.

See more details in Note 21.1

For the years ended December 31, 2020 and December 31, 2019, the following payments have been made:

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payment of interest series Q	3,769	3,791
CCS Coverage	1,021	-

(viii) Single series fifth issue bonds ThUS\$ 450,000

On May 7, 2019, the CMF was informed that the Company issued and placed unsecured bonds for ThUS\$ 450,000 pursuant to Rule 144-A and Regulation S of the Securities and Exchange Commission on international markets. These bonds will mature in 2029 and carry an interest rate of 4.25% per annum.

For the periods ended on December 31, 2020 and December 31, 2019, the following payments have been made:

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payment of interest	19,125	9,563

(ix) Single series sixth issue bonds MUS\$ 400

On January 22, 2020, the Company has placed unsecured bonds in international markets for US\$ 400 million, pursuant to Rule 144-A and Regulation S of the Securities and Exchange Commission, at an annual interest rate of 4.250% and a maturity in the year 2050.

Payments made	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Payment of interest	8,500	-

14.5 Trade and other payables

a) Details trade and other payables

Details trade and other payables	As of December 31, 2020			As of December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Accounts payable	203,346	-	203,346	205,414	-	205,414
Other accounts payable	587	-	587	376	-	376
Prepayments from customers	-	4,027	4,027	-	-	-
Total	203,933	4,027	207,960	205,790	-	205,790

As of December 31, 2020, and December 31, 2019, the balance of current and past due accounts payable is made up as follows:

Suppliers current on all payments

Type of Supplier	Amounts according to payment periods as of December 31, 2020						
	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	111,323	1,947	123	31	5	4,027	117,456
Services	46,187	1,380	16	757	86	-	48,426
Others	29,325	7	-	-	-	-	29,332
Total	186,835	3,334	139	788	91	4,027	195,214

Type of Supplier	Amounts according to payment periods as of December 31, 2019						
	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	126,577	4,655	128	116	2,019	-	133,495
Services	51,785	168	-	-	87	-	52,040
Others	8,741	146	-	-	-	-	8,887
Total	187,103	4,969	128	116	2,106	-	194,422

Suppliers past due on payments

Type of Supplier	Amounts according to payment periods as of December 31, 2020						
	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	1,305	59	47	39	517	-	1,967
Services	2,298	764	-	453	505	-	4,020
Others	3,258	150	371	118	2,275	-	6,172
Total	6,861	973	418	610	3,297	-	12,159

Type of Supplier	Amounts according to payment periods as of December 31 2019						
	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	2,086	264	35	65	1,060	-	3,510
Services	3,073	329	116	387	580	-	4,485
Others	1,918	45	311	215	508	-	2,997
Total	7,077	638	462	667	2,148	-	10,992

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of December 31, 2020, the Company has purchase orders amounting to ThUS\$ 55,516 and ThUS\$ 89,391 as of December 31, 2019.

14.6 Financial asset and liability categories

a) Financial Assets

Description of financial assets	As of December 31, 2020			As of December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalent	509,102	-	509,102	588,530	-	588,530
Trade receivables due from related parties at amortized cost	62,601	-	62,601	61,227	-	61,227
Financial assets measured at amortized cost	345,459	80	345,539	485,689	75	485,764
Loans and receivables measured at amortized cost	365,206	11,165	376,371	399,142	1,710	400,852
Total financial assets measured at amortized cost	1,282,368	11,245	1,293,613	1,534,588	1,785	1,536,373
Financial instruments for hedging purposes through equity	-	37,276	37,276	17,270	3,918	21,188
Financial instruments held for trading at through profit or loss	2,610	-	2,610	2,531	-	2,531
Financial assets classified as available for sale at fair value through equity	-	14,569	14,569	-	4,785	4,785
Total financial assets at fair value	2,610	51,845	54,455	19,801	8,703	28,504
Total financial assets	1,284,978	63,090	1,348,068	1,554,389	10,488	1,564,877

b) Financial Liabilities

Description of financial liabilities	As of December 31, 2020			As of December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
For hedging purposes through equity	26,699	13,511	40,210	7,183	16,477	23,660
Held for trading at fair value through profit or loss	5,393	-	5,393	3,168	-	3,168
Financial liabilities at fair value through profit or loss	32,092	13,511	45,603	10,351	16,477	26,828
Bank loans	82	69,376	69,458	199	69,138	69,337
Obligations to the public	36,781	1,816,626	1,853,407	280,578	1,403,108	1,683,686
Lease Liabilities	5,528	25,546	31,074	7,694	30,203	37,897
Trade and other payables	203,933	4,027	207,960	205,790	-	205,790
Trade payables due to related parties	606	-	606	475	-	475
Total financial liabilities at amortized cost	246,930	1,915,575	2,162,505	494,736	1,502,449	1,997,185
Total financial liabilities	279,022	1,929,086	2,208,108	505,087	1,518,926	2,024,013

14.7 Fair value measurement of finance assets and liabilities

The fair value hierarchy is detailed as follows:

- a) Level 1:** using quoted prices (unadjusted) only in active markets.
- b) Level 2:** when in any phase in the valuation process inputs other than quoted prices have been used in Level 1 that are observable directly in markets.
- c) Level 3:** inputs for the asset or liability that are not based on observable market data.

Fair value measurement of assets and liabilities	As of December 31, 2020			Measurement Methodology		
	Carrying Amount at Amortized Cost	Fair value (informative)	Book Value Fair value	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial Assets						
Cash and cash equivalents	509,102	509,102	-	-	509,102	-
Other current financial assets						
- Time deposits	345,459	345,459	-	-	345,459	-
- Derivative financial instruments						
- Forwards	-	-	2,263	-	2,263	-
- Options	-	-	347	-	347	-
Non-current accounts receivable	11,165	11,165	-	-	-	-
Other non-current financial assets:						
- Other	99	99	-	-	99	-
- Actions	-	-	14,549	14,549	-	-
- Hedging assets – Swaps	-	-	37,276	-	37,276	-
Other current financial liabilities						
- Bank loans	82	82	-	-	82	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	4,614	-	4,614	-
- Options	-	-	780	-	780	-
-Hedging liabilities – Swaps	-	-	5,695	-	5,695	-
-Inversions -Swaps	-	-	21,004	-	21,004	-
- Unsecured obligations	36,781	36,781	-	-	36,781	-
- Current lease liabilities	5,528	5,528	-	-	5,528	-
Other non-current financial liabilities						
- Bank loans	69,376	71,029	-	-	71,029	-
- Unsecured obligations	1,816,626	2,355,943	-	-	2,355,943	-
- Non-current hedging liabilities	-	-	13,511	-	13,511	-
- Non-current lease liabilities	25,546	26,027	-	-	26,027	-
Fair value measurement of assets and liabilities						
	As of December 31, 2019			Measurement methodology		

	Carrying Amount at Amortized Cost	Fair value (informative)	Book Value Fair value	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial Assets						
Cash and cash equivalents	588,530	588,530	-	-	588,530	-
Other current financial assets:						
- Time deposits	485,689	485,689	-	-	485,689	-
-Derivative financial instruments	-	-	-	-	-	-
- Forwards	-	-	2,420	-	2,420	-
- Options	-	-	111	-	111	-
-Investment hedge swaps	-	-	17,270	-	17,270	-
Non-current accounts receivable	1,710	1,710	-	-	-	-
Other non-current financial assets						
- Other	94	94	-	-	94	-
- Actions	-	-	4,785	4,785	-	-
- Hedging assets – Swaps	-	-	3,918	-	3,918	-
Other current financial liabilities						
- Bank loans	199	199	-	-	199	-
-Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	2,837	-	2,837	-
- Options	-	-	289	-	289	-
- Hedging liabilities – Swaps	-	-	7,183	-	7,183	-
- Unsecured obligations	280,578	280,578	-	-	280,578	-
-Current lease liabilities	7,694	7,694	-	-	7,694	-
Other non-current financial liabilities:						
- Bank loans	69,138	71,033	-	-	71,033	-
- Unsecured obligations	1,403,108	1,658,506	-	-	1,658,506	-
- Non-current hedging liabilities	-	-	16,477	-	16,477	-
- Non-current lease liabilities	30,203	33,187	-	-	33,187	-

14.8 Estimated fair value of financial instruments

As required by IFRS 7, the following information is presented for the disclosure of the estimated fair value of financial assets and liabilities.

Although inputs represent Management's best estimate, they are subjective and involve significant estimates related to the current economic and market conditions, as well as risk features.

Methodologies and assumptions used depend on the risk terms and characteristics of instruments and include the following as a summary:

Estimate of fair value for the record

Financial assets and liabilities measured at fair value consist of forwards hedging the mismatch in the balance sheet and cash flows, options hedging the mismatch in the balance sheet and cross currency swaps to hedge bonds issued in local currency (Peso/UF).

The fair value of the Company's assets and liabilities recognized by cross currency swaps contracts is calculated as the difference between the present value of discounted cash flows of the asset (Ch/UF) and liability (US\$) parts of the derivative. In the case of the IRS, the asset value recognized is calculated as the difference between the discounted cash flows of the asset (variable rate) and liability (fixed rate) parts of the derivative. Forwards are calculated as the difference between the strike price of the contract and the spot price plus the forwards points at the date of the contract. Financial options: the value recognized is calculated using the Black-Scholes method.

In the case of CCS, the entry data used for the valuation models are UF, Peso, Dollar and basis swap rates. In the case of fair value calculations for interest rate swaps, the Forward Rate Agreement rate and ICVS 23 Curve (Bloomberg: cash/deposits rates, futures, swaps). In the case of forwards, the forwards curve for the currency in question is used. Finally, for options, the spot price, risk-free rate and volatility of exchange rate are used, all in accordance with the currencies used in each valuation. The financial information used as entry data for the Company's valuation models is obtained from Bloomberg, the well-known financial software company. Conversely, the fair value provided by the counterparties of derivatives contracts is used only as a control and not for valuation.

The effects on profit or loss of movements in these amounts is recognized in the caption finance costs, foreign currency translation gain (loss) or cash flow hedge reserve in the statement of comprehensive income, depending on each particular case.

Estimate of fair value for reporting purposes

- Cash equivalent approximates fair value due to the short-term maturities of these instruments.
- The fair value of trade receivables, current is considered to be equal to the carrying amount due to the maturity of such accounts at short-term.
- Payables, current lease liabilities and other current financial liabilities are considered fair value equal to book value due to the short-term maturity of these accounts.
- The fair value of the debt (long-term secured and unsecured debentures; bonds denominated in local currency (Peso/UF) and foreign currency (Dollar), loans denominated in foreign currency (Dollar) and lease liabilities of the Company are calculated at current value of cash flows subtracted from market rates upon valuation, considering the terms of maturity and exchange rates. The UF and Peso rate curves are used as inputs for the valuation model. This information is obtained through from the renowned financial software company, Bloomberg, and the Chilean Association of Banks and Financial Institutions.

Nota 15 Right-of-use assets and Lease liabilities

15.1 Right-of-use assets

Reconciliation of changes in right-of-use assets as of December 31, 2020, net value	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Office equipment	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Constructions in progress	Machinery, plant and equipment	Buildings, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	-	25,742	-	3,356	-	-	-	-	-	-	-	8,066	37,164
Additions	-	1,782	-	-	-	-	-	-	-	-	-	121	1,903
Depreciation expenses	-	(3,535)	-	(877)	-	-	-	-	-	-	-	(4,019)	(8,431)
Other increases / decreases	-	(612)	-	-	-	-	-	-	-	-	-	-	(612)
Total changes	-	(2,365)	-	(877)	-	-	-	-	-	-	-	(3,898)	(7,140)
Closing balance	-	23,377	-	2,479	-	-	-	-	-	-	-	4,168	30,024

Reconciliation of changes in right-of-use assets as of December 31, 2019, net value	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Office equipment	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Constructions in progress	Machinery, plant and equipment	Buildings, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial recognition of IFRS 16	-	29,289	-	3,893	-	-	-	-	-	-	-	11,933	45,115
Balance recognized in IFRS 16	-	29,289	-	3,893	-	-	-	-	-	-	-	11,933	45,115
Depreciation expenses	-	(3,547)	-	(537)	-	-	-	-	-	-	-	(3,867)	(7,951)
Total changes	-	(3,547)	-	(537)	-	-	-	-	-	-	-	(3,867)	(7,951)
Closing balance	-	25,742	-	3,356	-	-	-	-	-	-	-	8,066	37,164

The Company's lease activities included the following aspects:

- The nature of the Company's lease activities is related to contracts focused primarily on business operations, mainly rights-of-use to equipment and real estate,
- The Company does not estimate any significant future cash outflows that would potentially expose the Company, and these are likewise not reflected in the measurement of lease liabilities, related to concepts such as: (i) Variable lease payments, (ii) Expansion options and termination options, (iii) Guaranteed residual value and (iv) Leases not yet undertaken but committed by the Company.
- These are not subject to restrictions or agreements imposed by contracts.

There were no sales transactions with leases later in the period.

15.2 Lease liabilities

Lease liabilities	As of December 31, 2020		As of December 31, 2019	
	Current	Non-Current	Current	Non-Current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Lease liabilities	5,528	25,546	7,694	30,203
Total	5,528	25,546	7,694	30,203

i) Current and non-current lease liabilities

Debtor			Creditor			Contract indexation unit	Type of amortization	Maturity date	Effective rate
Tax ID No.	Company	Country	TAX ID No.	Supplier	Country				
79.626.800-K	SQM Salar S.A.	Chile	83.776.000-3	Empresa Constructora Contex Ltda	Chile	UF	Monthly	03-31-2021	0%
79.626.800-K	SQM Salar S.A.	Chile	76.146.110-9	Transportes, Construcción y Servicios Cribach Ltda	Chile	Peso	Monthly	09-01-2020	8.93%
79.626.800-K	SQM Salar S.A.	Chile	76.065.017-K	SKM Industrial Ltda.	Chile	Peso	Monthly	06-01-2022	8.93%
79.626.800-K	SQM Salar S.A.	Chile	96.862.140-8	Ameco Chile S.A.	Chile	Peso	Monthly	04-24-2021	4.07%
79.947.100-0	SQM Industrial S.A.	Chile	96.856.400-5	El Trovador S.A.	Chile	UF	Monthly	02-08-2030	3.10%
79.947.100-0	SQM Industrial S.A.	Chile	76.976.580-8	Sociedad Comercial Grandleasing Chile Ltda	Chile	UF	Monthly	08-26-2024	2.72%
79.768.170-9	Soquimich Comercial S.A.	Chile	76.729.932-K	SAAM Logistics S.A.	Chile	UF	Monthly	08-01-2022	0.81%
79.768.170-9	Soquimich Comercial S.A.	Chile	91.577.000-2	Muelles de Penco S.A.	Chile	UF	Monthly	07-06-2023	1.30%
79.768.170-9	Soquimich Comercial S.A.	Chile	91.577.000-2	Muelles de Penco S.A.	Chile	UF	Monthly	07-06-2023	1.30%
79.768.170-9	Soquimich Comercial S.A.	Chile	76.722.280-7	Inmobiliaria Chincui SPA	Chile	UF	Monthly	05-01-2028	3.38%
79.768.170-9	Soquimich Comercial S.A.	Chile	96.565.580-8	Compañía de Leasing Tattersall S.A.	Chile	UF	Monthly	05-24-2021	6.18%
Foreign	SQM North America Corp.	USA	Foreign	Paces West LL.	USA	Dollar	Monthly	12-31-2027	3.36%
Foreign	SQM North America Corp.	USA	Foreign	Hawkins Nunnumber One, LLC	USA	Dollar	Monthly	08-31-2024	3.33%
Foreign	SQM Comercial de México S.A. de C.V.	Mexico	Foreign	Onni Ensenada S.A. de C.V.	Mexico	Dollar	Monthly	12-03-2026	3.45%
Foreign	SQM Comercial de México S.A. de C.V.	Mexico	Foreign	Madol Inmobiliaria S.A. de C.V.	Mexico	Mexican Peso	Monthly	10-31-2023	7.84%
Foreign	SQM Comercial de México S.A. de C.V.	Mexico	Foreign	Madol Inmobiliaria S.A. de C.V.	Mexico	Mexican Peso	Monthly	10-31-2023	7.84%
Foreign	SQM Europe N.V.	Belgium	Foreign	Straatsburgdok N.V.	Belgium	Euro	Monthly	03-31-2027	1.30%
Foreign	SQM Australia PTY	Australia	Foreign	The trust Company (Australia) Pty Ltd	Australia	Australian dollar	Monthly	01-31-2021	3.60%

(a) As of December 31, 2020 and December 31, 2019, current lease liabilities are analyzed as follows:

Debtor	Creditor	Nominal amounts as of December 31,2020			Amounts at amortized cost as of December 31, 2020		
		Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Salar S.A.	Empresa Constructora Contex Ltda	536	-	536	536	-	536
SQM Salar S.A.	Transportes, Construcción y Servicios Cribach Ltda	-	-	-	-	-	-
SQM Salar S.A.	SKM Industrial Ltda.	202	607	809	181	566	747
SQM Salar S.A.	Ameco Chile S.A.	135	-	135	134	-	134
SQM Industrial S.A.	El Trovador S.A.	466	1,399	1,865	353	1,076	1,429
SQM Industrial S.A.	Sociedad Comercial Grandleasing Chile Ltda	180	540	720	164	498	662
Soquimich Comercial S.A.	SAAM Logistics S.A.	-	-	-	-	-	-
Soquimich Comercial S.A.	Muelles de Penco S.A.	41	124	165	54	107	161
Soquimich Comercial S.A.	Muelles de Penco S.A.	44	133	177	57	115	172
Soquimich Comercial S.A.	Inmobiliaria Chincui SPA	157	471	628	123	376	499
Soquimich Comercial S.A.	Compañía de Leasing Tattersall S.A.	55	18	73	54	18	72
SQM North America Corp.	Paces West LL.	53	163	216	41	128	169
SQM North America Corp.	Hawkins Nunmber One, LLC	31	96	127	28	85	113
SQM Comercial de México S.A. de C.V.	Onni Ensenada S.A. de C.V.	99	296	395	81	246	327
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	20	59	79	16	49	65
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	7	21	28	6	18	24
SQM Europe N.V.	Straatsburgdok N.V.	91	302	393	83	279	362
SQM Australia PTY	The trust Company (Australia) Pty Ltd	14	42	56	14	42	56
Total		2,131	4,271	6,402	1,925	3,603	5,528

Debtor	Creditor	Nominal amounts as of December 31, 2019			Amounts at amortized cost as of December 31, 2019		
		Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Salar S.A.	Empresa Constructora Contex Ltda	554	1,662	2,216	506	1,578	2,084
SQM Salar S.A.	Transportes, Construcción y Servicios Cribach Ltda	74	124	198	71	121	192
SQM Salar S.A.	SKM Industrial Ltda.	202	607	809	166	519	685
SQM Salar S.A.	Ameco Chile S.A.	135	404	539	129	394	523
SQM Industrial S.A.	El Trovador S.A.	466	1,399	1,865	343	1,044	1,387
SQM Industrial S.A.	Sociedad Comercial Grandleasing Chile Ltda	180	540	720	159	485	644
Soquimich Comercial S.A.	SAAM Logistics S.A.	106	142	248	103	140	243
Soquimich Comercial S.A.	Muelles de Penco S.A.	45	60	105	44	59	103
Soquimich Comercial S.A.	Muelles de Penco S.A.	48	64	112	47	64	111
Soquimich Comercial S.A.	Inmobiliaria Chincui SPA	157	471	628	119	363	482
Soquimich Comercial S.A.	Compañía de Leasing Tattersall S.A.	55	164	219	51	157	208
SQM North America Corp.	Paces West LL.	49	156	205	34	116	150
SQM North America Corp.	Hawkins Nunmber One, LLC	31	93	124	26	81	107
SQM Comercial de México S.A. de C.V.	Onni Ensenada S.A. de C.V.	99	296	395	78	238	316
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	20	59	79	15	46	61
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	7	21	28	5	16	21
SQM Europe N.V.	Straatsburgdok N.V.	91	273	364	82	247	329
SQM Australia PTY	The trust Company (Australia) Pty Ltd	16	32	48	16	32	48
Total		2,335	6,567	8,902	1,994	5,700	7,694

As of December 31, 2020 and December 31, 2019, the Non-current lease liabilities are analyzed as follows:

Debtor	Creditor	Nominal amounts as of December 31, 2020				Amounts at amortized cost as of December 31, 2020			
		1-2 Years	2-3 Years	3-4 Years	Total	1-2 Years	2-3 Years	3-4 Years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Salar S.A.	Empresa Constructora Contex Ltda	-	-	-	-	-	-	-	-
SQM Salar S.A.	Transportes, Construcción y Servicios Cribach Ltda	-	-	-	-	-	-	-	-
SQM Salar S.A.	SKM Industrial Ltda.	337	-	-	337	330	-	-	330
SQM Salar S.A.	Ameco Chile S.A.	-	-	-	-	-	-	-	-
SQM Industrial S.A.	El Trovador S.A.	3,730	5,594	5,905	15,229	2,993	4,847	5,622	13,462
SQM Industrial S.A.	Sociedad Comercial Grandleasing Chile Ltda	1,441	420	-	1,861	1,379	417	-	1,796
Soquimich Comercial S.A.	SAAM Logistics S.A.	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	Muelles de Penco S.A.	262	-	-	262	163	96	-	259
Soquimich Comercial S.A.	Muelles de Penco S.A.	281	-	-	281	175	103	-	278
Soquimich Comercial S.A.	Inmobiliaria Chincui SPA	1,255	1,883	889	4,027	1,047	1,707	867	3,621
Soquimich Comercial S.A.	Compañía de Leasing Tattersall S.A.	-	-	-	-	-	-	-	-
SQM North America Corp.	Paces West LL.	452	730	258	1,440	377	668	253	1,298
SQM North America Corp.	Hawkins Nunmber One, LLC	263	90	-	353	249	89	-	338
SQM Comercial de México S.A. de C.V.	Onni Ensenada S.A. de C.V.	789	1,151	-	1,940	689	1,094	-	1,783
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	144	-	-	144	133	-	-	133
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	52	-	-	52	48	-	-	48
SQM Europe N.V.	Straatsburgdok N.V.	816	1,339	113	2,268	768	1,308	113	2,189
SQM Australia PTY	The trust Company (Australia) Pty Ltd	11	-	-	11	11	-	-	11
Total		9,833	11,207	7,165	28,205	8,362	10,329	6,855	25,546

Debtor	Creditor	Nominal amounts as of December 31, 2019				Amounts at amortized cost as of December 31, 2019			
Company	Supplier	1-2 Years	2-3 Years	3-4 Years	Total	1-2 Years	2-3 Years	3-4 Years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Salar S.A.	Empresa Constructora Contex Ltda	554	-	-	554	547	-	-	547
SQM Salar S.A.	Transportes, Construcción y Servicios Cribach Ltda	-	-	-	-	-	-	-	-
SQM Salar S.A.	SKM Industrial Ltda.	1,147	-	-	1,147	1,077	-	-	1,077
SQM Salar S.A.	Ameco Chile S.A.	135	-	-	135	134	-	-	134
SQM Industrial S.A.	El Trovador S.A.	3,730	5,594	7,373	16,697	2,903	4,701	7,287	14,891
SQM Industrial S.A.	Sociedad Comercial Grandleasing Chile Ltda	1,441	1,141	-	2,582	1,342	1,115	-	2,457
Soquimich Comercial S.A.	SAAM Logistics S.A.	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	Muelles de Penco S.A.	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	Muelles de Penco S.A.	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	Inmobiliaria Chincui SPA	1,255	1,883	1,464	4,602	1,013	1,651	1,455	4,119
Soquimich Comercial S.A.	Compañía de Leasing Tattersall S.A.	73	-	-	73	72	-	-	72
SQM North America Corp.	Paces West LL.	439	709	508	1,656	351	627	492	1,470
SQM North America Corp.	Hawkins Nunmber One, LLC	257	224	-	481	234	217	-	451
SQM Comercial de México S.A. de C.V.	Onni Ensenada S.A. de C.V.	789	1,184	362	2,335	665	1,088	356	2,109
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	157	65	-	222	135	63	-	198
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	57	24	-	81	49	23	-	72
SQM Europe N.V.	Straatsburgdok N.V.	801	1,295	564	2,660	744	1,248	559	2,551
SQM Australia PTY	The trust Company (Australia) Pty Ltd	55	-	-	55	55	-	-	55
Total		10,890	12,119	10,271	33,280	9,321	10,733	10,149	30,203

Other lease disclosures

Total lease expenses related to lease payments were ThUS\$ 61,705 and ThUS\$ 56,051 for the periods ended December 31, 2020 and 2019. See Note 25.8.

Expenses related to variable payments not included in lease liabilities were MUS\$ 1,133 and MUS\$ 1,096 for the periods ending December 31, 2020 and 2019.

Income from subleases on right-of-use assets were ThUS\$ 176 and ThUS\$ 261 as of December 31, 2020 and 2019, respectively.

Payments for contractual operating leases are disclosed in Note 5.2 Liquidity Risk.

Note 16 Intangible assets and goodwill

16.1 Balances

As of December 31, 2020		
Intangible assets and goodwill	Useful life	Net Value
		ThUS\$
IT programs	Finite	4,826
Mining rights	Finite	150,046
Water rights and rights of way.	Indefinite	23,343
Customer-related intangible assets	Finite	-
Other intangible assets	Finite	192
Intangible assets other than goodwill		178,407
Goodwill	Indefinite	41,966
Total Intangible Asset		220,373

As of December 31, 2019		
Intangible assets and goodwill	Useful life	Net value
		ThUS\$
IT programs	Finite	6,011
Mining rights	Finite	157,570
Water rights and rights of way.	Indefinite	23,342
Customer-related intangible assets	Finite	1,273
Other intangible assets.	Finite	162
Intangible assets other than goodwill		188,358
Goodwill	Indefinite	34,726
Total Intangible Assets		223,084

a) Movements in identifiable intangible assets as of December 31, 2020:

Gross Value Movements in identifiable intangible assets	IT programs	Mining rights, Finite	Water rights, and rights of way, Indefinite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	34,471	158,337	25,423	1,778	2,188	38,120	260,317
Additions	508	2,295	-	-	72	7,380	10,255
Other increases / decreases for foreign currency exchange rates	5	-	1	-	-	-	6
Decreases through sale	-	(136)	-	-	-	-	(136)
Other increases (decreases)	297	-	-	-	14	-	311
Total increases (decreases)	810	2,159	1	-	86	7,380	10,436
Closing balance	35,281	160,496	25,424	1,778	2,274	45,500	270,753

Accumulated amortization and impairment Movements in identifiable intangible assets	IT programs	Mining rights, Finite	Water rights, and rights of way, Indefinite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	(28,460)	(767)	(2,081)	(505)	(2,026)	(3,394)	(37,233)
Other increases / decreases for foreign currency exchange rates	-	-	-	-	-	-	-
Other increases (decreases)	-	(2)	-	-	-	-	(2)
Impairment losses recognized in profit for the year	(14)	(654)	-	(990)	-	(140)	(1,798)
Amortization	(1,981)	(9,027)	-	(283)	(56)	-	(11,347)
Total increases (decreases)	(1,995)	(9,683)	-	(1,273)	(56)	(140)	(13,147)
Closing balance	(30,455)	(10,450)	(2,081)	(1,778)	(2,082)	(3,534)	(50,380)

Net value Movements in Identifiable intangible assets	IT programs	Mining rights, Finite	Water rights, and rights of way, Indefinite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	6,011	157,570	23,342	1,273	162	34,726	223,084
Additions	508	2,295	-	-	72	7,380	10,255
Amortization	(1,981)	(9,027)	-	(283)	(56)	-	(11,347)
Impairment losses recognized in profit for the year	(14)	(654)	-	(990)	-	(140)	(1,798)
Other increases / decreases for foreign currency exchange rates	5	-	1	-	-	-	6
Decreases through sale	-	(136)	-	-	-	-	(136)
Other increases (decreases)	297	(2)	-	-	14	-	309
Total increases (decreases)	(1,185)	(7,524)	1	(1,273)	30	7,240	(2,711)
Closing balance	4,826	150,046	23,343	-	192	41,966	220,373

Gross Value Movements in identifiable intangible assets	IT programs	Mining rights, Finite	Water rights, and rights of way, Indefinite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	29,137	159,424	25,425	1,778	2,165	38,120	256,049
Additions	2,606	227	-	-	23	-	2,856
Other increases / decreases of foreign currency	(7)	-	(2)	-	-	-	(9)
Decreases through sale	-	(1,314)	-	-	-	-	(1,314)
Other increases (decreases)	2,735	-	-	-	-	-	2,735
Total increases (decreases)	5,334	(1,087)	(2)	-	23	-	4,268
Closing balance	34,471	158,337	25,423	1,778	2,188	38,120	260,317

Movements in identifiable intangible assets as of December 31, 2019:

Accumulated amortization and impairment Movements in identifiable intangible assets	IT programs	Mining rights, Finite	Water rights, and rights of way, Indefinite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	(24,569)	(168)	(1,649)	(205)	(1,988)	(3,254)	(31,833)
Other increases / decreases of foreign currency	3	-	-	-	-	-	3
Other increases (decreases)	(256)	-	-	-	-	-	(256)
Impairment losses recognized in profit for the year	-	(481)	(432)	-	-	(140)	(1,053)
Amortization	(3,638)	(118)	-	(300)	(38)	-	(4,094)
Total increases (decreases)	(3,891)	(599)	(432)	(300)	(38)	(140)	(5,400)
Closing balance	(28,460)	(767)	(2,081)	(505)	(2,026)	(3,394)	(37,233)

Net value Movements in Identifiable intangible assets	IT programs	Mining rights, Finite	Water rights, and rights of way, Indefinite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	4,568	159,256	23,776	1,573	177	34,866	224,216
Additions	2,606	227	-	-	23	-	2,856
Amortization	(3,638)	(118)	-	(300)	(38)	-	(4,094)
Impairment losses recognized in profit or loss for the year	-	(481)	(432)	-	-	(140)	(1,053)
Other increases / decreases of foreign currency	(4)	-	(2)	-	-	-	(6)
Decreases through sale	-	(1,314)	-	-	-	-	(1,314)
Other increases (decreases)	2,479	-	-	-	-	-	2,479
Total increases (decreases)	1,443	(1,686)	(434)	(300)	(15)	(140)	(1,132)
Closing balance	6,011	157,570	23,342	1,273	162	34,726	223,084

(b) Movements in identifiable goodwill as of December 31, 2020:

Gross Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2020	Additional recognition	Impairment losses recognized in profit or loss for the year (-)	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	3,214	-	-	-	3,214
SQM S.A.	22,255	-	-	-	22,255
SQM Iberian S.A.	148	-	-	-	148
SQM Investment Corporation	86	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	320
Soquimich European Holding B.V.	11,373	10	-	10	11,383
SQM Holland B.V.	-	7,370	-	7,370	7,370
SQM Potasio S.A.	724	-	-	-	724
Total increases (decreases)	38,120	7,380	-	7,380	45,500
Closing balance	38,120	7,380	-	7,380	45,500

Accumulated impairment Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2020	Additional recognition	Impairment losses recognized in profit or loss for the year (-)	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	(3,214)	-	-	-	(3,214)
SQM S.A.	-	-	-	-	-
SQM Iberian S.A.	-	-	-	-	-
SQM Investment Corporation	-	-	-	-	-
Soquimich Comercial S.A.	(180)	-	(140)	(140)	(320)
Soquimich European Holding B.V.	-	-	-	-	-
SQM Holland B.V.	-	-	-	-	-
SQM Potasio S.A.	-	-	-	-	-
Total increases (decreases)	(3,394)	-	(140)	(140)	(3,534)
Closing balance	(3,394)	-	(140)	(140)	(3,534)

Net Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2020	Additional recognition	Impairment losses recognized in profit or loss for the year (-)	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	-	-	-	-	-
SQM S.A.	22,255	-	-	-	22,255
SQM Iberian S.A.	148	-	-	-	148
SQM Investment Corporation	86	-	-	-	86
Soquimich Comercial S.A.	140	-	(140)	(140)	-
Soquimich European Holding B.V.	11,373	10	-	10	11,383
SQM Holland B.V.	-	7,370	-	7,370	7,370
SQM Potasio S.A.	724	-	-	-	724
Total increases (decreases)	34,726	7,380	(140)	7,240	41,966
Closing balance	34,726	7,380	(140)	7,240	41,966

Movements in identifiable goodwill as of December 31, 2019

Gross Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Impairment losses recognized in profit or loss for the year (-)	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	3,214	-	-	-	3,214
SQM S.A.	22,255	-	-	-	22,255
SQM Iberian S.A.	148	-	-	-	148
SQM Investment Corporation	86	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	320
Soquimich European Holding B.V.	11,373	-	-	-	11,373
SQM Potasio S.A.	724	-	-	-	724
Total increases (decreases)	38,120	-	-	-	38,120
Closing balance	38,120	-	-	-	38,120

Accumulated impairment Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Impairment losses recognized in profit or loss for the year (-)	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	(3,214)	-	-	-	(3,214)
SQM S.A.	-	-	-	-	-
SQM Iberian S.A.	-	-	-	-	-
SQM Investment Corporation	-	-	-	-	-
Soquimich Comercial S.A.	(40)	-	(140)	(140)	(180)
Soquimich European Holding B.V.	-	-	-	-	-
SQM Potasio S.A.	-	-	-	-	-
Total increases (decreases)	(3,254)	-	(140)	(140)	(3,394)
Closing balance	(3,254)	-	(140)	(140)	(3,394)

Net Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Impairment losses recognized in profit or loss for the year (-)	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	-	-	-	-	-
SQM S.A.	22,255	-	-	-	22,255
SQM Iberian S.A.	148	-	-	-	148
SQM Investment Corporation	86	-	-	-	86
Soquimich Comercial S.A.	280	-	(140)	(140)	140
Soquimich European Holding B.V.	11,373	-	-	-	11,373
SQM Potasio S.A.	724	-	-	-	724
Total increases (decreases)	34,866	-	(140)	(140)	34,726
Closing balance	34,866	-	(140)	(140)	34,726

Note 17 Property, plant and equipment

As of December 31, 2020, and December 31, 2019, the detail of property, plant and equipment is as follows:

17.1 Types of property, plant and equipment

Description of types of property, plant and equipment	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Property, plant and equipment, net		
Land	23,579	23,620
Buildings	239,666	227,173
Other property, plant and equipment	35,418	32,645
Transport equipment	2,880	2,686
Supplies and accessories	4,183	4,579
Office equipment	459	420
Network and communication equipment	1,272	663
Mining assets	47,052	23,174
IT equipment	4,083	4,359
Energy generating assets	4,878	5,998
Constructions in progress	486,345	375,316
Machinery, plant and equipment	887,504	869,273
Total	1,737,319	1,569,906
Property, plant and equipment, gross		
Land	23,579	23,620
Buildings	705,089	666,027
Other property, plant and equipment	234,238	257,247
Transport equipment	13,030	12,143
Supplies and accessories	26,101	25,531
Office equipment	11,607	11,441
Network and communication equipment	8,951	8,009
Mining assets	194,562	161,619
IT equipment	29,629	28,693
Energy generating assets	38,540	38,495
Constructions in progress	486,345	375,316
Machinery, plant and equipment	3,304,061	3,142,461
Total	5,075,732	4,750,602
Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and impairment of buildings	(465,423)	(438,854)
Accumulated depreciation and impairment of other property, plant and equipment	(198,820)	(224,602)
Accumulated depreciation and impairment of transport equipment	(10,150)	(9,457)
Accumulated depreciation and impairment of supplies and accessories	(21,918)	(20,952)
Accumulated depreciation and impairment of office equipment	(11,148)	(11,021)
Accumulated depreciation and impairment of network and communication equipment	(7,679)	(7,346)
Accumulated depreciation and impairment of mining assets	(147,510)	(138,445)
Accumulated depreciation and impairment of IT equipment	(25,546)	(24,334)
Accumulated depreciation and impairment of energy generating assets	(33,662)	(32,497)
Accumulated depreciation and impairment of machinery, plant and equipment	(2,416,557)	(2,273,188)
Total	(3,338,413)	(3,180,696)

Description of classes of property, plant and equipment	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Property, plant and equipment, net		
Pumps	28,184	32,525
Conveyor Belt	20,117	21,911
Crystallizer	22,145	24,102
Plant Equipment	173,335	170,263
Tanks	15,367	14,159
Filter	35,553	27,080
Electrical equipment/facilities	93,937	92,090
Other Property, Plant & Equipment	49,930	53,409
Site Closure	36,828	12,056
Piping	102,578	96,402
Well	226,347	238,670
Pond	41,906	41,319
Spare Parts (1)	41,277	45,287
Total	887,504	869,273

(1) Spare parts is presented net of provision. The reconciliation of the spare parts provision as of December 31, 2020 and 2019 is as follows:

Reconciliation	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Opening balance	39,265	32,414
Increase in provisions	3,616	6,851
Closing balance	42,881	39,265

17.2 Conciliation of changes in property, plant and equipment by type:

Reconciliation of changes in property, plant and equipment by class as of December 31, 2020 and December 31, 2019:

Reconciliation of changes in property, plant and equipment by class as of December 31, 2020, gross amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	23,620	666,027	257,247	12,143	25,531	11,441	8,009	161,619	28,693	38,495	375,316	3,142,461	4,750,602
Additions	-	838	278	-	82	33	386	-	429	-	319,192	987	322,225
Disposals	-	-	(33,048)	-	(1)	-	-	-	-	-	-	(149)	(33,198)
Increase (decrease) in foreign currency translation difference	22	49	2	1	5	-	-	-	12	-	-	53	144
Reclassifications	-	32,179	9,940	886	488	133	558	32,943	548	45	(203,412)	125,692	-
Other increases (decreases)	(27)	5,996	(181)	-	(4)	-	(2)	-	(53)	-	(4,751)	35,017	35,995
Decreases for classification as held for sale	(36)	-	-	-	-	-	-	-	-	-	-	-	(36)
Total changes	(41)	39,062	(23,009)	887	570	166	942	32,943	936	45	111,029	161,600	325,130
Closing balance	23,579	705,089	234,238	13,030	26,101	11,607	8,951	194,562	29,629	38,540	486,345	3,304,061	5,075,732

Reconciliation of changes in property, plant and equipment by class as of December 31, 2020, accumulated depreciation	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(438,854)	(224,602)	(9,457)	(20,952)	(11,021)	(7,346)	(138,445)	(24,334)	(32,497)	-	(2,273,188)	(3,180,696)
Changes													
Disposals	-	-	33,048	-	1	-	-	-	-	-	-	148	33,197
Depreciation expense	-	(26,779)	(7,284)	(692)	(966)	(126)	(335)	(9,065)	(1,242)	(1,165)	-	(134,230)	(181,884)
Impairment	-	(23)	(21)	-	-	-	-	-	(12)	-	-	(9,507)	(9,563)
Increase (decrease) in foreign currency translation difference	-	(20)	(2)	(1)	(4)	(1)	-	-	(10)	-	-	(28)	(66)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) (1)	-	253	41	-	3	-	2	-	52	-	-	248	599
Decreases for classification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	-	(26,569)	25,782	(693)	(966)	(127)	(333)	(9,065)	(1,212)	(1,165)	-	(143,369)	(157,717)
Closing balance	-	(465,423)	(198,820)	(10,150)	(21,918)	(11,148)	(7,679)	(147,510)	(25,546)	(33,662)	-	(2,416,557)	(3,338,413)

Reconciliation of changes in property, plant and equipment by class as of December 31, 2020, net amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	23,620	227,173	32,645	2,686	4,579	420	663	23,174	4,359	5,998	375,316	869,273	1,569,906
Additions	-	838	278	-	82	33	386	-	429	-	319,192	987	322,225
Disposals	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Depreciation expense	-	(26,779)	(7,284)	(692)	(966)	(126)	(335)	(9,065)	(1,242)	(1,165)	-	(134,230)	(181,884)
Deterioration	-	(23)	(21)	-	-	-	-	-	(12)	-	-	(9,507)	(9,563)
Increase (decrease) in foreign currency translation difference	22	29	-	-	1	(1)	-	-	2	-	-	25	78
Reclassifications	-	32,179	9,940	886	488	133	558	32,943	548	45	(203,412)	125,692	-
Other increases (decreases) (1)	(27)	6,249	(140)	-	(1)	-	-	-	(1)	-	(4,751)	35,265	36,594
Decreases for classification as held for sale (2)	(36)	-	-	-	-	-	-	-	-	-	-	-	(36)
Total changes	(41)	12,493	2,773	194	(396)	39	609	23,878	(276)	(1,120)	111,029	18,231	167,413
Closing balance	23,579	239,666	35,418	2,880	4,183	459	1,272	47,052	4,083	4,878	486,345	887,504	1,737,319

(1) The net balance of “Other Increases (Decreases)” corresponds to all those items that are reclassified to or from “Property, Plant and Equipment”, They can have the following origin: (i) work in progress which is expensed to profit or loss, forming part of operating costs or other expenses per function, as appropriate; (ii) the variation representing the purchase and use of materials and spare parts; (iii) projects corresponding mainly to exploration expenditures and ground studies that are reclassified to the item other non-current financial assets; (iv) software that is reclassified to “Intangibles (v) Provisions related to the investment plan and assets related to closing the site.

(2) The Company classifies as non-current held for sale property, plant and equipment (disposal group) that, at the closing date of the financial statements, is subject to a commitment for sale or where the sales process has been initiated and where the sale is expected to occur within twelve months of that date, is classified by the Company as non-current assets held for sale. These assets or disposal groups are valued at the lower of carrying amount or the estimated sales value less the costs to sell and stop being amortized from the moment they are classified as non-current assets held for sale.

Reconciliation of changes in property, plant and equipment by class as of December 31, 2019, gross amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	24,695	648,719	245,731	11,668	24,456	11,377	7,505	132,309	29,955	36,930	207,830	3,068,862	4,450,037
Additions	-	290	332	-	37	43	159	-	492	-	314,236	6,077	321,666
Disposals	-	-	(858)	-	-	-	-	-	(3)	-	-	(17)	(878)
Increase (decrease) in foreign currency translation difference	(35)	(72)	(4)	(2)	(9)	(3)	-	-	(6)	-	-	(72)	(203)
Reclassifications	132	18,526	12,456	477	745	-	89	16,901	1,289	1,565	(140,104)	88,088	164
Other increases (decreases)	-	-	(410)	-	302	24	256	12,409	(3,034)	-	(6,646)	(20,477)	(17,576)
Decreases for classification as held for sale	(1,172)	(1,436)	-	-	-	-	-	-	-	-	-	-	(2,608)
Total changes	(1,075)	17,308	11,516	475	1,075	64	504	29,310	(1,262)	1,565	167,486	73,599	300,565
Closing balance	23,620	666,027	257,247	12,143	25,531	11,441	8,009	161,619	28,693	38,495	375,316	3,142,461	4,750,602

Reconciliation of changes in property, plant and equipment by class as of December 31, 2019, accumulated depreciation	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(409,911)	(217,556)	(8,776)	(19,734)	(10,864)	(6,813)	(120,808)	(24,975)	(30,813)	-	(2,144,964)	(2,995,214)
Changes													
Disposals	-	-	858	-	-	-	-	-	1	-	-	-	859
Depreciation expense	-	(29,000)	(8,013)	(683)	(1,144)	(161)	(426)	(7,033)	(1,158)	(1,676)	-	(138,999)	(188,293)
Impairment	-	(49)	-	-	-	-	-	-	-	-	-	-	(49)
Increase (decrease) in foreign currency translation difference	-	28	3	1	7	1	-	-	5	-	-	34	79
Reclassifications	-	7	(6)	1	6	-	1	-	(5)	-	-	(207)	(203)
Other increases (decreases) (1)	-	(209)	112	-	(87)	3	(108)	(10,604)	1,798	(8)	-	10,948	1,845
Decreases for classification as held for sale	-	280	-	-	-	-	-	-	-	-	-	-	280
Total changes	-	(28,943)	(7,046)	(681)	(1,218)	(157)	(533)	(17,637)	641	(1,684)	-	(128,224)	(185,482)
Closing balance	-	(438,854)	(224,602)	(9,457)	(20,952)	(11,021)	(7,346)	(138,445)	(24,334)	(32,497)	-	(2,273,188)	(3,180,696)

Reconciliation of changes in property, plant and equipment by class as of December 31, 2019, net amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	24,695	238,808	28,175	2,892	4,722	513	692	11,501	4,980	6,117	207,830	923,898	1,454,823
Additions	-	290	332	-	37	43	159	-	492	-	314,236	6,077	321,666
Disposals	-	-	-	-	-	-	-	-	(2)	-	-	(17)	(19)
Depreciation expense	-	(29,000)	(8,013)	(683)	(1,144)	(161)	(426)	(7,033)	(1,158)	(1,676)	-	(138,999)	(188,293)
Impairment	-	(49)	-	-	-	-	-	-	-	-	-	-	(49)
Increase (decrease) in foreign currency translation difference	(35)	(44)	(1)	(1)	(2)	(2)	-	-	(1)	-	-	(38)	(124)
Reclassifications	132	18,533	12,450	478	751	-	90	16,901	1,284	1,565	(140,104)	87,881	(39)
Other increases (decreases) (1)	-	(209)	(298)	-	215	27	148	1,805	(1,236)	(8)	(6,646)	(9,529)	(15,731)
Decreases for classification as held for sale (2)	(1,172)	(1,156)	-	-	-	-	-	-	-	-	-	-	(2,328)
Total changes	(1,075)	(11,635)	4,470	(206)	(143)	(93)	(29)	11,673	(621)	(119)	167,486	(54,625)	115,083
Closing balance	23,620	227,173	32,645	2,686	4,579	420	663	23,174	4,359	5,998	375,316	869,273	1,569,906

(1) The net balance of “Other increases (Decreases)” corresponds to all those items that are reclassified to or from property, plant and equipment, They can have the following origin: (i) work in progress which is expensed to profit or loss, forming part of operating costs or other expenses per function, as appropriate; (ii) the variation representing the purchase and use of materials and spare parts; (iii) projects corresponding mainly to exploration expenditures and ground studies that are reclassified to the item other non-current financial assets; (iv) software that is reclassified to “Intangibles”; (v) Provisions related to the investment plan and assets associated to closing the site.

(2) The Company classifies as non-current held for sale property, plant and equipment (disposal group) that, at the closing date of the financial statements, is subject to a commitment for sale or where the sales process has been initiated and where the sale is expected to occur within twelve months of that date, is classified by the Company as non-current assets held for sale.

These assets or disposal groups are valued at the lower of carrying amount or the estimated sales value less the costs to sell and stop being amortized from the moment they are classified as non-current assets held for sale.

17.3 Detail of property, plant and equipment pledged as guarantee

There are no restrictions in title or guarantees for compliance with obligations that affect property, plant and equipment.

17.4 Impairment of assets

As indicated in Note 3.16, the recoverable amounts of property, plant and equipment are evaluated when there is evidence that the asset may be impaired. The impairment effects for the periods ended December 31, 2020 and 2019 is ThUS\$ 9,563 and ThUS\$ 49 respectively.

17.5 Cost of capitalized interest, property, plant and equipment

The cost of interest is recognized by applying an average or average weighted interest rate for all financing costs incurred by the Company to the final monthly balances for works underway and complies with the requirements of IAS 23.

Financing costs are not activated for periods that exceed the normal term for acquisition, construction or installation of the property; such is the case for delays, interruptions or temporary suspension of the project due to technical, financial or other problems that make it impossible to leave the property in usable conditions.

The rates and costs for capitalized interest of property, plant and equipment are detailed as follows:

Costs of capitalized interest	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Capitalized interest rate	4%	4%
Amount of costs for interest capitalized in ThUS\$	8,462	7,841

Note 18 Other current and non-current non-financial assets

As of December 31, 2020, and December 31, 2019, the detail of “Other Current and Non-current Assets” is as follows:

Other non-financial assets, current	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Domestic Value Added Tax	18,107	17,807
Foreign Value Added Tax	7,785	8,566
Prepaid mining licenses	1,025	1,244
Prepaid insurance	10,307	7,135
Other prepayments	946	1,423
Refund of Value Added Tax to exporters	14,316	10,560
Other taxes	4,499	3,213
Other assets	414	604
Total	57,399	50,552

Other non-financial assets, non-current	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Exploration and evaluation expenses (1)	17,883	18,654
Guarantee deposits	731	551
Other assets	3,428	524
Total	22,042	19,729

(1) Reconciliation of changes in assets for exploration and mineral resource evaluation, by type.

Movements in assets for the exploration and evaluation of mineral resources as of December 31, 2020, and December 31, 2019:

Conciliation	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Opening balance	18,654	26,189
Change in assets for exploration and evaluation of mineral resources		
Additions	-	-
Short term reclassifications	(526)	(1,311)
Increase (decrease) due to transfers and other charges	(245)	(6,224)
Total changes	(771)	(7,535)
Total	17,883	18,654

As of the presentation date, no revaluations of assets for exploration and assessment of mineral resources have been conducted.

Mineral resource exploration and evaluation expenditure

Given the nature of operations of the SQM Group and the type of exploration it undertakes, disbursements for exploration can be found in 4 stages: Execution, economically feasible, not economically feasible and in exploitation:

(a) Execution: Disbursements for exploration and evaluation under implementation and therefore prior to determination of economic feasibility, are classified in accordance with Note 3.23.

For exploration purposes in Chile relating to caliche and brine exploration are ThUS\$ 14,265 and ThUS\$ 12,841 as of December 31, 2020 and December 31, 2019, respectively both are in the Property, Plant and Equipment caption as construction in progress.

For Australia (Mt Holland), total disbursements corresponding to construction in progress (which includes exploration disbursements) amount to ThUS\$ 50,127 as of December 31, 2020, and ThUS\$ 30,475 as of December 31, 2019.

(b) Economically feasible: Disbursements corresponding to caliche exploration, wherein the study concluded that its economic feasibility is viable, are classified under “Non-Current Assets in Other Non-current Non-Financial Assets”, The balance as of December 31, 2020, is ThUS\$ 6,576 and as of December 31, 2019, it is ThUS\$ 6,576.

At December 31, 2020, ThUS\$ 4,296 corresponding to advanced metallic exploration are also presented under the heading "Other Non-Current Non-Financial Assets", and as of December 31, 2019, it is ThUS\$ 3,433.

For the exploration of the Salar de Atacama, the associated assets correspond to wells that can be used both in monitoring and exploitation of the Salar, Therefore, once the studies are concluded, these are classified as “Non-current Assets” in “Properties, Plants and Equipment”, assigning them a technical useful life of 10 years.

(c) Not economically feasible: Exploration and evaluation disbursements, once finalized and concluded to be not economically feasible, will be charged to profit and loss. As of December 31, 2020, there were no disbursements for this concept and for the year ended December 31, 2019, there was a total of ThUS\$ 165 for this concept.

(d) In Exploitation: Caliche exploration disbursements that are found in this area are amortized based on the material exploited, the portion that is exploited in the following 12 months is presented as “Current Assets” in the “Process Inventories”, the remaining portion is classified as “Other Non-current Non-Financial Assets”.

As of December 31, 2020, the amount in “Process Inventories”, is ThUS\$ 1,318 and the balance as of December 31, 2019 for this concept is ThUS\$ 1,367, while in the item “Other Non-current Non-Financial Asset” as of December 31, 2020 is ThUS\$ 7,011 and as of December 31, 2019 is ThUS\$ 8,645.

Note 19 Employee benefits

19.1 Provisions for employee benefits

Classes of benefits and expenses by employee	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current		
Profit sharing and bonuses	7,770	-
Performance bonds and operational targets	1,326	16,387
Total	9,096	16,387
Non-current		
Profit sharing and bonuses	-	8,026
Severance indemnity payments	32,199	27,814
Total	32,199	35,840

19.2 Policies on defined benefit plan

This policy is applied to all benefits received for services provided by the Company's employees. This is divided as follows:

- a) Short-term benefits for active employees are represented by salaries, social welfare benefits, paid time off, sickness and other types of leave, profit sharing and incentives and non-monetary benefits; e.g., healthcare service, housing, subsidized or free goods or services. These will be paid in a term which does not exceed twelve months. The Company maintains incentive programs for its employees, which are calculated based on the net result at the close of each period by applying a factor obtained from an evaluation based on their personal performance, the Company's performance and other short-term and long-term indicators.
- b) Staff severance indemnities are agreed and payable based on the final salary, calculated in accordance with each year of service to the Company, with certain maximum limits in respect of either the number of years or in monetary terms. In general, this benefit is payable when the employee or worker ceases to provide his/her services to the Company and there are a number of different circumstances through which a person can be eligible for it, as indicated in the respective agreements; e.g. retirement, dismissal, voluntary retirement, incapacity or disability, death, etc. See Note 19.3.
- c) Obligations after employee retirement, described in Note 19.4.
- d) Retention bonuses for a group of Company executives, described in Note 19.6.

19.3 Other long-term benefits

The actuarial assessment method has been used to calculate the Company's obligations with respect to staff severance indemnities, which relate to defined benefit plans consisting of days of remuneration per year served at the time of retirement under conditions agreed in the respective agreements established between the Company and its employees.

Under this benefit plan, the Company retains the obligation to pay staff severance indemnities related to retirement, without establishing a separate fund with specific assets, which is referred to as *not funded*.

Benefit payment conditions

The staff severance indemnity benefit relates to remuneration days for years worked for the Company without a limit being imposed in regard of amount of salary or years of service. It applies when employees cease to work for the Company because they are made redundant or in the event of their death. This benefit is applicable up to a maximum age of 65 for men and 60 for women, which are the usual retirement ages according to the Chilean pensions system as established in Decree Law 3,500 of 1980.

(a) Methodology

The determination of the defined benefit obligation is made under the requirements of IAS 19 "Employee benefits".

19.4 Post-employment benefit obligations

Our subsidiary SQM NA, together with its employees established a pension plan until 2002 called the "SQM North America Retirement Income Plan". This obligation is calculated measuring the expected future forecast staff severance indemnity obligation using a net salary gradual rate of restatements for inflation, mortality and turnover assumptions, discounting the resulting amounts at present value using the interest rate defined by the authorities.

Since 2003, SQM NA offers to its employees benefits related to pension plans based on the 401-K system, which do not generate obligations for the Company.

Reconciliation	As of December 31, 2020	As of December 31, 2019
Changes in the benefit obligation	ThUS\$	ThUS\$
Benefit obligation at the beginning of the year	9,586	8,657
Service cost	-	-
Interest cost	280	336
Actuarial loss	506	984
Benefits paid	(508)	(391)
Total	9,864	9,586

Reconciliation	As of December 31, 2020	As of December 31, 2019
Changes in the plan assets	ThUS\$	ThUS\$
Fair value of plan assets at the beginning of the year	8,754	8,404
Actual return (loss) in plan assets	4,642	741
Benefits paid	(508)	(391)
Fair value of plan assets at the end of the year	12,888	8,754
Financing status	3,025	(832)
Items not yet recognized as net periodic pension cost components:		
Net actuarial loss at the beginning of the year	(3,634)	(3,022)
Amortization during the year	326	242
Net estimated gain or loss occurred during the year	3,500	(854)
Adjustment to recognize the minimum pension obligation	192	(3,634)

Service cost or benefits received during the year	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Service cost or benefits received during the year	-	-
Interest cost in benefit obligation	280	336
Actual return in plan assets	4,642	741
Amortization of prior year losses	326	242
Net gain during the year	3,500	(854)
Net periodic pension expense	(31)	(33)

19.5 Staff severance indemnities

As of December 31, 2020, and 2019, severance indemnities calculated at the actuarial value are as follows:

Staff severance indemnities	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Opening balance	(27,814)	(28,233)
Current cost of Service	(3,804)	(2,880)
Interest cost	(1,486)	(1,661)
Actuarial gain/loss	(2,826)	(2,514)
Exchange rate difference	(1,513)	2,475
Benefits paid during the year	5,244	4,999
Total	(32,199)	(27,814)

(a) Actuarial assumptions

The liability recorded for staff severance indemnity is valued at the actuarial value method, using the following actuarial assumptions:

Actuarial assumptions	As of December 31, 2020	As of December 31, 2019	Annual/Years
Mortality rate	RV - 2014	RV - 2014	
Actual annual interest rate	3.65%	3.68%	
Voluntary retirement rate:			
Men	6.49%	6.49%	Annual
Women	6.49%	6.49%	Annual
Salary increase	3.00%	3.00%	Annual
Retirement age:			
Men	65	65	Years
Women	60	60	Years

(b) Sensitivity analysis of assumptions

As of December 31, 2020, and 2019, the Company has conducted a sensitivity analysis of the main assumptions of the actuarial calculation, determining the following:

Sensitivity analysis as of December 31, 2020	Effect + 100 basis points	Effect - 100 basis points
	ThUS\$	ThUS\$
Discount rate	(1,985)	2,234
Employee turnover rate	(261)	291

Sensitivity analysis as of December 31, 2019	Effect + 100 basis points	Effect - 100 basis points
	ThUS\$	ThUS\$
Discount rate	(1,796)	2,021
Employee turnover rate	(236)	263

Sensitivity relates to an increase/decrease of 100 basis points.

19.6 Executive compensation plan

The Company currently has a compensation plan with the purpose of motivating the Company's executives and encouraging them to remain with the Company, by granting payments based on the change in the price of SQM's shares. There is a partial payment of the share benefit program in the event of termination of the contract for causes other than the resignation and application of Article 160 of the Labor Code.

(a) Plan characteristics

This compensation plan is related to the Company's performance through the SQM Series B share price (Santiago Stock Exchange).

(b) Plan participants

A total of 29 Company executives are entitled to this compensation plan, as long as they remain a part of the Company until a given date. This includes a 2020 bonus equivalent to 177,905 shares, which is effective for those people still with the Company through the end of 2020, and a 2021 bonus for US\$ 8.5 million, which will go into effect in equal parts for those who remain with the Company at the end of each of the four quarters in 2021. The payment dates, where relevant, will be during the quarter following the quarter when the benefit is made effective.

(c) Compensation

The compensation payable to each executive is calculated by multiplying:

- a) the average price of the series B shares on the Santiago Stock Exchange during the fourth quarter of 2020, in its US dollar equivalent (with a value of US\$ 41.93 per share).
- b) By a number equal to the quantity of shares that have been individually assigned to each executive included in the plan.

This compensation plan was approved by the Company's Board of Directors and its application started on September 30, 2020.

The plan that was in place on December 31, 2019 considered 427,652 shares. The effects on the income statement are equivalent to an expense of ThUS\$ 875 and ThUS\$ 117 in the income statement for the years ending December 31, 2020 and 2019

Executed shares during 2020 were 47,687.

Note 20 Provisions and other non-financial liabilities

20.1 Types of provisions

Types of provisions	As of December 31, 2020			As of December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for legal complaints (1)	8,905	1,260	10,165	13,472	1,452	14,924
Provision for dismantling, restoration and rehabilitation cost (2)	-	61,265	61,265	-	33,238	33,238
Other provisions (3)	95,261	92	95,353	97,093	-	97,093
Total	104,166	62,617	166,783	110,565	34,690	145,255

(1) These provisions correspond to legal processes that are pending resolution or that have not yet been disbursed, these provisions are mainly related to litigation involving the subsidiaries located in Chile, Brazil and the United States (see note 22.1).

(2) The commitments related to Sernageomin have been incorporated through the issuance of the guarantee for the restoration of the place where the production sites are located.

(3) See Note 20.2

20.2 Description of other provisions

Current provisions, other short-term provisions	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Rent under Lease contract (1)	85,167	90,320
Provision for additional tax related to foreign loans	740	543
End of agreement bonus	8,159	3,641
Directors' per diem allowance	698	1,802
Miscellaneous provisions	497	787
Total	95,261	97,093

(1) Payment Obligations for the lease contract with CORFO: These correspond to obligations assumed in the Lease Agreement. Our subsidiary SQM Salar holds exclusive rights to exploit the mineral resources in an area covering approximately 140,000 hectares of land in the Salar de Atacama in northern Chile, of which SQM Salar is only entitled to exploit the mineral resources in 81,920 hectares. These rights are owned by Corfo and leased to SQM Salar pursuant to the Lease Agreement. Corfo cannot unilaterally amend the Lease Agreement and the Project Agreement, and the rights to exploit the resources cannot be transferred. The Lease Agreement establishes that SQM Salar is responsible for making quarterly lease payments to Corfo according to specified percentages of the value of production of minerals extracted from the Salar de Atacama brines, maintaining Corfo's rights over the Mining Exploitation Concessions and making annual payments to the Chilean government for such concession rights. The Lease Agreement was entered into in 1993 and expires on December 31, 2030. On January 17, 2018, SQM and CORFO reached an agreement to end an arbitration process directed by the arbitrator, Mr. Héctor Humeres Noguer, in case 1954-2014 of the Arbitration and Mediation Center of Santiago Chamber of Commerce and other cases related to it.

The agreement signed in January 2018, includes important amendments to the lease agreement and project agreement signed between CORFO and SQM in 1993. The main modifications became effective on April 10, 2018 and requires an increase in the lease payments by increasing the lease rates associated with the sale of the different products produced in the Salar de Atacama, including lithium carbonate, lithium hydroxide and potassium chloride. This agreement has been amended since it was signed and it is reasonable to expect that it will continue to be amended as mutually agreed by the parties.

Additionally, SQM Salar commits to contribute to research and development efforts, as well as to the communities in close proximity to the Salar de Atacama and provide a percentage of total annual sales of SQM Salar to regional development.

SQM Salar commits to contribute between US\$10.8 million and US\$18.9 million per year to research and development efforts, between US\$10 to US\$15 million per year to the communities in close proximity to the Salar de Atacama, and 1.7% of total annual sales of SQM Salar to regional development.

20.3 Other non-financial liabilities, Current

Description of other liabilities	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Tax withholdings	1,208	3,345
VAT payable	1,642	3,465
Guarantees received	2,636	2,641
Accrual for dividend	8,027	68,890
Monthly tax provisional payments	8,407	16,659
Deferred income	6,435	3,033
Withholdings from employees and salaries payable	5,017	4,575
Accrued vacations (1)	24,003	21,686
Other current liabilities	3,580	2,605
Total	60,955	126,899

(1) Vacation benefit (short-term benefits to employees, current) is in line with the provisions established in Chile's Labor Code, which indicates that employees with more than a year of service will be entitled to annual vacation for a period of at least fifteen paid business days. The Company provides the benefit of two additional vacation days.

20.4 Changes in provisions

Description of items that gave rise to variations as of December 31, 2020	Legal complaints	Provision for dismantling, restoration and rehabilitation cost	Others provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	14,924	33,238	97,093	145,255
Changes				
Additional provisions	62,922	30,974	60,685	154,581
Provision used	(67,685)	-	(59,939)	(127,624)
Increase(decrease) in foreign currency exchange	4	-	(2,486)	(2,482)
Others	-	(2,947)	-	(2,947)
Total increase (decreases)	(4,759)	28,027	(1,740)	21,528
Total	10,165	61,265	95,353	166,783

Description of items that gave rise to variations as of December 31, 2019	Legal complaints	Provision for dismantling, restoration and rehabilitation cost	Others provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	14,862	28,822	94,335	138,019
Changes				
Additional provisions	4,111	-	150,314	154,425
Provision used	(4,049)	-	(147,532)	(151,581)
Increase(decrease) in foreign currency exchange	-	-	(24)	(24)
Others	-	4,416	-	4,416
Total increase (decreases)	62	4,416	2,758	7,236
Total	14,924	33,238	97,093	145,255

Note 21 Disclosures on equity

The detail and movements in the funds of equity accounts are shown in the consolidated statement of changes in equity.

21.1 Capital management

The main object of capital management relative to the administration of the Company's financial debt and equity is to ensure the regular conduct of operations and business continuity in the long term, with the constant intention of maintaining an adequate level of liquidity and in compliance with the financial safeguards established in the debt contracts in force. Within this framework, decisions are made in order to maximize the value of the company.

Capital management must comply with, among others, the limits contemplated in the Financing Policy approved by the Shareholders' Meeting, which establish a maximum consolidated indebtedness level of 1.5 times the debt to equity ratio. This limit can be exceeded only if the Company's management has first obtained express approval at an Extraordinary Shareholders' Meeting.

Capital management must also comply with a debt ratio of less than 1.0, with respect to the series H, series O and series Q bonds. This ratio was redefined at the Bondholders' Meetings held in September 2020, as net financial debt divided by the company's total equity. Previously, it was defined as total liabilities divided by equity, and the limit for this ratio was 1.44, with a prepayment option for bondholders if this ratio was above 1.2. As of December 31, 2020, this ratio was 0.50.

The Company's management controls capital management based on the following ratios:

Capital Management	As of December 31, 2020	As of December 31, 2019	Description (1)	Calculation (1)
Net Financial Debt (ThUS\$)	1,074,020	681,912	Financial Debt – Financial Resources	Other current Financial Liabilities + Other Non-Current Financial Liabilities – Cash and Cash Equivalents – Other Current Financial Assets – Hedging Assets, non-current
Liquidity	5.40	3.45	Current Assets divided by Current Liabilities	Total Current Assets / Total Current Liabilities
ROE	7.79%	13.15%	Profit for the year divided by Total Equity	LTM ⁽²⁾ Profit for the year / Equity
Adjusted EBITDA (ThUS\$)	579,765	644,223	Adjusted EBITDA	Profit for the year + Depreciation and Amortization Expenses + Finance Costs + Income Tax – Other income and Share of profit of associates and joint ventures + Other expenses – Finance income – Currency differences
EBITDA (ThUS\$)	524,650	668,912	EBITDA	Profit for the year + Depreciation and Amortization Expenses + Finance Costs + Income Tax
ROA	9.83%	12.76%	Adjusted EBITDA – Depreciation divided by Total Assets net of financial resources less related parties' investments	(LTM Gross Profit – Administrative Expenses) / (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets – Other Non-Current Financial Assets – Equity-accounted Investments)
Indebtedness	0.50	0.32	Total Liabilities on Equity	Total Liabilities / Total Equity

(1) Assumes the absolute value of the accounting records with the exception of exchange differences.

The Company's capital requirements change according to variables such as: working capital needs, new investment financing and dividends, among others. The SQM Group manages its capital structure and makes adjustments based on the predominant economic conditions so as to mitigate the risks associated with adverse market conditions and take advantage of the opportunities there may be to improve the liquidity position of the SQM Group.

There have been no changes in the capital management objectives or policy within the years reported in this document, no breaches of external requirements of capital imposed have been recorded. There are no contractual capital investment commitments.

21.2 Disclosures on preferred share capital

Issued share capital is divided into 142,819,552 Series A shares and 120,376,972 Series B shares. All such shares are nominative, have no par value and are fully issued, subscribed and paid.

Series B shares may not exceed 50% of the total issued, subscribed and paid-in shares of the Company and have a limited voting right, in that all of them can only elect one director of the Company, regardless of their equity interest and preferences:

- (a) require the calling of an Ordinary or Extraordinary Shareholders' Meeting when so requested by Series B shareholders representing at least 5% of the issued shares thereof; and
- (b) require the calling of an extraordinary meeting of the board of directors, without the president being able to qualify the need for such a request, when so requested by the director who has been elected by the shareholders of said Series B.

The limitation and preferences of Series B shares have a duration of 50 consecutive and continuous years as of June 3, 1993.

The Series A shares have the preference of being able to exclude the director elected by the Series B shareholders in the voting process in which the president of the board of directors and of the Company must be elected and which follows the one in which the tie that allows such exclusion resulted.

The preference of the Series A shares will have a term of 50 consecutive and continuous years as of June 3, 1993. The form of the titles of the shares, their issuance, exchange, disablement, loss, replacement, assignment and other circumstances thereof shall be governed by the provisions of Law No. 18,046 and its regulations.

At December 31, 2020 and December 31, 2019, the Group does not hold shares of the Parent Company either directly or through its investees.

Detail of capital classes in shares:

As of December 31, 2020, and December 31, 2019, the Company has not placed any new shares issues on the market

Type of capital in preferred shares	As of December 31, 2020		As of December 31, 2019	
	Series A	Series B	Series A	Series B
Description of type of capital in shares				
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of fully subscribed and paid shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-
Par value of shares in US\$	0.9435	2.8464	0.9435	2.8464
Increase (decrease) in the number of current shares	-	-	-	-
Number of current shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of shares owned by the entity or its subsidiaries or associates	-	-	-	-
Number of shares whose issuance is reserved due to the existence of options or agreements to dispose shares	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-
Total number of subscribed shares	142,819,552	120,376,972	142,819,552	120,376,972

21.3 Disclosures on reserves in Equity

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Disclosures on reserves in equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Reserve for currency exchange conversion (1)	(11,569)	(25,745)
Reserve for cash flow hedges (2)	4,491	7,196
Reserve for gains and losses from financial assets measured at fair value through other comprehensive income (3)	6,872	(270)
Reserve for actuarial gains or losses in defined benefit plans (4)	(8,680)	(9,490)
Other reserves	16,318	14,086
Total	7,432	(14,223)

(1) This balance reflects retained earnings for changes in the exchange rate when converting the financial statements of subsidiaries whose functional currency is different from the US dollar.

(2) The Company maintains, as hedge instruments, financial derivatives related to obligations with the public issued in UF and Chilean pesos, Changes from the fair value of derivatives designated and classified as hedges are recognized under this classification.

(3) This caption includes the fair value of equity investments that are not held for trading and that the group has irrevocably opted to recognize in this category upon initial recognition. In the event that such equity instruments are fully or partially disposed of, the proportional accumulated effect of accumulated fair value will be transferred to retained earnings.

(4) This caption reflects the effects of changes in actuarial assumptions, mainly changes in the discount rate.

Movements in other reserves and changes in interest were as follows:

Movements	Foreign currency translation difference (1)	Reserve for cash flow hedges		Reserve for actuarial gains and losses from defined benefit plans		Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income		Other reserves	Total reserves		
	Before taxes	Before taxes	Tax	Before taxes	Deferred taxes	Before taxes	Deferred taxes	Before taxes	Reserves	Deferred taxes	Total reserves
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balances as of January 1, 2019	(26,307)	7,971	-	(8,176)	1,292	(760)	(351)	11,332	(15,940)	941	(14,999)
Increase	1,824	8,628	(2,683)	-	-	1,570	(424)	3,093	15,115	(3,107)	12,008
Decrease	(1,262)	(6,720)	-	(3,306)	700	(418)	113	(339)	(12,045)	813	(11,232)
As of December 31, 2019	(25,745)	9,879	(2,683)	(11,482)	1,992	392	(662)	14,086	(12,870)	(1,353)	(14,223)
Increase	15,732	-	-	3,858	430	11,885	(3,180)	2,121	33,596	(2,750)	30,846
Decrease	(1,556)	(3,706)	1,001	(2,903)	(575)	(2,101)	538	111	(10,155)	964	(9,191)
Balances as of December 31, 2020	(11,569)	6,173	(1,682)	(10,527)	1,847	10,176	(3,304)	16,318	10,571	(3,139)	7,432

(1) See details on reserves for foreign currency translation differences on conversion in Note 27, letter b).

Other reserves

This caption corresponds to the legal reserves reported in the individual financial statements of the subsidiaries and associates that are mentioned below and that have been recognized in SQM's equity through the application of the equity method.

Subsidiary – Associate	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
SQM Iberian S.A.	9,464	9,464
SQM Europe NV	1,957	1,957
Soquimich European holding B.V.	828	828
Abu Dhabi Fertilizer Industries WWL	455	455
Doktor Tarsa Tarim Sanayi AS	-	305
Kore Potash PLC	3,170	2,754
Total	15,874	15,763
Other derivative reserves of the acquisition of subsidiaries, which was already under Company ownership at the acquisition date (IAS 27R)		
SQM Iberian S.A.	(1,677)	(1,677)
Orcoma Estudios SPA	2,121	-
Total Other reserves	16,318	14,086

21.4 Dividend policies

As required by Article 79 of the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, a publicly traded corporation must distribute dividends in accordance with the policy determined in the shareholder's meeting held each year, with at least 30% of our consolidated profit for each year.

Dividend policy for commercial year 2020

Company's dividend policy for the 2020 business year was agreed upon by the Board of Directors on March 25, 2020 and later modified after the extraordinary shareholders' meeting held on September 29, 2020. The current dividend policy establishes the following:

- a) Distribute and pay to the corresponding shareholders, a percentage of the net income that shall be determined per the following financial parameters as a final dividend:
 - (I) 100% of the profit for 2020 if all the following financial parameters are met: (a) "all current assets" divided by "all current liabilities" is equal to or greater than 2.5 times, and (b) the sum of "all current liabilities" and "all non-current liabilities", less "cash equivalents", less "other current financial assets", all of the above divided by "total equity" in equal or less than 0.8 times.
 - (II) 80% of the profit for 2020 if all the following financial parameters are met: (a) "all current assets" divided by "all current liabilities" is equal to or greater than 2.0 times, and (b) the sum of "all current liabilities" and "all non-current liabilities", less "cash equivalents", less "other current financial assets", all of the above divided by "total equity" in equal or less than 0.9 times.
 - (III) 60% of the profit for 2020 if all the following financial parameters are met: (a) "all current assets" divided by "all current liabilities" is equal to or greater than 1.5 times, and (b) the sum of "all current liabilities" and "all non-current liabilities", less "cash equivalents", less "other current financial assets", all of the above divided by "total equity" in equal or less than 1.0 times.
 - (IV) If none of the foregoing financial parameters are met, the Company shall distribute and pay, as a final dividend, and in favor of the respective shareholders, 50% of the 2020 net income.
- b) Distribute and pay only one interim dividend during 2020, which will be charged against the aforementioned final dividend and that will be charged to the retained earnings reflected in the consolidated financial statements as of March 31, 2020, the percentage distributed shall be determined per the financial parameters expressed in letter a) above. It is recorded that on May 19, 2020 the Company's Board of Directors agreed to distribute and pay an interim dividend equivalent to US\$ 0.17092 per share, charged to the Company's 2020 retained earnings. Said amount was paid in its equivalent in Chilean pesos according to the official exchange rate on May 29, 2020 (the "Interim Dividend").
- c) The Board of Directors will not approve the payment of other interim dividends charged against the 2020 net income.
- d) At the ordinary general shareholders' meeting that will be held in 2021, the Board of Directors shall propose a final dividend pursuant to the percentages in financial parameters described in in letter a) above discounting the Special Dividend and Interim Dividend. If the amount is equal to or less than the amount of the sum of the Special Dividend (see more details in Note 21.5) and the Interim Dividend, If the amount equivalent to the percentage of the 2020 fiscal year profits to be distributed in accordance with (a) above is equal to or less than the sum of the Special Dividend and the Interim Dividend, then no additional amount will be distributed and the Interim Dividend will be understood to be paid as a definitive dividend. In any case, the final dividend may not be less than the mandatory minimum dividend that corresponds in accordance with Chilean law or the Company bylaws.
- e) If there is an excess of net income in 2020, this may be retained and assigned or allocated for financing its own operations, to one or more investment projects of the Company, notwithstanding a future distribution of special dividends charged to the retained earnings previously approved at the shareholders' meeting, or the possible and future capitalization of all or part of the latter.
- f) The payment of additional dividends is not considered.

It is expressly stated that the dividend policy described above corresponds to the intention of the Board of Directors, and the compliance of it shall depend on the net income that the Company ultimately obtains, as well as the results of projections that could periodically impact the Company, or to the existence of determined conditions that may affect it, as applicable. If the dividend policy exposed by the Board of Directors suffers a substantial change, the Company must communicate it as an essential fact.

21.5 Interim and provisional dividends

The ordinary shareholders' meeting held on April 23, 2020 agreed to distribute and pay 100% of the distributable net profit obtained by the Company during the 2019 fiscal year as final dividend. In consequence, in May 2020 the Company paid a final dividend of US\$ 1.05668 per share from the distributable net profit obtained during the 2019 fiscal year, and the sum of US\$ 0.80254 per share was discounted from this, as this was already paid as a provisional dividend in 2019.

On May 19, 2020, the Board agreed to pay a provisional dividend equivalent to US\$ 0.17092 per share with a charge to earnings for 2020. This amount was paid in its equivalent in Chilean pesos, according to the observed U.S. dollar exchange rate published in the Official Gazette on May 29, 2020.

On September 29, 2020, Company shareholders met in an extraordinary shareholders' meeting to approve the distribution and payment of a special dividend equivalent to US\$ 0.37994 per share, to be paid out of the Company's retained earnings.

21.6 Potential and provisional dividends

Dividends discounted from equity from January to December 2020 and 2019 were the following:

Dividends	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$
Ajay SQM Chile S.A. Dividends	556	882
Ajay SQM Chile S.A Payable Dividend	682	-
Soquimich Comercial S.A. Potential Dividend	5,904	3,936
Soquimich Comercial S.A. Payable Dividend	2,976	1,999
Non-controlling interests	10,118	6,817
Interim dividend	44,986	211,224
Potential dividend	100,000	-
Dividends payable	4,369	66,891
Owners of the Parent	149,355	278,115
Dividends discounted from equity for the period	159,473	284,932

Note 22 Contingencies and restrictions

In accordance with note 20.1, the Company has only registered a provision for those lawsuits in which there is a probability that the judgments will be unfavorable to the Company. The Company is party to the following lawsuits and other relevant legal actions:

22.1 Lawsuits and other relevant events

- (a) In August 1996, Nitratos Naturais do Chile Ltda. was fined by Fazenda do Estado de Sao Paulo for concluding activities without attaching the necessary documentation for submission to the competent authorities. The treasury of the State of Sao Paulo initiated legal actions to collect close to ThUS\$ 492. Nitratos Naturais do Chile has presented a case to the federal court of Brazil to request a reduction in the fine, which is currently pending.
- (b) In August 2004, Nitratos Naturais do Chile Ltda. was fined by Fazenda do Estado de Sao Paulo for failing to report trade activities. The treasury of the State of Sao Paulo initiated legal actions to collect close to ThUS\$ 265. In 2018, the Court of Appeals agreed to a reduction in the fine and the Fazenda do Estado de Sao Paulo appealed to the Court of Brazil, and this appeal is still pending.
- (c) In December 2010, the city of Pomona in the state of California, United States, filed a claim against SQM NA, which was heard before the US District Court for the Central District of California. The plaintiff requested the payment of expenses and other values related to treatment of groundwater to make it apt for consumption, which involved the extraction of perchlorate in this water, which allegedly came from Chilean fertilizers, for an approximate amount of US\$ 36 million. On May 17, 2018, district judge Gary Klausner ruled in favor of SQM NA following the jury verdict. On February 6, 2020, the United States Court of Appeals for the Ninth Circuit demanded a retrial before the District Court, which has been postponed until the second quarter of 2021.
- (d) In December 2010, the city of Lindsay in California, United States, filed a claim against SQM NA, which was heard before the US District Court for the Central District of California. The plaintiff requested the payment of expenses and other values related to treatment of groundwater to make it apt for consumption, which involved the extraction of perchlorate in this water, which allegedly came from Chilean fertilizers, the trial is currently suspended.
- (e) In May 2014, a claim of compensation for damages was filed against SQM Nitratos for its alleged extracontractual liability derived from an explosion occurring in 2010 in the vicinity of the town of Baquedano, which caused the death of six workers. The portion of the claim that has not been settled in court is approximately US\$ 1.2 million. On May 7, 2019, the 18th Civil Court of Santiago dismissed the claim. The case currently is in the Santiago Court of Appeals, which will make a determination on the motion for appeal and cassation brought about on behalf of the plaintiff.
- (f) On October 2015, Tyne and Wear Pension Fund represented by the Council of the Borough of South Tyneside acting as lead plaintiff presented a claim against the Company with the US Federal Court of the Southern District of New York for potential damages to ADS Holders in the Company due to alleged noncompliance with the securities regulation in the United States. For more information, see Note 22.6.
- (g) In May 2016, a claim for close to ThUS\$ 515 was filed against SQM Salar and SQM Industrial for the alleged extracontractual liability derived from the accident occurring in July 2014 in the town of María Elena. On March 6, 2019, the 13th Civil Court of Santiago dismissed the claim. The case is currently in the Santiago Court of Appeals, which will decide on the motion for appeal brought about by the plaintiffs.
- (h) In January 2018, the company Transportes Buen Destino S.A. filed an arbitration claim under CAM (arbitration and mediation center) rules against SQM Salar for controversies resulting from the execution of

transport contracts for lithium brine and transport of salts. The amount of the claim is close to US\$ 3 million. The arbitration is currently in the evidence stage.

- (i) In September 2018, representatives Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya, Camila Ruslay Rojas Valderrama filed a public right annulment suit against Corfo regarding the Salar de Atacama Project Contract signed between Corfo and SQM Salar. The Company has intervened as an independent third party. This discussion stage has concluded. For more information, see Note 22.5.
- (j) The Company and FPC Ingeniería y Construcción SpA were sued in May 2019 for compensation for damages resulting from alleged extracontractual liability derived from the traffic accident occurring on March 5, 2018, involving the overturn of a truck owned by FPC and the subsequent death of its two occupants, both employees of FPC. The four children of one of the deceased workers are the plaintiffs in this case and are seeking compensation for moral damages. The case is in the 19th Civil Court of Santiago and is in the evidence stage. The amount of the claim is close to US\$ 1.2 million.
- (k) On June 24, 2019, the company Servicios Logísticos Integrales Inversol SpA filed an arbitration claim under CAM rules against SQM Salar for controversies resulting from the execution of the salt transport contract. The trial is currently in the evidence stage. The amount of the claim is close to US\$ 7 million.
- (l) In April 2019, the company Fennix Industrial SpA filed a claim against SQM Salar with the First Civil Court of Concepción for controversies resulting from the execution of a civil works and electromechanical assembly contract. The trial is currently in the discussion stage. The amount of the claim is approximately ThUS\$ 770. On December 18, 2020, the parties mutually agreed to terminate this lawsuit.
- (m) The company Arrigoni Ingeniería y Construcción S.A. filed a claim in November 2019 against SQM Salar in arbitration court under CAM rules, requesting the conclusion of the Works Contract known as “Expansion of Lithium Carbonate Plant Phase II.” The trial is currently in the evidence stage. The amount of the claim is close to US\$ 14,6 million.
- (n) The Company has initiated an arbitration process against the company Sierra Gorda S.C.M. due to controversies originating from the Mining, Royalties and Other Sales Contract dated December 16, 2011. Sierra Gorda S.C.M. has filed counterclaims against the Company. The process has concluded its discussion stage. It is not possible to make an adequate determination of the amount involved.
- (o) The Company has been sued in arbitration court under CAM rules by the company Rotto S.A. due to controversies occurring in relation to a contract for disarming and removing ferrous material. The case was presented in September 2020. The amount of the claim is approximately ThUS\$ 713. On January 28, 2021, the parties mutually agreed to terminate this lawsuit.

The Company and its subsidiaries have been involved and will probably continue to be involved either as plaintiffs or defendants in certain judicial proceedings that have been and will be heard by the arbitration or ordinary courts of justice that will make the final decision. Those proceedings that are regulated by the appropriate legal regulations are intended to exercise or oppose certain actions or exceptions related to certain mining claims either granted or to be granted and that do not or will not affect in an essential manner the development of the Company and its subsidiaries.

Soquimich Comercial S.A. has been involved and will probably continue being involved either as plaintiff or defendant in certain judicial proceedings through which it intends to collect and receive the amounts owed, the total nominal value of which is approximately US\$ 1.2 million.

The Company and its subsidiaries have made efforts and continues making efforts to obtain payment of certain amounts that are still owed to the Company due to its activities. Such amounts will continue to be required using

judicial or non-judicial means by the plaintiffs, and the actions and exercise related to these are currently in full force and effect.

22.2 Restrictions to management or financial limits

Bond issuance contracts in the local market require the Company to maintain a Total Indebtedness Level rate no higher than 1 for Series H, Series O and Series Q bonds, calculated for a mobile period that considers the last 12 months. For more information, see Note 21.1.

As of December 31, 2020, the above-mentioned financial indicator has the following values:

Indicator	As of December 31, 2020	As of December 31, 2019
Leverage	0.50	0.32

Bond issue agreements issued abroad require the Company to neither merge nor dispose of the whole or a substantial part of its assets, unless all the following conditions are met: (i) the legal successor company is an entity subject to either Chilean or United States law, and assumes SQM S.A.'s obligations under a complimentary contract, (ii) the Issuer does not fail to comply immediately after the merger or disposal, and (iii) the Issuer delivers a legal opinion stating that the merger or disposal and the complimentary contract meet the requirements described in the original contract.

In addition, SQM S.A. is committed to disclosing financial information on quarterly basis.

The Company and its subsidiaries have complied and are fully complying with all the aforementioned limitations, restrictions and obligations.

22.3 Environmental contingencies

The SMA issued a resolution dated November 28, 2016, rectified by a resolution dated December 23, 2016, which filed charges against SQM Salar for brine extraction in excess of authorized amounts, progressive impairment of the vitality of carob trees, providing incomplete information modification of follow-up plan variables, and other charges. SQM Salar S.A. presented a compliance program that was accepted by the SMA. On December 2019, the Environmental Court of Antofagasta rendered null. In October 2020, the SMA formulated new observations for the compliance program, which will enable the incorporation of improvements in line with the ruling of the Antofagasta Environmental Court, to then make a determination regarding approval or rejection. If a new compliance program is not approved by the SMA, or if approved and legally challenged and rendered null and void by the Chilean courts. This latter event may consider the application of fines up to US\$9 million, temporary or permanent closure of facilities and in extreme circumstances, revocation of the respective environmental permit.

22.4 Tax Contingencies

On August 26, 2016, SQM Salar filed a tax claim before the Third Tax and Customs Court of the Metropolitan Region against settlements 169, 170, 171 and 172 by the Chilean IRS, which extend the application of specific mining tax to lithium exploitation for the 2012, 2013 and 2014 tax years. The disputed amount is approximately US\$17.8 million. On November 28, 2018, the Third Tax and Customs Court rejected the claim, and the case was transferred to the Santiago Court of Appeals, following an appeal filed by SQM Salar.

On March 24, 2017, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessment No. 207 and ruling No. 156, both issued by the Chilean IRS, which seek to expand application of the specific tax on mining activities to include lithium exploitation for tax years 2015 and 2016. The amount involved is approximately US\$14.4 million, of this, US\$ 7.0 million corresponding to the overcharge. On November 28, 2018, the Third Tax and Customs Court accepted SQM Salar's claim against the overcharge by the IRS and rejected the claim for the remaining part. The case is now with the Santiago Court of Appeals due to the appeal filed by SQM Salar.

On October 17, 2019, the IRS recognized the overcharge of US\$ 5.8 million, while the difference of US\$ 1.2 million, is for corporate income tax plus associated interest and will be reimbursed at the end of the trial.

SQM Salar filed inapplicability requirements with the Constitutional Court in the grounds of unconstitutionality with respect to article 64 bis of the Income Tax Law, with relation to two groups of previous tax claims. On June 18, 2020, the Constitutional Court rejected the requirements after reaching a tie vote among the members of this court, corresponding to its knowledge from the Santiago Court of Appeals.

On September 30, 2020, the SII notified SQM Salar of liquidations No. 65 and 66 for the 2017 and 2018 business years, due to differences in the determination of the specific mining tax, totaling close to US\$ 19.5 million and US\$ 22.1 million, respectively plus interest for both periods of US\$ 22.3 million. On October 30, 2020, SQM Salar paid these liquidations for a total of US\$ 63.9 million (this amount includes an overcharge estimated at US\$ 18 million, including interest). SQM Salar will reclaim these liquidations in the upcoming months.

As of December 2020, the Company had non-current tax assets of US\$ 90.3 million for tax settlements for 2012 to 2018 (including an overcollection of US\$ 19.5 million) and US\$ 5.8 million in recoverable taxes. As of December 2019, the Company had non-current tax assets of US\$ 32.2, (which included US\$ 7 million for an overcollection by the IRS).

As of December 31, 2020 and 2019, there was no effect on the income statement in this respect.

The IRS has not settled differences with respect to specific mining tax for 2018 onwards. If the IRS uses a similar criterion to that used in previous years, it is possible that settlements will be issued in the future for those periods. This tax for 2018 to 2020 (commercial years) is estimated at US\$ 43 million, (without interest or penalties, and net of corporate income tax).

The company continues to undertake all legal efforts to actively and decidedly defend its interests.

22.5 Contingencies regarding to the Contracts with Corfo:

On September 6, 2018, representatives Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya and Camila Ruslay Rojas Valderrama and the Poder Ciudadano political party filed an annulment suit against Corfo, which requested that the Contract for the Salar de Atacama Project between Corfo and the Company, SQM Potasio and SQM Salar be annulled. The Companies have taken part of the process as interested third parties.

In the event that the annulment claim is approved for the Salar de Atacama Project Contract, SQM Salar may be prevented from exploit the mining claims in the Salar de Atacama that it has leased from Corfo.

22.6 Contingencies related to the Class Action lawsuit

Since October 2015, a consolidated class action lawsuit has been pending against the Company before the District Court for the Southern District of New York of the United States, plenary case *Villella v. Chemical and Mining Company of Chile, Inc.*, 1: 15-cv-02106 -ER (SDNY). The consolidated lawsuit alleges that certain statements made by the Company between September 30, 2010, and June 18, 2015, mainly in documents filed with the SEC and in Company press releases, were materially false and this constitutes a violation of Section 10 (b) of the Securities Exchange Act and of the correlative Standard 10b-5. Specifically, the consolidated lawsuit challenges certain statements issued by the Company associated with its compliance with or implementation of the laws and regulations that regulate it, the effectiveness of its internal controls, the adoption of a code of ethics consistent with SEC requirements, of its income or revenue and taxes paid, and of the applicable accounting standards. On November 11, 2020, the Company reached an agreement that contains a summary of binding terms for concluding the trial. The agreement will conclude the action of the plaintiffs and under this, the Company agreed to pay the amount of US\$ 62.5 million. The parties must negotiate in good faith the definitive documents of the transaction and the other related documents, which will be presented for their approval from the New York court that is hearing the trial.

22.7 Contingencies associated with conflicts between shareholders of the Abu Dhabi Fertilizer Industries Company

Due to differences between shareholders of the company Abu Dhabi Fertilizer Industries Company, diverse lawsuits have arisen that may result in claims against SQM Corporation N.V. and by this company against the other shareholders. These disputes may materially affect the value of the investment of the Company in Abu Dhabi Fertilizer Industries Company. At this time, it is not possible to quantify the amounts of these claims.

22.8 Restricted or pledged cash

The subsidiary Isapre Norte Grande Ltda., in compliance with the provisions established by the Chilean Superintendence of Healthcare, which regulates the running of pension-related health institutions, maintains a guarantee in financial instruments delivered in deposits, custody and administration to Banco de Chile.

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total amount owed to its members and medical providers, Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda on a daily basis. As of December 31, 2020, the guarantee amounts to ThUS\$ 731.

22.9 Securities obtained from third parties

The main security received (exceeding ThUS\$ 100) from third parties to guarantee Soquimich Comercial S.A. their compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$ 10,114 and ThUS\$ 9,611 on December 31, 2020 and December 31, 2019 respectively; which is detailed as follows:

Grantor	Relationship	As of December 31, 2020	As of December 31, 2019
		ThUS\$	ThUS\$
Ferosor Agrícola S.A.	Unrelated Third party	5,626	5,372
Tattersall Agroinsumos S.A.	Unrelated Third party	2,000	2,000
Covepa SPA	Unrelated Third party	703	671
Johannes Epple Davanzo	Unrelated Third party	314	300
Hortofrutícola La Serena	Unrelated Third party	303	282
Com. Serv Johannes Epple Davanz	Unrelated Third party	408	269
Juan Luis Gaete Chesta	Unrelated Third party	190	182
Arena Fertilizantes y Semillas	Unrelated Third party	211	201
Vicente Oyarce Castro	Unrelated Third party	229	213
Bernardo Guzmán Schmidt	Unrelated Third party	130	121
Total		10,114	9,611

22.10 Indirect guarantees

Guarantees without pending balance indirectly reflect that the respective guarantees are in force and approved by the Company's Board of Directors and have not been used by the respective subsidiary.

As of December 31, 2020, there are no indirect guarantees.

Note 23 Lawsuits and complaints

Investigation by the Department of Justice and the Securities Exchange Commission and Agreements

On January 13, 2017, the Company signed agreements with the DOJ and the SEC relating to their investigations into Company payments to suppliers and organizations that may have had links with politically exposed persons during the period from 2008 to 2015. As a result, the Company conducted its own internal investigation through an ad-hoc Board committee (The Company's securities are traded in the USA, so the Company is subject to US law). The Company has voluntarily submitted the results of its internal investigation and supporting documents to the DOJ, the SEC and the relevant Chilean authorities.

In accordance with the terms Agreement with the DOJ, (the "DPA") the Company has accepted that the DOJ formulates a charge for infractions (i) for the lack of implementation of effective internal accounting systems and internal accounting controls and (ii) a charge for infractions for failure to adequately maintain books, records and accounting sections in relation to the events investigated, Under the DPA, the DOJ has agreed not to pursue such charges against the Company for a period of 3 years and release the Company from liability after such period, inasmuch as within that period the Company complies with the terms of the DPA, These include payment of a fine of US\$15,487,500 and acceptance of an external monitor (the "Monitor") for a period of 24 months that will assess the Company's compliance program, and continue to report on the Company independently for an additional year.

The three-year term of the DPA ended on April 30, 2020, and on June 1, 2020, the Company's CEO and CFO submitted the certification regarding the Company's disclosure obligations, as required under the DPA. On November 11, 2020, the DOJ presented a motion to dismiss the criminal information against the Company, which is subject to approval by the United States District Court of the District of Columbia. Following this approval, all charges against the Company will be dropped.

Other Lawsuits and complaints

In May 2019, the company Fennix Industrial SpA filed a claim against SQM Salar and employees for the alleged misappropriation of funds - controversies originating from contract execution for civil works and electromechanical assembly. The case is being tried before the Criminal Court of San Pedro de la Paz and is in the investigation stage. The amount of the alleged misappropriation of funds is close to US\$ 436 million On December 18, 2020, the criminal proceedings, together with other civil disputes, were terminated through a settlement agreement.

Note 24 Environment

24.1 Disclosures of disbursements related to the environment

Environmental protection, respect for human rights and overall impact on sustainability are ongoing concerns of the Company, both in its productive processes and throughout the supply chain. This commitment is supported by the principles indicated in the Company's Sustainable Development Policy and human rights policy. The Company is currently operating under an Environmental Management System (EMS) that has allowed it to strengthen its environmental performance through the effective application of the Company's Sustainable Development Policy. In 2020, the company announced an ambitious Sustainable Development Plan, which establishes specific measurable goals that seek to make SQM a leader in sustainability around the world. The main goals proposed are:

- i) A 65% reduction in the use of fresh water by the year 2040 and 40% by 2030.
- ii) A 50% reduction in brine extraction from the Salar de Atacama by 2030, starting with 20% by November 2020.
- iii) Ensure that all our products are carbon neutral by 2040 and in the case of lithium, iodine and potassium chloride, this goal is for 2030.
- iv) Stimulate more and better instances for dialog with the communities near the operations.

Operations that use caliche as a raw material are carried out in desert areas with climatic conditions that are favorable for drying solids and evaporating liquids using solar energy. Operations involving the open-pit extraction of minerals.

Many of the Company's products are shipped in bulk at the Port of Tocopilla. In 2007, the city of Tocopilla was declared a "zone saturated with MP10 Particles" mainly due to the emissions from the electric power plants that operate in that city. In October 2010, the "Decontamination Plan for Tocopilla" was put in place. Accordingly, the Company has committed to taking several measures to mitigate the effects derived from bulk product movements in the port, these measures have been timely implemented since 2007.

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies. Follow-up on relevant variables defined for each project enables the Company to verify the status, for example, of vegetation, flora, fauna and aquatic life in the ecosystems to protect. Follow-up plans are supported by a broad control network that includes monitoring points such as meteorological stations and wells, satellite images, plots for recording the status of vegetation and fauna, etc. The activities comprised in these plans are reported regularly to authorities based on the Company's commitments made through resolutions that approve different SQM projects. For the specific case of the Salar de Atacama, the Company has implemented an online platform (www.sqmsenlinea.com), which enables any person to access all the environmental information compiled by the Company in keeping with its commitments.

In this context, the Company maintains environmental monitoring across the systems where it operates, which is supported by numerous studies that integrate diverse scientific efforts from prestigious research centers on a national and international level, such as the Spanish National Research Council (CSIC) and the Universidad Católica del Norte.

Furthermore, within the framework of the environmental studies which the Company is conducting, the Company performs significant activities in relation to the recording of Pre-Columbian and historical cultural heritage, as well as the protection of heritage sites, in accordance with current Chilean laws. These activities have been especially performed in the areas surrounding Maria Elena (ME) and the Nueva Victoria plant (NV). This effort is being accompanied by outreach activities for the community and development of sites of interest.

As emphasized in its Sustainable Development Policy, the Company strives to maintain positive relationships with the communities surrounding the locations in which it carries out its operations, as well as to participate in communities' development by supporting joint projects and activities which help to improve the quality of life for residents. For this purpose, the Company has focused its efforts on activities involving the rescue of historical heritage, education and culture, as well as development. In order to do so, it acts both individually and in conjunction with private and public entities.

24.2 Detailed information on disbursements related to the environment

The cumulative disbursements which the Company had incurred as of December 31, 2020 for the concept of investments in production processes, verification and control of compliance with ordinances and laws related to industrial processes and facilities amounted to ThUS\$ 16,497 and are detailed as follows:

Accumulated expenses as of December 31, 2020

Parent Company or Subsidiary	Project Name Associated with Disbursement	Reason for Disbursement	Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Miscellaneous	Environment - Operating Area	Not classified	Expense	10,376	06-30-2020
SQM S.A.	01-I017200 - CEDAM at Puquios at Llamara	Sustainability: Environment and Risk Prevention	Expense	4	11-12-2020
SQM S.A.	01-I017600 - Regularization of Hazardous Substances Decree	Environmental processing	Expense	121	10-22-2020
SQM S.A.	01-I018700 - Penalization process for Salar de Llamara	Environmental processing	Assets	-	03-31-2020
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	791	12-31-2020
SQM S.A.	01-I028200 - EIA Llamara	Environmental processing	Expense	722	12-30-2020
SQM S.A.	01-I028300 - Implementation PDC 2019	Sustainability: Environment and Risk Prevention	Expense	593	12-31-2020
SQM S.A.	01-I030700 - Permisos Sectoriales EIA Proye	Environmental processing	Expense	280	11-20-2020
SQM S.A.	01-I035800 - Sustainability DS43 Phase 2	Sustainability: Environment and Risk Prevention	Assets	20	11-03-2020
SQM S.A.	01-I038400 - Update hydrogeological model	Sustainability: Environment and Risk Prevention	Expense	76	12-31-2020
SQM S.A.	01-I039600 - New Warehouse Iodine Stock NV	Environmental processing	Assets	54	12-31-2020
SQM S.A.	01-P010400 - Adaptation of dispatch warehouse PV	Environmental processing	Assets	16	12-06-2020
SQM S.A.	01-S014200 - Projections	Environmental processing	Expense	63	10-01-2020
SQM S.A.	01-S015900 - SQM Sustainability	Environmental processing	Expense	975	10-26-2020
SQM Industrial S.A.	04-I017700 - Basic Engineering and EIA for TEA industrial area and seawater impulsion N.V.	Sustainability: Environment and Risk Prevention	Assets	133	07-10-2020
SQM Industrial S.A.	04-I025000 - Re-perforation Pozo 2PL-2 y Ma	Sustainability: Environment and Risk Prevention	Expense	1	02-29-2020
SQM Industrial S.A.	04-I032600 - Well Water Efficiency - Rec.	Sustainability: Environment and Risk Prevention	Assets	123	07-30-2020
SQM Industrial S.A.	04-I038200 - Well water efficiency 2	Sustainability: Environment and Risk Prevention	Assets	79	12-31-2020
SQM Industrial S.A.	04-I038600 - Monitoring extractions NV	Sustainability: Environment and Risk Prevention	Assets	15	12-24-2020
SQM Industrial S.A.	04-J012200 - DIA and Regularization of CS Ponds	Environmental processing	Assets	-	02-25-2020
SQM Industrial S.A.	04-J015200 - Implementation Economizers	Sustainability: Environment and Risk Prevention	Assets	-	09-25-2020
SQM Industrial S.A.	04-J015700 - Update of Closure Plans	Sustainability: Environment and Risk Prevention	Expense	83	12-31-2020
SQM Industrial S.A.	04-J015800 - Other Sector Regulatory Measures	Sustainability: Environment and Risk Prevention	Expense	42	09-24-2020
SQM Industrial S.A.	04-J017200 - Guarantee availability S	Sustainability: Environment and Risk Prevention	Assets	109	07-02-2020
SQM Industrial S.A.	04-J022700 - DIA integration of Coya Sur site	Environmental processing	Expense	87	12-31-2020
SQM Industrial S.A.	04-J022800 - Adaptation light pollution	Sustainability: Environment and Risk Prevention	Assets	48	11-30-2020
SQM Industrial S.A.	04-J023700 - Regularization Hazardous Substances Decree SQM Industrial	Environmental processing	Assets	35	11-20-2020
SQM Industrial S.A.	04-M004300 - Reduction of Industrial Waste	Sustainability: Environment and Risk Prevention	Expense	77	12-31-2020
SQM Industrial S.A.	04-P010200 - Heap project PV(DAY)+ Analysis	Sustainability: Environment and Risk Prevention	Expense	57	11-24-2020
SQM Salar S.A.	19-C006800 - Renovation of lighting tower park	Sustainability: Environment and Risk Prevention	Assets	19	09-07-2020
SQM Salar S.A.	19-C008600 - Asphalting plants Salar del Carmen	Sustainability: Environment and Risk Prevention	Assets	432	12-30-2020
SQM Salar S.A.	19-L014700 - Industrial Waste Management	Sustainability: Environment and Risk Prevention	Expense	45	09-30-2020
SQM Salar S.A.	19-L018800 - UPC Consulting for NW and Others	Sustainability: Environment and Risk Prevention	Expense	26	11-13-2020
SQM Salar S.A.	19-L018900 - Evaporation 2018-2019	Sustainability: Environment and Risk Prevention	Assets	1	12-31-2020
SQM Salar S.A.	19-L019800 - Paleoclimate Study (Iberia)	Sustainability: Environment and Risk Prevention	Expense	14	07-16-2020
SQM Salar S.A.	19-L021400 - Environmental Monitoring 2019	Environmental processing	Expense	11	12-31-2020
SQM Salar S.A.	19-L021700 - Upgrade RH y MA 2019	Environmental processing	Expense	40	12-30-2020
Subtotal				15,568	

Parent Company or Subsidiary	Project Name Associated with Disbursement	Reason for Disbursement	Asset / Expense	Disbursemen	Exact or Estimated Date of Disbursement
				ThUS\$	
SQM Salar S.A.	19-L023200 - Topographic Equipment 2019	Sustainability: Environment and Risk Prevention	Assets	3	03-18-2020
SQM Salar S.A.	19-L025300 - Compliance with Sanitary Resolution	Sustainability: Environment and Risk Prevention	Assets	51	12-13-2020
SQM Salar S.A.	19-L025600 - Purchase of Generators, Variators	Sustainability: Environment and Risk Prevention	Assets	62	12-31-2020
SQM Salar S.A.	19-L025800 - Normalization of Administration System	Sustainability: Environment and Risk Prevention	Assets	14	12-31-2020
SQM Salar S.A.	19-L026800 - - Removal of old dryers in Plant MOP G III	Environmental processing	Assets	20	12-22-2020
SQM Salar S.A.	19-S013400- Online Monitoring	Sustainability: Environment and Risk Prevention	Expense	363	12-15-2020
SQM Salar S.A.	19-S016200 - Acquisiton of Hardware - Software	Sustainability: Environment and Risk Prevention	Assets	8	11-30-2020
SQM Salar S.A.	19-S016300 - Consulting 2020	Sustainability: Environment and Risk Prevention	Assets	33	11-30-2020
SQM Salar S.A.	19-S016400 - Implementation Acquire Environmental DB	Sustainability: Environment and Risk Prevention	Assets	4	12-31-2020
SQM Salar S.A.	19-S016700 - Improvements understanding reload	Sustainability: Environment and Risk Prevention	Assets	49	12-31-2020
Orcoma Estudios Spa	15-I039100 - Sector Permits and environmental compliance	Environmental processing	Expense	252	12-31-2020
Minera Búfalo	20-A008200 – Búfalo proyect	Environmental processing	Expense	61	11-19-2020
SQM Potasio S.A.	14-I039800 - Sector Permits and environmental compliance	Environmental processing	Assets	9	12-06-2020
Subtotal				929	
Total				16,497	

Committed expenses for future periods as of December 31, 2020

Parent Company or Subsidiary	Project Name Associated with Disbursement	Reason for Disbursement	Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Miscellaneous	Environment - Operating Area	Not classified	Expense	12,276	12-31-2021
SQM S.A.	01-I017200 - CEDAM at Puquíos at Llamara	Sustainability: Environment and Risk Prevention	Expense	42	12-31-2021
SQM S.A.	01-I017400 - Development of Pintados and deposit	Sustainability: Environment and Risk Prevention	Expense	108	12-31-2021
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Assets	-	12-31-2021
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	5	12-31-2021
SQM S.A.	01-I028300 - Implementation PDC 2019	Sustainability: Environment and Risk Prevention	Expense	332	12-31-2021
SQM S.A.	01-I030700 - EIA Project Sector Permits	Environmental processing	Expense	66	12-31-2021
SQM S.A.	01-I031300 - DIA Update RCA TEA	Environmental processing	Expense	369	12-31-2021
SQM S.A.	01-I035800 - Sustainability DS43 Phase 2	Sustainability: Environment and Risk Prevention	Assets	39	12-31-2021
SQM S.A.	01-I038400 - Update hydrogeological model	Sustainability: Environment and Risk Prevention	Expense	124	12-31-2021
SQM S.A.	01-I039600 - New Warehouse Iodine Stock NV	Environmental processing	Assets	606	12-31-2021
SQM S.A.	01-I039700 - Adapting Pond Substances	Environmental processing	Assets	380	12-31-2021
SQM S.A.	01-P010300 - Adapting pond substances	Environmental processing	Assets	355	12-31-2021
SQM S.A.	01-P010400 - Adapting dispatch warehouse PV	Environmental processing	Assets	294	12-31-2021
SQM S.A.	01-S014200 - Proyectos	Environmental processing	Expense	7	12-31-2021
SQM S.A.	01-S015900 - SQM Sustainability	Environmental processing	Expense	155	12-31-2021
SQM Industrial S.A.	04-I025000 - Re-perforation Pozo 2PL-2 y Ma	Sustainability: Environment and Risk Prevention	Expense	127	12-31-2021
SQM Industrial S.A.	04-I032600 - Well Water Efficiency – Rec	Sustainability: Environment and Risk Prevention	Assets	27	12-31-2021
SQM Industrial S.A.	04-I038200 - Well Water Efficiency 2	Sustainability: Environment and Risk Prevention	Assets	551	12-31-2021
SQM Industrial S.A.	04-I038600 - Monitoreo Extracciones N.V.	Sustainability: Environment and Risk Prevention	Assets	240	12-31-2021
SQM Industrial S.A.	04-J015200 - Implementation Economizers	Sustainability: Environment and Risk Prevention	Assets	30	12-31-2021
SQM Industrial S.A.	04-J015700 - Update of Closure Plans	Sustainability: Environment and Risk Prevention	Expense	17	12-31-2021
SQM Industrial S.A.	04-J015800 - Other Sector Regulatory Measures	Sustainability: Environment and Risk Prevention	Expense	120	12-31-2021
SQM Industrial S.A.	04-J017200 - Assurance Availability S	Sustainability: Environment and Risk Prevention	Assets	32	12-31-2021
SQM Industrial S.A.	04-J019900 - Provisional Access to Cerro Dominador	Sustainability: Environment and Risk Prevention	Expense	4	12-31-2021
SQM Industrial S.A.	04-J022700 - DIA Integración Faena Coya Sur	Environmental processing	Expense	296	12-31-2021
SQM Industrial S.A.	04-J022800 - Adaptation light pollution	Sustainability: Environment and Risk Prevention	Assets	321	12-31-2021
SQM Industrial S.A.	04-J023700 - Regularization Hazardous Substances Decree SQM Industrial	Environmental processing	Assets	615	12-31-2021
SQM Industrial S.A.	04-M004300 - Reduction of Industrial Waste	Sustainability: Environment and Risk Prevention	Expense	173	12-31-2021
SQM Industrial S.A.	04-P010200 - PV Heap Project (DIA)+ Studies	Sustainability: Environment and Risk Prevention	Expense	275	12-31-2021
SIT S.A.	03-T009900 - Air quality monitoring system Tocopilla	Sustainability: Environment and Risk Prevention	Assets	82	12-31-2021
SIT S.A.	03-T010500 - Hydrocarbon Detection System Tocopilla Port	Sustainability: Environment and Risk Prevention	Assets	75	12-31-2021
SQM Salar S.A.	19-C006800 - Renovation lighting towers	Sustainability: Environment and Risk Prevention	Assets	2	12-31-2021
SQM Salar S.A.	19-L014700 - Industrial Waste Management	Environmental processing	Assets	89	12-31-2021
SQM Salar S.A.	19-L018800 - UPC Consulting for NW and Others	Sustainability: Environment and Risk Prevention	Expense	46	12-31-2021
SQM Salar S.A.	19-L018900 - Evaporation 2018-2019	Sustainability: Environment and Risk Prevention	Assets	41	12-31-2021
SQM Salar S.A.	19-L019800 - Paleoclimate Study Iberia	Sustainability: Environment and Risk Prevention	Expense	35	12-31-2021
SQM Salar S.A.	19-L020000 - Improvement of Operational Monitoring Network	Sustainability: Environment and Risk Prevention	Assets	95	12-31-2021
SQM Salar S.A.	19-L021400 - Environmental monitoring 2019	Sustainability: Environment and Risk Prevention	Assets	21	12-31-2021
Subtotal				18,472	

Committed expenses for future periods as of December 31, 2020

Parent Company or Subsidiary	Project Name Associated with Disbursement	Reason for Disbursement	Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
SQM Salar S.A.	19-L021700 - Update RH y MA 2019	Environmental processing	Expense	92	12-31-2021
SQM Salar S.A.	19-L024200 - Environmental Risk Analysis Study	Sustainability: Environment and Risk Prevention	Expense	58	12-31-2021
SQM Salar S.A.	19-L025300 - Compliance with Sanitary Resolution	Sustainability: Environment and Risk Prevention	Assets	161	12-31-2021
SQM Salar S.A.	19-L025600 - Purchase of Generators, Variators	Sustainability: Environment and Risk Prevention	Assets	46	12-31-2021
SQM Salar S.A.	19-L025800 - Normalization of Admin. System	Sustainability: Environment and Risk Prevention	Assets	8	12-31-2021
SQM Salar S.A.	19-L026800 - Removal of old dryers at Plant MOP G III	Environmental processing	Assets	20	12-31-2021
SQM Salar S.A.	19-L026900 - Cameras and Lighting Products	Environmental processing	Assets	17	12-31-2021
SQM Salar S.A.	19-S013400 - Online Monitoring	Sustainability: Environment and Risk Prevention	Expense	187	12-31-2021
SQM Salar S.A.	19-S016200 - Acquisition of Hardware- Software	Sustainability: Environment and Risk Prevention	Assets	14	12-31-2021
SQM Salar S.A.	19-S016300 - Consulting 2020	Sustainability: Environment and Risk Prevention	Assets	39	12-31-2021
SQM Salar S.A.	19-S016400 - Implementation Acquire BD Amb	Sustainability: Environment and Risk Prevention	Assets	4	12-31-2021
SQM Salar S.A.	19-S016500 - Incorporation of test models	Sustainability: Environment and Risk Prevention	Assets	12	12-31-2021
SQM Salar S.A.	19-S016700 – Improvements to recharge understanding	Sustainability: Environment and Risk Prevention	Assets	81	12-31-2021
SQM Salar S.A.	19-S016900 - Water dynamics monitoring	Sustainability: Environment and Risk Prevention	Assets	35	12-31-2021
SQM Nitratos S.A.	12-I039000 - Adaptation of hazardous waste warehouse	Environmental processing	Assets	80	12-31-2021
Orcoma Estudios Spa	15-I039100 - Sectoral Permits and compliance	Environmental processing	Expense	235	12-31-2021
Minera Búfalo	20-A008200 - Búfalo Project	Environmental processing	Expense	189	12-31-2021
SQM Potasio S.A.	14-I039400 - Adapting Pond Iris	Environmental processing	Assets	370	12-31-2021
SQM Potasio S.A.	14-I039800 - Adapting hazardous substances warehouse IRIS	Environmental processing	Assets	261	12-31-2021
Subtotal				1,909	
Total				20,381	

Accumulated expenses as of December 31, 2019

Parent Company or Subsidiary	Project Name	Reason for Disbursement	A Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Miscellaneous	Environment - Operating Area	Not classified	Expense	8,054	12-31-2019
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	15	12-31-2019
SQM S.A.	01-I017200 - CEDAM at Puquios (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	3	12-31-2019
SQM S.A.	01-I017400 - Value Added Paints and Deposits	Sustainability: Environment and Risk Prevention	Expense	2	12-31-2019
SQM S.A.	01-I017600 - Regularization of Substances Decree	Environmental processing	Expense	63	12-31-2019
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Assets	522	12-31-2019
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	898	12-31-2019
SQM S.A.	01-I028200 - EIA Llamara	Environmental processing	Expense	253	12-31-2019
SQM S.A.	01-I028300 - Implementation of PDC 2019	Sustainability: Environment and Risk Prevention	Expense	1,057	12-31-2019
SQM S.A.	01-I030700 - Sector Permits EIA Tente en el Aire Project	Environmental processing	Expense	131	12-31-2019
SQM Industrial S.A.	04-I017700 - Basic Engineering and EIA for TEA industrial area and seawater impulsion N.V.	Sustainability: Environment and Risk Prevention	Assets	318	12-31-2019
SQM Industrial S.A.	04-I025000 - Re-perforación Pozo 2PL-2 y Ma	Sustainability: Environment and Risk Prevention	Expense	7	12-31-2019
SQM Industrial S.A.	04-J007000 - Environmental impact statement	Environmental processing	Expense	7	12-31-2019
SQM Industrial S.A.	04-J010700 - Recovery Water Intake from Rivers	Sustainability: Environment and Risk Prevention	Assets	119	12-31-2019
SQM Industrial S.A.	04-J012200 - Environmental Impact Statement and Regularization of CS Ponds	Environmental processing	Assets	19	12-31-2019
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	251	12-31-2019
SQM Industrial S.A.	04-J015200 - Implement Economizers	Sustainability: Environment and Risk Prevention	Assets	195	12-31-2019
SQM Industrial S.A.	04-J015700 - Update closure plans	Sustainability: Environment and Risk Prevention	Expense	52	12-31-2019
SQM Industrial S.A.	04-J017200 - Guarantee availability S	Sustainability: Environment and Risk Prevention	Assets	253	12-31-2019
SQM Industrial S.A.	04-J019900 - Provisional Access to Cerro Domina	Sustainability: Environment and Risk Prevention	Expense	141	12-31-2019
SQM Industrial S.A.	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	225	12-31-2019
SQM Salar S.A.	19-C005700 - Solar Electric Recharge Point Project-	Sustainability: Environment and Risk Prevention	Assets	53	12-31-2019
SQM Salar S.A.	19-L012100 - Upgrade to weather stations	Sustainability: Environment and Risk Prevention	Assets	17	12-31-2019
SQM Salar S.A.	19-L018000 - Upgrade TT illumination	Sustainability: Environment and Risk Prevention	Assets	40	12-31-2019
SQM Salar S.A.	19-L018700 - 5th Update of environmental modeling	Environmental processing	Expense	10	12-31-2019
SQM Salar S.A.	19-L018800 - UPC Consulting for NW and others	Sustainability: Environment and Risk Prevention	Expense	166	12-31-2019
SQM Salar S.A.	19-L018900 - Evaporation 2018-2019	Sustainability: Environment and Risk Prevention	Assets	8	12-31-2019
SQM Salar S.A.	19-L019800 - Paleoclimate Study (Iberia)	Sustainability: Environment and Risk Prevention	Expense	1	12-31-2019
SQM Salar S.A.	19-L020000 - Improvement of Operations Monitoring Network	Sustainability: Environment and Risk Prevention	Assets	5	12-31-2019
SQM Salar S.A.	19-L020300 - Telemetry boreholes	Sustainability: Environment and Risk Prevention	Assets	821	12-31-2019
SQM Salar S.A.	19-L021400 - Environmental Monitoring 2019	Environmental processing	Expense	2,767	12-31-2019
SQM Salar S.A.	19-L021700 - Improvement of RH and MA 2019	Environmental processing	Expense	80	12-31-2019
SQM Salar S.A.	19- S013400- Online Monitoring	Sustainability: Environment and Risk Prevention	Expense	430	12-31-2019
Total				16,983	

Future expenses as of December 31, 2019

Parent Company or Subsidiary	Project Name	Reason for Disbursement	A Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Miscellaneous	Environment - Operating Area	Not classified	Expense	10,085	12-31-2020
SQM S.A.	01-I017200 - CEDAM at Puquíos (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	28	12-31-2020
SQM S.A.	01-I017400 - Development of Pintados and surrounding area.	Sustainability: Environment and Risk Prevention	Expense	108	12-31-2020
SQM S.A.	01-I017600 - Regularization of Substances Decree	Environmental processing	Expense	75	12-31-2020
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	426	12-31-2020
SQM S.A.	01-I028200 - EIA Llamara	Environmental processing	Expense	1,527	12-31-2020
SQM S.A.	01-I028300 - Implementation of PDC 2019	Sustainability: Environment and Risk Prevention	Expense	1,231	12-31-2020
SQM S.A.	01-I030700 - Sectorial Permits EIA Project Tente en el Aire	Environmental processing	Expense	284	12-31-2020
SQM Industrial S.A.	04-I025000 - Re-perforación Pozo 2PL-2 y Ma	Sustainability: Environment and Risk Prevention	Expense	128	12-31-2020
SQM Industrial S.A.	04-J012200 - DIA and Regularization of CS Ponds	Environmental processing	Assets	35	12-31-2020
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	303	12-31-2020
SQM Industrial S.A.	04-J015200 - Implementation Economizers	Sustainability: Environment and Risk Prevention	Assets	59	12-31-2020
SQM Industrial S.A.	04-J015700 - Update of Closure Plans	Sustainability: Environment and Risk Prevention	Expense	127	12-31-2020
SQM Industrial S.A.	04-J015800 - Other Sector Regulatory Measures	Sustainability: Environment and Risk Prevention	Expense	237	12-31-2020
SQM Industrial S.A.	04-J017200 - Guarantee availability S	Sustainability: Environment and Risk Prevention	Assets	104	12-31-2020
SQM Industrial S.A.	04-J019900 - Provisional Access to Cerro Domina	Sustainability: Environment and Risk Prevention	Expense	95	12-31-2020
SQM Industrial S.A.	04-M003900 - Revocation of PDME	Sustainability: Environment and Risk Prevention	Expense	47	12-31-2020
SQM Salar S.A.	19-L014700 - Industrial Waste Management	Sustainability: Environment and Risk Prevention	Expense	135	12-31-2020
SQM Salar S.A.	19-L018800 - UPC Consulting for NW and others	Sustainability: Environment and Risk Prevention	Expense	238	12-31-2020
SQM Salar S.A.	19-L018900 - Evaporation 2018-2019	Sustainability: Environment and Risk Prevention	Assets	172	12-31-2020
SQM Salar S.A.	19-L019800 - Paleoclimate Study (Iberia)	Sustainability: Environment and Risk Prevention	Expense	49	12-31-2020
SQM Salar S.A.	19-L020000 - Improvement of Operations Monitoring Network	Sustainability: Environment and Risk Prevention	Assets	95	12-31-2020
SQM Salar S.A.	19-L021400 - Environmental Monitoring 2019	Environmental processing	Expense	33	12-31-2020
SQM Salar S.A.	19-L021700 - Improvement of RH and MA 2019	Environmental processing	Expense	132	12-31-2020
SQM Salar S.A.	19- S013400- Online Monitoring	Sustainability: Environment and Risk Prevention	Expense	300	12-31-2020
Total				16,053	

24.3 Description of each project, indicating whether these are in process or have been finished

Sociedad Quimca y Minera de Chile S.A.

Environmental Commitments Implementation Projects

I0172: The project includes the commitments the Tamarugos Environmental Management Plan, which contemplates an Environmental Education Program that includes the design, construction and start-up of an Environmental Education Center (CEDAM) at Puquios de Llamara.

I0174: The Project include implementing "Value Added" at the former Pintados station. and a storage facility in Humberstone to store archaeological material, committed to in environmental assessments.

I0187: The project involves the implementation of measures that were committed to during the penalty process, including urgent and transitory measures and the compliance program approved by SMA.

I0283: The project involves the implementation of actions committed in the PDC. The implementation considers consulting with consultants (legal, hydrogeological and in processing with PDC), studies and additional follow-up.

I0307: The project involves the preparation and processing of sectoral and environmental permits with the DGA and SERNAGEOMIN for the "Tente en el Aire" Project.

I0384: The project contemplates updating the Conceptual and Numerical Hydrogeological Model for the Pampa del Tamarugal Aquifer."

Environmental Improvement Initiatives and Projects

I0138: The project considers increasing the height of every SO₂ absorption tower (regular and stand-by towers) to increase the SO₂ absorption efficiency.

I0176: The project involves diagnosis of works for their adaptation to the recently enacted Regulation of Hazardous Substances.

I0396: The project involves improving NV's hazardous substances pond facilities, in accordance with the Adaptation Plan for Hazardous Substances Regulation DS 43.

I0397: The project involves constructing a new NV warehouse, in accordance with the Hazardous Substances Regulation DS 43.

P0103: The project involves improving the hazardous substances pond facilities at PV, in accordance with the Adaptation Plan for Hazardous Substances Regulation DS 43.

P0104: The project involves adapting the PV warehouse, in accordance with the Hazardous Substances Regulation DS 43.

Projects for the Studies and Presentations to the Environmental Assessment System

I0194: The project consists of the preparation and processing of the Environmental Impact Study for Expansion of TEA and Impulsion.

I0282: The project consists of the preparation and processing of the Environmental Impact Study for Llamara.

I0313: The project involves a preliminary environmental characterization (terrestrial biota, archeology and paleontology) of 4 alternative sites. Once the alternative to use has been defined based on technical and environmental criteria, a DIA/EIA will be implemented.

I0358: The project contemplates standardizing facilities in accordance with standard DS43, Hazardous Substances regulation.

S0142: The project considers SQM baseline survey in terms of ESG, we will compare ourselves to the industry and best practices to later plan how to reduce the gaps in the future with concrete initiatives.

S0159: The project considers surveying all the company's sustainability initiatives, integrating the different practices in the areas of the company, identifying its strengths and opportunities to strengthen the management of its sustainability, aligning the strategy with the SDGs for all SQM operations in Chile. Support in completing the DJSI survey.

SQM Industrial S.A.

Environmental Commitments Implementation Projects

J0158: The project will prepare and process sectorial permits for favorable reports to construct in Coya Sur (CS) and permits for hydraulic works defined in Article 294 of the Water Code (evaporation wells) at CS and NV.

Environmental Improvement Initiatives and Projects

I0250: The project consists of re-drilling well 2PI-2, with the relevant development work and pump tests.

I0326: The project considers installation of floating covers to reduce evaporation in water collection wells in NV.

I0382: The project consists of acquisition of floating covers to decrease evaporation, reducing the loss of water resources for the productive phase of iodine.

I0386: The project considers a monitoring and transmission system for effective extractions and dynamic levels in extraction wells owned by SQM, which supply the Nueva Victoria site.

J0107: The project looks to renovate and automate the operation of pump stations at the three water intakes, by incorporating automatic valves and smart controls for pumps.

J0135: This project consists of dealing with all the oils and components that contain 50ppm or more of Policlorobife PCB by 2025 at the latest.

J0152: The project will install exhaust gas heat recovery equipment in boilers and implement associated structural improvements.

J0157: The project will update the closure plans in accordance with the normal regime established by current legislation. These requirements include an initial external audit, detailed risks analysis and their control, and other requirements.

J0172: The project will ensure the availability of water resources in "CS, ME, VE and CV" adductions.

J0199: The project considers obtaining a provisional roadway approval from the Ministry of Public Works to prepare and use the intersection access to Cerro Dominador.

J0228: The project considers the installation and normalization of lighting in Coya Sur and María Elena.

J0237: The project involves improving the hazardous substance pond facilities at CS and improvements to the hazardous substance storage facilities at CS and ME, in accordance with the Adaptation Plan for Hazardous Substances Regulation DS 43.

M0043: The project considers the removal of industrial waste to free up the sites defined for this purpose.

Projects for the Studies and Presentations to the Environmental Assessment System

I0177: The project will complete the basic engineering, execute the EIA Tente en el Aire, obtain the legal and sectorial permits for a second stage to secure the execution of the project.

J0122: The project consists of entering the Coya Sur wells into the “environmental impact assessment system” and processing the permits for the Coya Sur wells with the General Directorate of Water Resources (DGA).

J0227: The project consists of the preparation and processing of an Environmental Impact Declaration (DIA) to extend the useful life of the NPT2 plant and incorporate fuel with KNO₃. Prepare and process a DIA for the expansion and updating of Coya Sur.

P0102: The project considers developing the preliminary identification studies of the mine and PV heap area, identification of intake points and layouts for the sea water impulsion line.

SIT S.A.

Environmental Improvement Initiatives and Projects

T0099: The project involves preparing a detailed emissions inventory, particulate matter dispersion model and protocol development. Measurement of fugitive emissions from Tocopilla Port operations and Air Quality Monitoring.

T0105: The purpose of the project is to install a system that detects and issues early warnings of hydrocarbons in the sea near the facilities at Tocopilla Port.

SQM Salar S.A.

Environmental Commitments Implementation Projects

L0198: The project will date sediment in the depositional environments of the last 50,000 years to complement the facies sedimentological model provided by the consultant. The project will try to reconstruct the variability history of the lagoon system with absolute ages.

L0200: The project will identify an appropriate device. Field testing of sensors. Purchase of sensors for all points. Installation of sensors. Analyze remote data transmission (future project).

L0214: The project consists of implementing a 2019 environmental monitoring plan to monitor an optimum compliance of current environmental regulations.

L0217: The project involves quoting new equipment. Purchase of new equipment. Reparation of old equipment for use as backup in the event of unexpected failure of new equipment.

S0134: The project involves showing information online regarding extractions and reinjections from the Salar. Additionally, it includes biotic and hydrogeological information to show authorities and the community the actions implemented by SQM for the environmental variable it has committed to.

Environmental Improvement Initiatives and Projects

C0068: The project consists of the renovation of 11 Maxi light towers, eliminating fuel consumption.

C0086: The project involves asphaltting the Salar de Carmen plants to reduce the dust particles in suspension raised during the movement of trucks.

L0147: This project contemplates the reduction of these industrial waste storage points and packaging of different industrial waste according to the RCA and legislation in force.

L0188: The project involves the participation of an external consulting team to narrow down the sources of the risks identified, propose operational optimization plans, improvements to control systems (monitoring networks) and support in modeling this deposit with a view to a better evolution of short- and medium-term projections (5 years).

L0189: It includes improving the current lysimeter stations and implementing new stations in important sectors that are not currently measured, with the ability to remotely transmit information. This will improve the spatial coverage of the stations that measure evaporation within the basin. This considers consulting with an expert to propose methodological improvements.

L0232: This considers purchase of GPS and a Full Station for measuring stockpiles, salt height. Pursuant to CORFO requests, equipment is needed to provide information.

L0242: This contemplates consulting to study the large-scale behavior of lagoon systems through the development of analytic or semi-analytic solutions.

L0253: This considers the regularization of the potable water system and the disposal of sewage waters from management.

L0256: This contemplates the renovation of generators in SQM Salar to extend their useful life and purchase variators and transformers in different strengths to have stock in the event of failures and thereby ensure ongoing operations.

L0258: This considers the normalization of the Electricity System for maintaining and operating the transformer substations.

L0268: This considers the removal of old dryers and their final disposal at authorized facilities.

L0269: This considers improving controls over plant equipment and feed mixtures to keep products within specifications, to comply with current regulations regarding lighting and mitigate substandard conditions at the plant.

S0162: This contemplates the acquisition of technology for optimization and traceability of GHS data.

S0163: The project contains measurement methodology for different terrain parameters and subsequent conceptual modeling.

S0164: This contemplates the unification of proprietary and third-party databases.

S0165: This project takes responsibility for an opportunity to improve the speed of data analysis and efficiency in decision-making.

S0167: This contemplates a series of measures in the conceptualization of the Salar de Atacama basin, as well as updating data sets, which must be implemented to strengthen the model and which will be the management tool model for the basin.

S0169: The project aims to improve the understanding of dynamics between the vegetation and water bodies in the Aguas de Quelana sector.

SOM Nitratos S.A.

Environmental Improvement Initiatives and Projects

I0390: The project contemplates making improvements to the common warehouse in Mina Oeste based on the commitments defined in the adaptation plan presented to the Health SEREMI, thereby complying with DS43.

Sociedad Contractual Minera Bufalo

Environmental Improvement Initiatives and Projects

A0082: The project contemplates the characterization of a potential copper deposit, through the execution of a 3D geophysics program, drilling and sample studies, decreasing the uncertainty of the geological model, as well as processing environmental and sectoral permits that enable the development of activities in the area.

Orcoma Estudios Spa

Environmental Commitments Implementation Projects

I0391: The project consists of obtaining sectoral and environmental sectoral permits for the Orcoma Project.

SQM Potasio S.A.

Environmental Improvement Initiatives and Projects

I0394: The project involves improving Iris's hazardous substances pond facilities, in accordance with the Adaptation Plan for Hazardous Substances Regulation DS 43.

I0398: The project involves adapting the hazardous substances warehouse at the NV Iodine Plant, in accordance with Hazardous Substances Regulation DS 43.

Note 25 Gains (losses) from operating activities in the statement of income of expenses, included according to their nature

25.1 Revenue from operating activities customer activities

The Group derives revenues from the sale of goods (which are recognized at one point in time) and from the provision of services (which are recognized over time) and are distributed among the following geographical areas and main product and service lines.

(a) Geographic areas:

For the period ended December 31, 2020							
Geographic areas	Specialty plant nutrition	Iodine and derivatives	Lithium and derivatives	Potassium	Industrial chemicals	Other	Total ThUS\$
Chile	100,353	1,234	399	23,963	4,059	23,737	153,745
Latin America and the Caribbean	69,535	10,843	1,597	72,697	4,951	367	159,990
Europe	145,896	142,161	49,719	30,029	11,585	735	380,125
North America	246,737	90,292	25,558	39,432	23,963	1,588	427,570
Asia and Others	139,167	90,127	306,100	43,173	116,050	1,144	695,761
Total	701,688	334,657	383,373	209,294	160,608	27,571	1,817,191

For the period ended as of December 31, 2019							
Geographic areas	Specialty plant nutrition	Iodine and derivatives	Lithium and derivatives	Potassium	Industrial chemicals	Other	Total ThUS\$
Chile	109,975	1,064	599	27,371	39,512	33,336	211,857
Latin America and the Caribbean	78,872	7,972	3,593	64,868	6,354	269	161,928
Europa	149,992	123,525	76,250	27,973	15,289	735	393,764
North America	243,399	90,070	45,810	43,312	27,798	883	451,272
Asia and Others	141,682	148,389	379,462	48,627	5,922	752	724,834
Total	723,920	371,020	505,714	212,151	94,875	35,975	1,943,655

(b) Main product and service lines:

Products and Services	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Specialty plant nutrition	701,688	723,920
- Sodium Nitrates	18,291	20,679
-Potassium nitrate and sodium potassium nitrate	424,041	457,477
- Specialty Blends	163,033	153,739
- Other specialty fertilizers	96,323	92,025
Iodine and derivatives	334,657	371,020
Lithium and derivatives	383,373	505,714
Potassium	209,294	212,151
Industrial chemicals	160,608	94,875
Other	27,571	35,975
- Services	3,241	3,410
- Income from property leases	1,457	1,438
- Income from subleases on right-of-use assets	176	261
- Commodities	11,938	16,176
-Other ordinary income of Commercial Offices	10,759	14,690
Total	1,817,191	1,943,655

25.2 Cost of sales

Cost of sales broken down by nature of expense

Nature of expense	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Raw materials and consumables used	(287,877)	(271,912)
Classes of employee benefit expenses	(178,956)	(178,493)
Depreciation expense	(182,410)	(188,157)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(5,814)	(5,450)
Amortization expense	(12,655)	(5,102)
Investment plan expenses	(14,286)	(18,367)
Provision for site closure	(911)	(911)
Provision for materials, spare parts and supplies	640	(7,500)
Contractors	(142,001)	(120,793)
Operating leases	(57,461)	(47,708)
Mining concessions	(6,645)	(7,856)
Operations transport	(68,730)	(56,376)
Freight / product transport costs	(52,156)	(46,264)
Purchase of products from third parties	(224,115)	(210,583)
Insurance	(17,657)	(16,968)
CORFO rights and other agreements	(74,418)	(143,861)
Export costs	(71,718)	(75,908)
Expenses related to Variable Parts Leases (contracts under IFRS 16)	(1,133)	(1,037)
Variation in inventory	97,467	52,557
Variation in inventory provision	7,244	17,107
Other	(40,729)	(50,021)
Total	(1,334,321)	(1,383,603)

25.3 Other income

Other income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Discounts obtained from suppliers	665	676
Fines charged to suppliers	267	483
Taxes recovered	346	457
Amounts recovered from insurance	14,719	492
Overestimate of provisions for third-party obligations	118	983
Sale of assets classified as properties, plant and equipment	3,222	2,422
Options on mining rights	5,852	5,298
Easements, pipelines and roads	1,619	7,204
Mining licenses and notary costs reimbursed	85	203
Total	26,893	18,218

25.4 Administrative expenses

Administrative expenses	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Employee benefit expenses	(55,152)	(60,255)
Marketing costs	(2,377)	(3,911)
Amortization expenses	(91)	(5)
Entertainment expenses	(4,858)	(5,783)
Advisory services	(13,880)	(13,862)
Lease of buildings and facilities	(3,111)	(3,653)
Insurance	(3,478)	(2,553)
Office expenses	(6,204)	(7,327)
Contractors	(5,079)	(4,874)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(2,617)	(2,501)
Other expenses, by nature	(10,170)	(12,456)
Total	(107,017)	(117,180)

25.5 Other expenses

Other expenses	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Depreciation and amortization expense		
Depreciation of assets not in use	(42)	(136)
Subtotal	(42)	(136)
Impairment losses (reversals of impairment losses) recognized in profit for the year		
Properties, plant and equipment	(9,563)	(49)
Intangible assets other than goodwill	(1,658)	(913)
Goodwill	(140)	(140)
Amortization of intangible assets	(283)	-
Subtotal	(11,644)	(1,102)
Other expenses, by nature		
Legal expenses	(69,965)	(9,277)
VAT and other unrecoverable taxes	(626)	(613)
Fines paid	(314)	(145)
Investment plan expenses	(864)	(1,693)
Exploration expenses	(5,262)	(5,537)
Donations	(8,793)	(5,026)
Other operating expenses	(2,102)	(2,466)
Subtotal	(87,926)	(24,757)
Total	(99,612)	(25,995)

25.6 Other gains (losses)

Other income (expenses)	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Adjust previous year application method of participation	(49)	(985)
Losses in the sale of investments in associates	(11,830)	-
Impairment of interests in associates	7,235	631
Losses in the sale of investments in joint Ventures	(481)	-
Others	(188)	(29)
Total	(5,313)	(383)

25.7 (Impairment) /reversion of value of financial assets impairment losses

Description	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
(Impairment) /reversion of value of financial assets impairment losses (See Note 14.2)	4,684	(1,057)
Totals	4,684	(1,057)

25.8 Summary of expenses by nature

The following summary considers notes 25.2, 25.4 and 25.5

Expenses by nature	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Raw materials and consumables	(287,877)	(271,912)
Classes of Employee Benefit Expenses	(234,108)	(238,748)
Depreciation and amortization expense		
Depreciation expense	(182,452)	(188,293)
Depreciation of Right-of-use Assets	(8,431)	(7,951)
Impairment of Value	(1,658)	(913)
Properties, plant and equipment	(9,563)	(49)
Goodwill	(140)	(140)
Amortization expense	(13,029)	(5,107)
Legal expenses	(69,965)	(9,277)
Investment plan expenses	(15,150)	(20,060)
Exploration expenses	(5,262)	(5,537)
Provision for site closure	(911)	(911)
Provision for materials, spare parts and supplies	640	(7,500)
Contractors	(147,080)	(125,667)
Operation leases	(60,572)	(51,361)
Mining concessions	(6,645)	(7,856)
Operation transport	(68,730)	(56,376)
Freight and product transport costs	(52,156)	(46,264)
Purchase of products from third parties	(224,115)	(210,583)
CORFO rights y other agreements	(74,418)	(143,861)
Export costs	(71,718)	(75,908)
Expenses related to Variable Parts Leases (IFRS 16)	(1,133)	(1,037)
Insurance	(21,135)	(19,521)
Consultant and advisor services	(13,880)	(13,862)
Variation in gross inventory	97,467	52,557
Variation in provision on product inventory	7,244	17,107
Other expenses	(76,173)	(87,748)
Total expenses by nature	(1,540,950)	(1,526,778)

25.9 Finance expenses

Finance expenses	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Interest expense from bank borrowings and overdrafts	(2,797)	(2,133)
Interest expense from bonds	(87,030)	(72,984)
Interest expense from loans	(1,598)	(2,682)
Capitalized interest expenses	8,462	7,841
Financial expenses for restoration and rehabilitation provisions	2,947	(4,417)
Interest on lease agreement	(1,133)	(1,535)
Other finance costs	(1,050)	(1,029)
Total	(82,199)	(76,939)

25.10 Finance income

Finance income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Interest from term deposits	10,260	15,345
Interest from marketable securities	2,147	6,765
Interest from maintenance of minimum bank balance in current account	18	-
Other finance income	1,031	4,130
Other finance interest	259	49
Total	13,715	26,289

Note 26 Reportable segments

26.1 Reportable segments

(a) **General information:**

The amount of each item presented in each operating segment is equal to that reported to the highest authority that makes decisions regarding the operation, in order to decide on the allocation of resources to the defined segments and to assess its performance.

These operating segments mentioned are consistent with the way the Company is managed and how results will be reported by the Company. These segments reflect separate operating results that are regularly reviewed by the executive responsible for operational decisions in order to make decisions about the resources to be allocated to the segment and assess its performance (See Note 26.2).

The performance of each segment is measured based on net income and revenues. Inter-segment sales are made using terms and conditions at current market rates.

(b) **Factors used to identify segments on which a report should be presented:**

The segments covered in the report are strategic business units that offer different products and services. These are managed separately because each business requires different technology and marketing strategies.

(c) **Description of the types of products and services from which each reportable segment obtains its income from ordinary activities**

The operating segments, which obtain income from ordinary activities, generate expenses and have its operating results reviewed on a regular basis by the highest authority who makes decisions regarding operations, relate to the following groups of products:

1. Specialty plant nutrients
2. Iodine and its derivatives
3. Lithium and its derivatives
4. Industrial chemicals
5. Potassium
6. Other products and services

(d) **Description of income sources for all the other segments**

Information regarding assets, liabilities, profits and expenses that cannot be assigned to the segments indicated above, due to the nature of production processes, is included under the "Unallocated amounts" category of the disclosed information.

(e) **Description of the nature of the differences between measurements of results of reportable segments and the result of the entity before the expense or income tax expense of incomes and discontinued operations**

The information reported in the segments is extracted from the Company's consolidated financial statements and therefore there is no need to prepare reconciliations between the data mentioned above and those reported in the respective segments, according to what is stated in paragraph 28 of IFRS 8, "Operating Segments".

For the allocation of inventory valuation costs, we identify the direct expenses (can be directly allocated to products) and the common expenses (belong to coproduction processes, for example common leaching expenses for production of Iodine and Nitrates), Direct costs are directly allocated to the product and the common costs are distributed according to percentages that consider different variables in their determination, such as margins, rotation of inventories, revenue, production and etc.

The allocation of other common costs that are not included in the inventory valuation process, but go straight to the cost of sales, use similar criteria: the costs associated with a product or sales in particular are assigned to that particular product or sales, and the common costs associated with different products or business lines are allocated according to the sales.

(f) **Description of the nature of the differences between measurements of assets of reportable segments and the Company's assets**

Assets are not shown classified by segments, as this information is not readily available, some of these assets are not separable by the type of activity by which they are affected since this information is not used by management in decision-making with respect to resources to be allocated to each defined segment. All assets are disclosed in the "unallocated amounts" category.

(g) **Description of the nature of the differences between measurements of liabilities of reportable segments and the Company's liabilities**

Liabilities are not shown classified by segments, as this information is not readily available, some of these liabilities are not separable by the type of activity by which they are affected, since this information is not used by management in decision-making regarding resources to be allocated to each defined segment. All liabilities are disclosed in the "unallocated amounts" category.

26.2 Reportable segment disclosures:

Operating segment items as of December 31, 2020	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Reportable segments	Operating segments	Unallocated amounts	Total as of December 31, 2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	701,688	334,657	383,373	160,608	209,294	27,571	1,817,191	1,817,191	-	1,817,191
Revenues from transactions with other operating segments of the same entity	-	-	-	-	-	-	-	-	-	-
Revenues from external customers and transactions with other operating segments of the same entity	701,688	334,657	383,373	160,608	209,294	27,571	1,817,191	1,817,191	-	1,817,191
Costs of sales	(537,801)	(168,499)	(297,048)	(119,092)	(187,019)	(24,862)	(1,334,321)	(1,334,321)	-	(1,334,321)
Administrative expenses	-	-	-	-	-	-	-	-	(107,017)	(107,017)
Finance expense	-	-	-	-	-	-	-	-	(82,199)	(82,199)
Depreciation and amortization expense	(55,335)	(40,687)	(56,092)	(14,136)	(34,570)	(3,092)	(203,912)	(203,912)	-	(203,912)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	8,940	8,940
Income (loss) before taxes	163,887	166,158	86,325	41,516	22,275	2,709	482,870	482,870	(244,332)	238,538
Income tax expense	-	-	-	-	-	-	-	-	(70,179)	(70,179)
Net income (loss)	163,887	166,158	86,325	41,516	22,275	2,709	482,870	482,870	(314,511)	168,359
Assets									4,818,463	4,818,463
Equity-accounted investees	-	-	-	-	-	-	-	-	85,993	85,993
Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts	-	-	-	-	-	-	-	-	358,009	358,009
Liabilities									2,655,885	2,655,885
Impairment loss recognized in profit or loss	-	-	-	-	-	-	-	-	4,684	4,684
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	(11,644)	(11,644)
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	182,234	182,234
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	(167,091)	(167,091)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	(94,132)	(94,132)

Operating segment items as of December 31, 2019	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Reportable segments	Operating segments	Unallocated amounts	Total as of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	723,920	371,020	505,714	94,875	212,151	35,975	1,943,655	1,943,655	-	1,943,655
Revenues from transactions with other operating segments of the same entity	-	-	-	-	-	-	-	-	-	-
Revenues from external customers and transactions with other operating segments of the same entity	723,920	371,020	505,714	94,875	212,151	35,975	1,943,655	1,943,655	-	1,943,655
Costs of sales	(573,808)	(230,468)	(306,250)	(63,590)	(176,199)	(33,288)	(1,383,603)	(1,383,603)	-	(1,383,603)
Administrative expenses	-	-	-	-	-	-	-	-	(117,180)	(117,180)
Finance expense	-	-	-	-	-	-	-	-	(76,939)	(76,939)
Depreciation and amortization expense	(67,700)	(43,336)	(45,238)	(6,854)	(37,691)	(532)	(201,351)	(201,351)	-	(201,351)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	9,786	9,786
Income tax expense, continuing operations	150,112	140,552	199,464	31,285	35,952	2,687	560,052	560,052	(169,430)	390,622
Income tax expense	-	-	-	-	-	-	-	-	(110,019)	(110,019)
Net income (loss)	150,112	140,552	199,464	31,285	35,952	2,687	560,052	560,052	(279,449)	280,603
Assets	-	-	-	-	-	-	-	-	4,684,151	4,684,151
Equity-accounted investees	-	-	-	-	-	-	-	-	109,435	109,435
Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts	-	-	-	-	-	-	-	-	110,021	110,021
Liabilities	-	-	-	-	-	-	-	-	2,549,679	2,549,679
Impairment loss recognized in profit or loss	-	-	-	-	-	-	-	-	(1,057)	(1,057)
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	(1,102)	(1,102)
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	426,971	426,971
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	(485,471)	(485,471)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	105,896	105,896

26.3 Statement of comprehensive income classified by reportable segments based on groups of products

Items in the statement of comprehensive income as of December 31, 2020	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Corporate Unit	Total segments and Corporate unit
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	701,688	334,657	383,373	160,608	209,294	27,571	-	1,817,191
Costs of sales	(537,801)	(168,499)	(297,048)	(119,092)	(187,019)	(24,862)	-	(1,334,321)
Gross profit	163,887	166,158	86,325	41,516	22,275	2,709	-	482,870
Other incomes by function	-	-	-	-	-	-	26,893	26,893
Administrative expenses	-	-	-	-	-	-	(107,017)	(107,017)
Other expenses by function	-	-	-	-	-	-	(99,612)	(99,612)
Impairment of gains and review of impairment losses (impairment losses) determined in accordance with IFRS 9	-	-	-	-	-	-	4,684	4,684
Other gains (losses)	-	-	-	-	-	-	(5,313)	(5,313)
Financial income	-	-	-	-	-	-	13,715	13,715
Financial costs	-	-	-	-	-	-	(82,199)	(82,199)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	8,940	8,940
Exchange differences	-	-	-	-	-	-	(4,423)	(4,423)
Profit (loss) before taxes	163,887	166,158	86,325	41,516	22,275	2,709	(244,332)	238,538
Income tax expense	-	-	-	-	-	-	(70,179)	(70,179)
Profit (loss) from continuing operations	163,887	166,158	86,325	41,516	22,275	2,709	(314,511)	168,359
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	163,887	166,158	86,325	41,516	22,275	2,709	(314,511)	168,359
Profit, attributable to								
Profit (loss) attributable to the controller's owners	-	-	-	-	-	-	164,518	164,518
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	3,841	3,841
Profit	-	-	-	-	-	-	168,359	168,359

Items in the statement of comprehensive income as of December 31, 2019	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Corporate Unit	Total segments and Corporate unit
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	723,920	371,020	505,714	94,875	212,151	35,975	-	1,943,655
Cost of sales	(573,808)	(230,468)	(306,250)	(63,590)	(176,199)	(33,288)	-	(1,383,603)
Gross profit	150,112	140,552	199,464	31,285	35,952	2,687	-	560,052
Other incomes by function	-	-	-	-	-	-	18,218	18,218
Administrative expenses	-	-	-	-	-	-	(117,180)	(117,180)
Other expenses by function	-	-	-	-	-	-	(25,995)	(25,995)
Impairment of gains and review of impairment losses (impairment losses) determined in accordance with IFRS 9	-	-	-	-	-	-	(1,057)	(1,057)
Other gains (losses)	-	-	-	-	-	-	(383)	(383)
Financial income	-	-	-	-	-	-	26,289	26,289
Financial costs	-	-	-	-	-	-	(76,939)	(76,939)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	9,786	9,786
Exchange differences	-	-	-	-	-	-	(2,169)	(2,169)
Profit (loss) before taxes	150,112	140,552	199,464	31,285	35,952	2,687	(169,430)	390,622
Income tax expense	-	-	-	-	-	-	(110,019)	(110,019)
Profit (loss) from continuing operations	150,112	140,552	199,464	31,285	35,952	2,687	(279,449)	280,603
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	150,112	140,552	199,464	31,285	35,952	2,687	(279,449)	280,603
Profit (loss), attributable to								
Profit (loss) attributable to the controller's owners	-	-	-	-	-	-	278,115	278,115
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	2,488	2,488
Profit (loss)	-	-	-	-	-	-	280,603	280,603

26.4 Disclosures on geographical areas

As indicated in paragraph 33 of IFRS 8, the entity discloses geographical information on its revenue from operating activities with external customers and from non-current assets that are not financial instruments, deferred income tax assets, assets related to post-employment benefits or rights derived from insurance contracts.

26.5 Disclosures on main customers

With respect to the degree of dependency of the Company on its customers, in accordance with paragraph 34 of IFRS 8, the Company has no external customers who individually represent 10% or more of its revenue.

26.6 Segments by geographical areas

Items as of December 31, 2020	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	153,745	159,990	380,126	427,572	695,758	1,817,191
Investment accounted for under the equity method	-	-	41,273	14,468	30,252	85,993
Intangible assets other than goodwill	95,934	565	825	2,274	78,809	178,407
Goodwill	23,065	-	18,901	-	-	41,966
Property, plant and equipment, net	1,667,824	642	12,592	3,494	52,767	1,737,319
Right-of-use assets	23,461	2,298	2,428	1,776	61	30,024
Other non-current assets	19,377	17	7	2,641	-	22,042
Non-current assets	1,829,661	3,522	76,026	24,653	161,889	2,095,751

Items as of December 31, 2019	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	211,857	161,928	393,764	451,272	724,834	1,943,655
Investment accounted for under the equity method	-	-	42,243	14,669	52,523	109,435
Intangible assets other than goodwill	106,910	420	1,397	2,683	76,948	188,358
Goodwill	23,205	-	11,521	-	-	34,726
Property, plant and equipment, net	1,526,919	513	3,424	6,250	32,800	1,569,906
Right-of-use assets	29,427	2,734	2,817	2,083	103	37,164
Other non-current assets	20,321	28	4	(624)	-	19,729
Non-current assets	1,706,782	3,695	61,406	25,061	162,374	1,959,318

26.7 Property, plant and equipment classified by geographical areas

The company's main production facilities are located near their mines and extraction facilities in northern Chile. The following table presents the main production facilities as of December 31, 2020 and 2019:

Location

- Pedro de Valdivia
- María Elena
- Coya Sur
- Nueva Victoria
- Salar de Atacama
- Salar del Carmen
- Tocopilla

Note 27 Effect of fluctuations in foreign currency exchange rates**a) Foreign currency exchange differences recognized in profit or loss and other comprehensive income:**

Foreign currency exchange differences recognized in profit or loss and other comprehensive income	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Conversion foreign exchange gains (losses) recognized in the result of the year	(4,423)	(2,169)
Conversion foreign exchange reserves		
Conversion foreign exchange reserves attributable to the owners of the controlling entity	14,176	562
Conversion foreign exchange reserves attributable to the non-controlling entity	(176)	225
Total	14,000	787

b) Reserves for foreign currency exchange differences:

As of December 31, 2020, and 2019, are detailed as follows:

Details	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Changes in equity generated by the equity method value through conversion:		
Comercial Hydro S.A.	1,004	1,004
SQMC Internacional Ltda.	(9)	(9)
Proinsa Ltda.	(10)	(10)
Comercial Agrorama Ltda.	(19)	33
Isapre Norte Grande Ltda.	(14)	(44)
Almacenes y Depósitos Ltda.	211	142
Sacal S.A.	(3)	(3)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	(13)	(19)
Agrorama S.A.	92	231
Doktor Tarsa	-	(13,811)
SQM Vitas Fzco	(3,736)	(2,267)
Ajay Europe	(693)	(1,449)
SQM Eastmed Turkey	-	(155)
Doctochem	-	7
Coromandel SQM India	-	(431)
SQM Italia SRL	-	(236)
SQM Oceanía Pty Ltd.	(579)	(634)
SQM Indonesia S.A.	(124)	(124)
Abu Dhabi Fertilizers Industries WWL	372	372
SQM Vitas Holland	99	(197)
SQM Thailand Limited	(68)	(68)
SQM Europe	(1,983)	(1,983)
SQM Australia Pty Ltd.	(4,052)	(4,035)
Pavoni & C. Spa	164	(185)
Terra Tarsa BV	-	116
Plantacote NV	-	(16)
Doktolab Tarim Arastirma San.	-	(54)
Kore Potash PLC (a)	(1,128)	(1,754)
SQM Colombia SAS	(80)	(166)
Total	(11,569)	(25,745)

c) Functional and presentation currency

The functional currency of these companies corresponds to the currency of the country of origin of each entity, and its presentation currency is the dollar.

d) Reasons to use one presentation currency and a different functional currency

- A relevant portion of the revenues of these subsidiaries are associated with the local currency.
- The cost structure of these companies is affected by the local currency.

Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates

a) Assets held in foreign currency subject to fluctuations in exchange rates are detailed as follows:

Class of Asset	Currency	As of December 31, 2020	As of December 31, 2019
		ThUS\$	ThUS\$
Cash and cash equivalents	USD	454,402	558,572
Cash and cash equivalents	ARS	-	3
Cash and cash equivalents	CLP	7,190	8,240
Cash and cash equivalents	CNY	11,597	2,484
Cash and cash equivalents	EUR	17,144	3,131
Cash and cash equivalents	GBP	19	3
Cash and cash equivalents	AUD	1,411	8,492
Cash and cash equivalents	INR	6	6
Cash and cash equivalents	MXN	1,378	2,103
Cash and cash equivalents	PEN	3	4
Cash and cash equivalents	AED	-	-
Cash and cash equivalents	JPY	1,646	1,559
Cash and cash equivalents	ZAR	14,286	3,929
Cash and cash equivalents	KRW	16	-
Cash and cash equivalents	IDR	3	3
Cash and cash equivalents	PLN	1	1
Subtotal cash and cash equivalents		509,102	588,530
Other current financial assets	USD	145,893	127,889
Other current financial assets	CLF	-	36,896
Other current financial assets	CLP	202,176	340,705
Subtotal other current financial assets		348,069	505,490
Other current non-financial assets	USD	20,645	16,535
Other current non-financial assets	AUD	224	285
Other current non-financial assets	BRL	-	2
Other current non-financial assets	CLF	53	31
Other current non-financial assets	CLP	27,837	24,374
Other current non-financial assets	CNY	1,661	326
Other current non-financial assets	EUR	1,531	3,055
Other current non-financial assets	COP	70	-
Other current non-financial assets	MXN	4,488	2,629
Other current non-financial assets	THB	70	22
Other current non-financial assets	JPY	157	174
Other current non-financial assets	ZAR	646	3,119
Other current non-financial assets	SEK	17	-
Subtotal other non-financial current assets		57,399	50,552
Trade and other receivables	USD	230,214	225,554
Trade and other receivables	PEN	1	6
Trade and other receivables	BRL	23	19
Trade and other receivables	CLF	545	504
Trade and other receivables	CLP	47,133	56,023
Trade and other receivables	CNY	22,882	3,340
Trade and other receivables	EUR	22,868	24,925
Trade and other receivables	GBP	682	148
Trade and other receivables	MXN	355	211
Trade and other receivables	AED	533	1,193
Trade and other receivables	THB	1,167	1,695
Trade and other receivables	JPY	23,010	66,266
Trade and other receivables	AUD	589	801
Trade and other receivables	ZAR	12,504	15,900
Trade and other receivables	COP	2,675	2,557
Trade and other receivables	SEK	25	-
Subtotal trade and other receivables		365,206	399,142
Receivables from related parties	USD	61,379	60,135
Receivables from related parties	EUR	1,222	1,092
Subtotal receivables from related parties		62,601	61,227

Class of assets	Currency	As of December 31, 2020	As of December 31, 2019
		ThUS\$	ThUS\$
Current inventories	USD	1,093,028	983,338
Subtotal Current Inventories		1,093,028	983,338
Current tax assets	USD	128,529	87,509
Current tax assets	ARS	-	1
Current tax assets	CLP	3,015	1,623
Current tax assets	EUR	218	61
Current tax assets	MXN	-	1,806
Current tax assets	PEN	4	-
Current tax assets	ZAR	26	139
Current tax assets	COP	417	294
Current tax assets	THB	15	-
Subtotal current tax assets		132,224	91,433
Non-current assets or groups of assets classified as held for sale	USD	1,629	2,454
Subtotal Non-current assets or groups of assets classified as held for sale		1,629	2,454
Total current assets		2,569,258	2,682,166
Other non-current financial assets	USD	51,828	8,687
Other non-current financial assets	CLP	20	20
Other non-current financial assets	JPY	77	71
Subtotal Other non-current financial assets		51,925	8,778
Other non-current non-financial assets	USD	21,236	19,101
Other non-current non-financial assets	BRL	17	22
Other non-current non-financial assets	COP	-	6
Other non-current non-financial assets	EUR	7	4
Other non-current non-financial assets	CLP	782	596
Subtotal Other non-current non-financial assets		22,042	19,729
Other receivables, non-current	USD	10,061	522
Other receivables, non-current	CLF	152	165
Other receivables, non-current	MXN	102	43
Other receivables, non-current	CLP	850	980
Subtotal Other receivables, non-current		11,165	1,710
Investments classified using the equity method of accounting	USD	23,417	57,777
Investments classified using the equity method of accounting	TRY	792	26,624
Investments classified using the equity method of accounting	AED	47,774	9,111
Investments classified using the equity method of accounting	EUR	11,082	14,315
Investments classified using the equity method of accounting	INR	1,304	1,568
Investments classified using the equity method of accounting	THB	1,624	40
Subtotal Investments classified using the equity method of accounting		85,993	109,435
Intangible assets other than goodwill	USD	176,282	185,951
Intangible assets other than goodwill	MXN	1,025	1,137
Intangible assets other than goodwill	CLP	182	136
Intangible assets other than goodwill	EUR	696	1,134
Intangible assets other than goodwill	CNY	222	-
Subtotal intangible assets other than goodwill		178,407	188,358
Purchases goodwill, gross	USD	34,438	34,438
Purchases goodwill, gross	CLP	-	140
Purchases goodwill, gross	EUR	7,528	148
Subtotal Purchases goodwill, gross		41,966	34,726
Property, plant and equipment	USD	1,719,358	1,556,160
Property, plant and equipment	CLP	3,237	3,294
Property, plant and equipment	EUR	10,954	4,756
Property, plant and equipment	AED	923	-
Property, plant and equipment	BRL	111	-
Property, plant and equipment	MXN	2,494	5,588
Property, plant and equipment	COP	120	108
Property, plant and equipment	KRW	122	-
Subtotal property, plant and equipment		1,737,319	1,569,906
Right-of-use assets	USD	25,238	37,164
Right-of-use assets	EUR	2,428	-
Right-of-use assets	AED	60	-
Right-of-use assets	MXN	2,298	-
Subtotal Right-of-use assets		30,024	37,164
Current tax assets, non-current	USD	90,364	32,179
Subtotal Current tax assets, non-current		90,364	32,179
Total non-current assets		2,249,205	2,001,985
Total assets		4,818,463	4,684,151

Class of liability	Currency	As of December 31, 2020			As of December 31, 2019		
		Up to 90 days	More than 90 days to 1 year	Total	Up to 90 days	More than 90 days to 1 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities							
Other current financial liabilities	USD	43,218	4,676	47,894	20,582	250,694	271,276
Other current financial liabilities	CLF	20,732	329	21,061	19,518	323	19,841
Other current financial liabilities	BRL	-	-	-	11	-	11
Subtotal other current financial liabilities		63,950	5,005	68,955	40,111	251,017	291,128
Lease liabilities, current	USD	-	4,750	4,750	-	7,694	7,694
Lease liabilities, current	MXN	-	416	416	-	-	-
Lease liabilities, current	EUR	-	362	362	-	-	-
Subtotal Lease liabilities, current		-	5,528	5,528	-	7,694	7,694
Trade and other payables	USD	83,425	-	83,425	44,146	-	44,146
Trade and other payables	CLF	123	-	123	-	-	-
Trade and other payables	BRL	9	-	9	10	-	10
Trade and other payables	THB	30	-	30	53	-	53
Trade and other payables	CLP	73,857	-	73,857	73,703	17,108	90,811
Trade and other payables	CNY	1,323	-	1,323	-	-	-
Trade and other payables	EUR	40,280	-	40,280	58,538	5	58,543
Trade and other payables	GBP	18	-	18	17	-	17
Trade and other payables	INR	1	-	1	1	-	1
Trade and other payables	MXN	584	-	584	5,122	-	5,122
Trade and other payables	PEN	5	-	5	5	-	5
Trade and other payables	AUD	2,935	-	2,935	4,442	-	4,442
Trade and other payables	ZAR	1,168	-	1,168	2,260	-	2,260
Trade and other payables	AED	-	-	-	188	-	188
Trade and other payables	COP	175	-	175	192	-	192
Subtotal trade and other payables		203,933	-	203,933	188,677	17,113	205,790
Trade payables due to related parties, current	USD	-	282	282	475	-	475
Trade payables due to related parties, current	AUD	324	-	324	-	-	-
Subtotal Trade payables due to related parties, current		324	282	606	475	-	475
Other current provisions	USD	103,252	698	103,950	109,650	820	110,470
Other current provisions	ARS	-	-	-	7	-	7
Other current provisions	CLP	216	-	216	82	-	82
Other current provisions	EUR	-	-	-	6	-	6
Subtotal other current provisions		103,468	698	104,166	109,745	820	110,565

Class of liability	Currency	As of December 31, 2020			As of December 31, 2019		
		Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current tax liabilities	USD	-	20,981	20,981	2,863	14,994	17,857
Current tax liabilities	CLP	-	61	61	-	17	17
Current tax liabilities	EUR	-	642	642	-	-	-
Current tax liabilities	MXN	-	959	959	-	-	-
Subtotal current tax liabilities		-	22,643	22,643	2,863	15,011	17,874
Provisions for employee benefits, current	USD	2,981	6,011	8,992	12,486	3,901	16,387
Provisions for employee benefits, current	AUD	58	-	58	-	-	-
Provisions for employee benefits, current	CLP	3	-	3	-	-	-
Provisions for employee benefits, current	THB	-	-	-	-	-	-
Provisions for employee benefits, current	MXN	43	-	43	-	-	-
Subtotal Provisions for employee benefits, current		3,085	6,011	9,096	12,486	3,901	16,387
Other current non-financial liabilities	USD	51,995	397	52,392	117,136	154	117,290
Other current non-financial liabilities	THB	-	-	-	30	-	30
Other current non-financial liabilities	BRL	2	-	2	3	-	3
Other current non-financial liabilities	CLP	6,264	792	7,056	5,969	2,439	8,408
Other current non-financial liabilities	CNY	60	-	60	-	-	-
Other current non-financial liabilities	EUR	913	119	1,032	842	-	842
Other current non-financial liabilities	MXN	121	53	174	129	64	193
Other current non-financial liabilities	JPY	52	-	52	21	12	33
Other current non-financial liabilities	PEN	70	-	70	70	-	70
Other current non-financial liabilities	ZAR	-	-	-	10	-	10
Other current non-financial liabilities	COP	-	-	-	-	-	-
Other current non-financial liabilities	ARS	-	117	117	20	-	20
Subtotal other current non-financial liabilities		59,477	1,478	60,955	124,230	2,669	126,899
Total current liabilities		434,237	41,645	475,882	478,587	298,225	776,812

Class of liability	Currency	As of December 31, 2020					
		Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current liabilities							
Other non-current financial liabilities	USD	-	312,730	69,376	248,664	838,399	1,469,169
Other non-current financial liabilities	CLF	-	-	-	-	430,344	430,344
Subtotal Other non-current financial liabilities		-	312,730	69,376	248,664	1,268,743	1,899,513
Non-current lease liabilities	USD	1,977	-	-	-	4,158	6,135
Non-current lease liabilities	UF	15,258	-	-	-	-	15,258
Non-current lease liabilities	MXN	2,189	-	-	-	-	2,189
Non-current lease liabilities	JPY	1,964	-	-	-	-	1,964
Subtotal non-current lease liabilities		21,388	-	-	-	4,158	25,546
Non-current Trade and other payables	USD	-	4,027	-	-	-	4,027
Subtotal Non-current Trade and other payables		-	4,027	-	-	-	4,027
Other non-current provisions	USD	-	36,391	-	-	26,226	62,617
Subtotal Other non-current provisions		-	36,391	-	-	26,226	62,617
Deferred tax liabilities	USD	-	919	-	-	155,182	156,101
Subtotal Deferred tax liabilities		-	919	-	-	155,182	156,101
Provisions for employee benefits, non-current	USD	31,585	-	-	-	-	31,585
Provisions for employee benefits, non-current	CLP	610	-	-	-	-	610
Provisions for employee benefits, non-current	MXN	-	-	-	-	-	-
Provisions for employee benefits, non-current	JPY	4	-	-	-	-	4
Subtotal Provisions for employee benefits, non-current		32,199	-	-	-	-	32,199
Total non-current liabilities		53,587	354,067	69,376	248,664	1,454,309	2,180,003
Total liabilities							2,655,885

Class of liability	Currency	As of December 31, 2019					
		Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current liabilities							
Other non-current financial liabilities	USD	89,896	42,336	313,749	13,749	617,055	1,076,785
Other non-current financial liabilities	CLF	-	-	-	-	411,938	411,938
Subtotal Other non-current financial liabilities		89,896	42,336	313,749	13,749	1,028,993	1,488,723
Non-current lease liabilities	USD	-	-	-	-	30,203	30,203
Subtotal non-current lease liabilities		-	-	-	-	30,203	30,203
Non-current Trade and other payables	USD	-	-	-	-	-	-
Subtotal Non-current Trade and other payables		-	-	-	-	-	-
Other non-current provisions	USD	23,014	167	-	1,452	10,057	34,690
Subtotal Other non-current provisions		23,014	167	-	1,452	10,057	34,690
Deferred tax liabilities	USD	-	-	-	-	183,411	183,411
Subtotal Deferred tax liabilities		-	-	-	-	183,411	183,411
Provisions for employee benefits, non-current	USD	-	-	-	-	34,884	34,884
Provisions for employee benefits, non-current	CLP	-	-	-	-	519	519
Provisions for employee benefits, non-current	MXN	-	-	-	-	236	236
Provisions for employee benefits, non-current	JPY	-	-	-	-	201	201
Subtotal Provisions for employee benefits, non-current		-	-	-	-	35,840	35,840
Total non-current liabilities		112,910	42,503	313,749	15,201	1,288,504	1,772,867
Total liabilities							2,549,679

b) Effect of exchange rate changes on the statement of income

Foreign currency exchange rate changes	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Profit (loss) in foreign currency	(4,423)	(2,169)
Foreign currency translation reserve (*)	14,176	562
Total	9,753	(1,607)

(*) includes MUS\$ 14,580, which were transferred through sale of Grupo Tarsa, SQM Eastmed and other smaller companies.

The average and closing exchange rate for foreign currency is revealed in Note 3.3

Note 29 Income tax and deferred taxes

Accounts receivable from taxes as of December 31, 2020 and December 31, 2019, are as follows:

29.1 Current and non-current tax assets

(a) Current

Current tax assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Monthly provisional income tax payments, Chilean companies	37,123	47,283
Monthly provisional income tax payments, foreign companies	1,265	124
Corporate tax credits (1)	1,566	1,262
1st category tax absorbed by tax loss (2)	2,322	916
Taxes in recovery process	89,948	41,848
Total	132,224	91,433

(b) Non-current

Non-current tax assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Monthly provisional income tax payments, Chilean companies compensated by the specific tax on mining activity (Lithium)	6,398	6,398
Specific tax on mining activities (IEAM) paid by Lithium (on consignment)	83,966	25,781
Total	90,364	32,179

- (1) These credits are available for Companies and are related to corporate tax payments in April of the following year. These credits include, among others, credits for training expenses (SENCE), credits for acquisition of fixed assets, donations and credits in Chile for taxes paid abroad.
- (2) This concept corresponds to the absorption of the tax losses determined by the company at the end of the year, which must be attributed to the dividends received during the year.

29.2 Current tax liabilities

Current tax liabilities	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
1st Category income tax	14,736	7,863
Foreign company income tax	7,838	9,944
Article 21 single tax	69	67
Total	22,643	17,874

Income tax is calculated based on the profit or loss for tax purposes that is applied to the effective tax rate applicable in Chile. As established by Law No. 20,780 is 27%.

The royalty is determined by applying the taxable rate to the net operating income obtained, according to the chart in force, the Company currently provisioned 5% for mining royalties that involve operations in the Salar de Atacama and 5.38% for caliche extraction operations.

The income tax rate for the main countries where the Company operates is presented below:

Country	Income tax	Income tax
	2020	2019
Spain	25%	25%
Belgium	25%	29.58%
Mexico	30%	30%
United States	21% + 3,36%	21% + 3,25%
South Africa	28%	28%

29.3 Income tax and deferred taxes

(a) Deferred tax assets and liabilities as of December 31, 2020

Description of deferred tax assets and liabilities as of December 31, 2020	Net liability position	
	Assets	Liabilities
	ThUS\$	ThUS\$
Unrealized loss	90,585	-
Property, plant and equipment and capitalized interest	-	(187,168)
Restoration and rehabilitation provision	6,598	-
Manufacturing expenses	-	(107,215)
Staff severance indemnities, unemployment insurance	-	(6,669)
Vacation accrual	6,138	-
Inventory provision	22,200	-
Materials provision	8,812	-
Forward	-	-
Employee benefits	-	-
Research and development expenses	-	(3,580)
Bad debt provision	5,072	-
Provision for legal complaints and expenses	19,637	-
Loan acquisition expenses	-	(5,212)
Financial instruments recorded at market value	-	(3,929)
Specific tax on mining activity	-	(3,014)
Tax loss benefit	844	-
Other	1,454	-
Foreign items (other)	-	(654)
Balances to date	161,340	(317,441)
Net balance		(156,101)

(b) Deferred tax assets and liabilities as of December 31, 2019

Description of deferred tax assets and liabilities	Net liability position	
	Assets	Liabilities
	ThUS\$	ThUS\$
Unrealized loss	82,075	-
Property, plant and equipment and capitalized interest	-	(197,167)
Facility closure provision	7,313	-
Manufacturing expenses	-	(106,420)
Staff severance indemnities, unemployment insurance	-	(6,000)
Vacation	5,591	-
Inventory provision	23,885	-
Materials provision	7,982	-
Employee benefits	2,689	-
Research and development expenses	-	(3,533)
Bad debt provision	3,542	-
Provision for legal complaints and expenses	2,546	-
Loan acquisition expenses	-	(3,856)
Financial instruments recorded at market value	-	(1,287)
Specific tax on mining activity	-	(1,357)
Tax loss benefit	2,296	-
Other	-	(2,021)
Foreign items (other)	311	-
Balances to date	138,230	(321,641)
Net balance		(183,411)

(c) Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2020

Reconciliation of changes in deferred tax liabilities (assets)	Deferred tax liability (asset) at beginning of period	Deferred tax (expense) benefit recognized in profit (loss) for the year	Deferred taxes related to items credited (charged) directly to equity	Total increases (decreases) in deferred tax liabilities (assets)	Deferred tax liability (asset) at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Unrealized loss	(82,076)	(8,509)	-	(8,509)	(90,585)
Property, plant and equipment and capitalized interest	197,167	(9,999)	-	(9,999)	187,168
Facility closure provision	(7,312)	714	-	714	(6,598)
Manufacturing expenses	106,420	795	-	795	107,215
Staff severance indemnities, unemployment insurance	6,000	514	155	669	6,669
Vacation accrual	(5,591)	(547)	-	(547)	(6,138)
Inventory provision	(23,885)	1,685	-	1,685	(22,200)
Materials provision	(7,982)	(830)	-	(830)	(8,812)
Forward	-	1,001	(1,001)	-	-
Employee benefits	(2,689)	2,689	-	2,689	-
Research and development expenses	3,534	46	-	46	3,580
bad debt provision	(3,542)	(1,530)	-	(1,530)	(5,072)
Provision for legal complaints and expenses	(2,546)	(17,091)	-	(17,091)	(19,637)
Loan approval expenses	3,856	1,356	-	1,356	5,212
Junior mining companies (valued based on stock price)	1,287	-	2,642	2,642	3,929
specific tax on mining activity	1,356	1,668	(10)	1,658	3,014
Tax loss benefit	(2,296)	1,452	-	1,452	(844)
Other	2,021	(3,475)	-	(3,475)	(1,454)
Foreign items (other)	(311)	965	-	965	654
Total temporary differences, unused losses and unused tax credits	183,411	(29,096)	1,786	(27,310)	156,101

(d) Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2019

Reconciliation of changes in deferred tax liabilities (assets)	Deferred tax liability (asset) at beginning of period	Deferred tax (expense) benefit recognized in profit (loss) for the year	Deferred taxes related to items credited (charged) directly to equity	Total increases (decreases) in deferred tax liabilities (assets)	Deferred tax liability (asset) at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Unrealized loss	(75,832)	(6,243)	-	(6,243)	(82,075)
Property, plant and equipment and capitalized interest	196,843	324	-	324	197,167
Facility closure provision	(4,280)	(3,033)	-	(3,033)	(7,313)
Manufacturing expenses	103,760	2,660	-	2,660	106,420
Staff severance indemnities, unemployment insurance	5,679	1,007	(686)	321	6,000
Vacation accrual	(5,155)	(436)	-	(436)	(5,591)
Inventory provision	(28,155)	4,270	-	4,270	(23,885)
Materials provision	(6,239)	(1,743)	-	(1,743)	(7,982)
Forward	(2,169)	(514)	2,683	2,169	-
Employee benefits	(3,309)	620	-	620	(2,689)
Research and development expenses	2,216	1,317	-	1,317	3,533
bad debt provisions	(4,188)	646	-	646	(3,542)
Provision for legal complaints and expenses	(4,013)	1,467	-	1,467	(2,546)
Loan approval expenses	2,337	1,519	-	1,519	3,856
Financial instruments recorded at market value	976	-	311	311	1,287
specific tax on mining activity	3,278	(1,905)	(16)	(1,921)	1,357
Tax loss benefit	(1,124)	(1,172)	-	(1,172)	(2,296)
Other	(5,005)	7,026	-	7,026	2,021
Foreign items (other)	(259)	(52)	-	(52)	(311)
Total temporary differences, unused losses and unused tax credits	175,361	5,758	2,292	8,050	183,411

(e) Deferred taxes related to benefits for tax losses

The Company's tax loss carryforwards were mainly generated by losses in Chile, which in accordance with current Chilean tax regulations have no expiration date.

As of December 31, 2020, and December 31, 2019, tax loss carryforwards are detailed as follows:

Deferred taxes related to benefits for tax losses	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Chile	818	2,296
Foreign	26	-
Total	844	2,296

The tax losses as of December 31, 2020 correspond mainly to SQM S.A., SQM Potasio S.A., SIT S.A., Orcoma SpA., and Orcoma Estudio SpA.

The tax losses from foreign companies correspond mainly to SQM Africa Pty Ltd. And SQM (Shanghai) Chemicals.

(f) Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of December 31, 2020 and December 31, 2019 are detailed as follows:

Movements in deferred tax assets and liabilities	Assets (liabilities)	
	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Deferred tax assets and liabilities, net opening balance	(183,411)	(175,361)
Increase (decrease) in deferred taxes in profit or loss	29,096	(5,758)
Decrease in deferred taxes in equity	(1,786)	(2,292)
Total	(156,101)	(183,411)

(g) Disclosures on income tax (expenses) benefit

Current and deferred tax (expenses) benefit are detailed as follows:

Disclosures on income tax expense (benefit)	(Expense) Income	
	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current income tax (expense) income		
Current tax expense	(97,374)	(116,483)
Adjustments to prior year current income tax (expense) benefit	(1,901)	12,222
Current income tax expense, net, total	(99,275)	(104,261)
Deferred tax expense		
Deferred tax expense relating to the creation and reversal of temporary differences	26,219	2,551
Tax adjustments related to the creation and reversal of temporary differences from the previous year	2,877	(8,309)
Deferred tax expense, net, total	29,096	(5,758)
Income tax expense	(70,179)	(110,019)

Tax (expenses) benefit for foreign and domestic parties are detailed as follows:

Income tax (expense) benefit	(Expense) Income	
	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current income tax benefit (expense) by foreign and domestic parties, net		
Current income tax expense, foreign parties, net	(9,782)	(7,394)
Current income tax expense, domestic, net	(89,493)	(96,867)
Current income tax expense, net, total	(99,275)	(104,261)
Deferred tax benefit (expense) by foreign and domestic parties, net		
Current income tax benefit, foreign parties, net	10,284	2,370
Current income tax benefit (expense), domestic, net	18,812	(8,128)
Deferred tax expense, net, total	29,096	(5,758)
Income tax expense	(70,179)	(110,019)

(h) Equity interest in taxation attributable to equity-accounted investees

The Company does not recognize any deferred tax liability in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associated companies or interest in joint ventures, because as indicated in the standard, the following two conditions are jointly met:

- (i) the parent, investor or interest holder is able to control the time for reversal of the temporary difference; and
- (ii) It is more likely than not that the temporary difference will not be reversed in the foreseeable future.

In addition, the Company does not recognize deferred income tax assets for all deductible temporary differences from investments in subsidiaries, branches and associated companies or interests in joint ventures because it is unlikely that they will meet the following requirements:

- (i) Temporary differences are reversed in a foreseeable future; and
- (ii) The Company has tax earnings, against which temporary differences can be used.

(i) Disclosures on the tax effects of other comprehensive income components:

Income tax related to other income and expense components with a charge or credit to net equity	As of December 31, 2020		
	Amount before taxes (expense) gain	(Expense) income for income taxes	Amount after taxes
	ThUS\$	ThUS\$	ThUS\$
Gain (loss) from defined benefit plans	974	(145)	829
Cash flow hedge	(3,706)	1,001	(2,705)
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	9,785	(2,642)	7,143
Total	7,053	(1,786)	5,267

Income tax related to other income and expense components with a charge or credit to net equity	As of December 31, 2019		
	Amount before taxes (expense) gain	(Expense) income for income taxes	Amount after taxes
	ThUS\$	ThUS\$	ThUS\$
Gain (loss) from defined benefit plans	(3,310)	702	(2,608)
Cash flow hedge	1,908	(2,683)	(775)
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	1,152	(311)	841
Total	(250)	(2,292)	(2,542)

(j) Explanation of the relationship between (expense) benefit for tax purposes and accounting income.

Based on IAS 12, paragraph 81, letter “c”, the company has estimated that the method that discloses the most significant information for users of the financial statements is the numeric conciliation between the tax expense (income) and the result of multiplying the accounting profit by the current rate in Chile. The aforementioned choice is based on the fact that the Company and subsidiaries established in Chile generate a large part of the Company’s tax expense (benefit). The amounts provided by subsidiaries established outside Chile have no relative importance in the overall context.

Reconciliation between the tax income (expense) and the tax calculated by multiplying accounting income by the Chilean corporate income tax rate.

Income Tax Expense (Benefit)	(Expense) Benefit	
	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Consolidated income before taxes	238,538	390,622
Income tax rate in force in Chile	27%	27%
Tax expense using the statutory tax rate	(64,405)	(105,468)
Net effect of royalty tax payments	(4,659)	(4,314)
Effect of fines affected by article 21 and passive income	(1,804)	(724)
Tax effect of revenue from regular activities exempt from taxation	1,786	2,376
Tax rate effect of non-tax-deductible expenses for determining taxable profit (loss)	(2,987)	(2,128)
Tax effect of tax rates supported abroad	(2,077)	(252)
Effects of changes resulting from classifying a permanent item as a temporary one	4,826	-
Other tax effects from reconciliation between accounting gains and tax expenses	(859)	491
Tax expense using the effective tax rate	(70,179)	(110,019)

(k) Tax periods potentially subject to verification:

The Group's Companies are potentially subject to income tax audits by tax authorities in each country. These audits are limited to a number of interim tax periods, which, in general, when they elapse, give rise to the expiration of these inspections.

Tax audits, due to their nature, are often complex and may require several years. Below, we provide a summary of tax periods that are potentially subject to verification, in accordance with the tax regulations in force in the country of origin:

(i) Chile

According to article 200 of Decree Law No 830, the taxes will be reviewed for any deficiencies in terms of payment and to generate any taxes that might arise. There is a 3-year prescriptive period for such review, dating from the expiration of the legal deadline when payment should have been made. This prescriptive period can be extended to 6 years for the revision of taxes subject to declaration, when such declaration has not been filed or has been presented with maliciously false information.

(ii) United States

In the United States, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return. In the event that an omission or error is detected in the tax return of sales or cost of sales, the review can be extended for a period of up to 6 years.

(iii) Mexico:

In Mexico, the tax authority can review tax returns up to 5 years from the expiration date of the tax return.

(iv) Spain:

In Spain, the tax authority can review tax returns up to 4 years from the expiration date of the tax return.

A subsidiary of the Company, SQM Iberian S.A., is being reviewed by the Spanish Tax Authority. This audit could involve adjustments to tax returns filed in Spain.

(v) Belgium:

In Belgium, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return if no tax losses exist. In the event of detecting an omission or error in the tax return, the review can be extended for a period of up to 5 years.

On December 31, 2019, a current tax of ThUS\$ 1,068 was recognized, which corresponds to a difference in taxes in SQM Europe N.V. determined at the end of an audit of transfer prices in the 2017 trade year.

(vi) South Africa:

In South Africa, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return. In the event that an omission or error in the tax return is detected, the review can be extended for a period of up to 5 years.

A subsidiary of the Company, SQM Africa Pty., is being reviewed by the South African Tax Authority. This audit could involve adjustments to tax returns filed in South Africa.

Note 30 Assets held for sale

The non-current assets held for sale and the components of the disposal groups classified as held for sale are presented in the Consolidated Statement of Financial Position under the item “Non-current assets or groups of assets classified as held for sale”.

The following table shows the movements in assets held for sale:

Assets held for sale	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Land	1,493	2,454
Mining rights	136	-
Total assets held for sale	1,629	2,454

Note 31 Events occurred after the reporting date

31.1 Authorization of the financial statements

The consolidated financial statements of the Company and its subsidiaries, prepared for the period ended December 31, 2020, were approved and authorized for issuance by the Company's Board of Directors on March 3, 2021.

31.2 Disclosures on events occurring after the reporting date

The total financial impact of COVID-19 cannot be reasonably estimated at this time, due to uncertainty as to its severity and duration. It was anticipated that average sales volumes and prices will depend on the duration of the coronavirus in different markets, the efficiency of the measures implemented to contain the spread of the virus in each country, and the fiscal and national incentives that can be implemented in different jurisdictions to promote economic recovery. The Company continues to monitor and evaluate the spread of the coronavirus and its impact on our operations, business, financial condition and results of operations.

On November 11, 2020, the DOJ presented a motion to dismiss the criminal information against the Company notified in Note 23. This motion was granted by the United States District Court for the District of Columbia on January 19, 2021. Note 23 contains further details.

An extraordinary shareholders' meeting held on January 22, 2021 resolved, among other matters, to approve an increase in the Company's capital of US\$ 1,100,000,000 by issuing 22,442,580 Series B shares, to be offered preferentially and under the same conditions only to Series B shareholders. Pursuant to Article 69 N° 5 of Law 18,046 on Corporations, the approval of this resolution grants the dissenting Series A shareholders the right to withdraw from the Company, upon payment by the Company of the value of their shares. A dissenting shareholder will be considered to be a Series A shareholder who at the meeting has opposed the resolution giving the right to withdraw, or who did not attend the meeting, but expressed their dissent in writing to the Company within 30 days of the date of the extraordinary shareholders' meeting, which is by February 21, 2021.

On January 7, 2021, Ocaña y Vega Limitada filed for arbitration against the Company to claim damages associated with the early termination of two construction contracts. The arbitration claim is valued at approximately ThUS\$ 377.

On January 25, 2020, a sub-contractor's employee sued the Company for compensation for a work-related accident in the sum of approximately ThUS\$718.

On February 9, 2021, two of the Company's subsidiaries signed an agreement to conclude a dispute related to sales contracts and share of the joint venture with Sichuan SQM Migao Chemical Fertilizers Co Ltd. The Company received US\$ 11.5 million as a result of this settlement.

On February 17, 2021, the Company reported that the Board of Directors approved the investment in the Mount Holland lithium project in Australia. This project is a joint venture with Wesfarmers Limited. The Company's share of the investment in the project is expected to reach approximately US\$700 million between 2021 and 2025, according to information provided in the final feasibility study.

On February 23, 2021, the Company informed the CMF that the declaratory public deed referred to in the extraordinary shareholders' meeting of the Company held on January 22, 2021, where it was agreed, among other matters, to increase the share capital by US\$1,100,000,000, through the issuance of 22,442,580 Series B shares, to be issued, subscribed and paid within the term expiring on January 22, 2024, and which will be offered preferentially and under the same conditions to Series B assignees of the options and/or third parties, which was subject to the Resolutive Condition requiring the exercise of the aforementioned right to withdraw of more than 0.5% of the total Series A shares of the Company, all under the terms and conditions agreed at the Shareholders' Meeting.

The Declaratory Deed:

- (a) establishes the waiver by the Company's board of directors, at an extraordinary meeting held on February 20, 2021, of the Resolutive Condition;
- (b) establishes that the legal term of 30 days for the exercise of the right to withdraw from the Capital Increase expired on February 21, 2021, and only one shareholder expressed their intention to exercise this right, for a total of 648 Series A shares, representing approximately 0.0004% of the total Series A shares. Therefore, the Resolutive Condition, had it not been for the waiver indicated above, would not have been fulfilled and would have deemed to have failed; and
- (c) establishes that pursuant to the provisions of the Meeting: (i) the Capital Increase and related matters have become effective as of February 1, 2021, the date on which the minutes of the Meeting were legalized in a public deed; (ii) the Capital Increase and related matters have become final, since the Resolutive Condition was waived by the Company's board of directors and would have failed, in any case, as the right to withdraw was exercised for less than 0.5% of the total Series A shares within the legal term; and (iii) with the execution of the Declaratory Deed, the requirements and formalities contemplated in the Meeting were fully met.

On March 3, 2021, the Board of Directors agreed to amend the general policy on regular transactions with related parties, approved at the meeting held on November 21, 2018, and it also approved a revised text of the policy, which is transcribed below:

1. Regular transactions between the Company and Soquimich Comercial S.A., Ajay SQM Chile S.A., Ajay North America, Ajay Europe SARL, SQM Vitas Fzco, SQM Vitas Holland, SQM Vitas Brasil Agroindustria, SQM Vitas Perú S.A.C., Abu Dhabi Fertilizer Industries WWL, Plantacote NV and Pavoni & C. SpA. are as follows:
 - (a) Any sale, marketing, distribution and supply of raw materials, by-products and products extracted, processed or marketed by the Company in any capacity by the aforementioned subsidiaries and affiliated companies.
 - (b) Any advisory services provided by the Company related to the activities referred to in (a) above, and the procurement of such services by the aforementioned subsidiaries and affiliated companies;
 - (c) Any advisory services covering financial, accounting, administrative, taxation, legal, infrastructure, advertising, IT, management, insurance, personnel selection, hiring, training and any general back office services provided by the Company, and the procurement of such services by the aforementioned subsidiaries and affiliated companies.
 - (d) Any working capital finance provided by the Company to the aforementioned subsidiaries and affiliated companies not exceeding US\$ 5 million in a 12 consecutive month period, based on these subsidiaries as a whole.
2. Any engineering, environmental and other specialized studies provided by the Company to study, develop and construct mines related to the Mt. Holland project, and all ancillary activities required to complete those studies are regular transactions between the Company and Covalent Lithium Pty Ltd.
3. The following transactions with related parties may be performed without complying with the requirements and procedures of Article 147 of Corporation Law, if they are regular, ordinary and required for the Company's normal business:
 - (a) Any procurement from Empresa Nacional de Telecomunicaciones S.A. and Entel PCS Telecomunicaciones S.A. of telecommunications, computer and technology services in general, including the purchase, sale, lease and supply of equipment and goods required to operate and maintain these services, for amounts not exceeding US\$ 5 million over a 12 consecutive month period, and
 - (b) Any procurement from Banco de Chile of any kind of financial or brokerage transactions, purchases and sales of foreign currencies and other usual treasury transactions.

4. The Board of Directors also unanimously agreed to expressly adopt a generally applicable authorization that allows the Company to procure the following transactions (i) those that are not a material amount, and (ii) those between legal entities in which the Company directly or indirectly owns at least 95% of the counterparty, all without the need to comply with the requirements and procedures in paragraphs 1) to 7) of Article 147 of Corporation Law. The Board of Directors has defined transactions with related parties that are a material amount as (a) those that total over 3,000 UF over a 12 consecutive month period for directors, principal executives, their related persons, their spouses or relatives up to the second degree of consanguinity, and any entity controlled directly or indirectly by any of them, and (b) the threshold determined in accordance with paragraph a) of Article 147 of Corporation Law for all other counterparties.

On March 3, 2021, the Board of Directors agreed to call an ordinary general shareholders' meeting for April 23, 2021.

Management has no knowledge of other significant events occurring between December 31, 2020 and the date of issue of these consolidated financial statements, which could have a significant effect on these.

Report of Accounting Inspectors

Report of Accounting Inspectors

We have examined the Financial Statements of Sociedad Química y Minera de Chile S.A. corresponding to the business year ended December 31, 2020.

Our exam and revision as Accounting Inspectors spanned the comparison of the outstanding balances of the General Ledger with the Balance Sheet and the corresponding Income Statements as of December 31, 2020. We found these accounts to be in accordance with their balances.

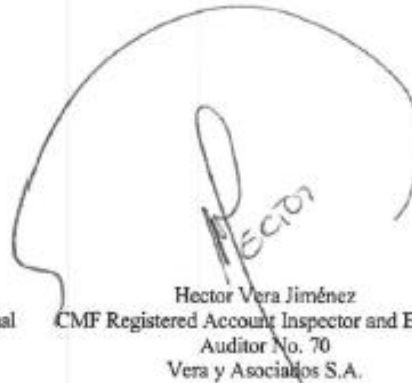
We confirm that in as part of work as account inspectors, we have had access to the Company's accounting information, inventory, balance sheet and financial statements.

At the same time, we confirm to be of legal age, with the ability to make an independent decision, and have not have been convicted of crimes that merit punishment.

Santiago, March 18, 2021



Geneveva Colre Gutierrez
CMF Registered Account Inspector and External
Auditor No. 45



Hector Vera Jiménez
CMF Registered Account Inspector and External
Auditor No. 70
Vera y Asociados S.A.

VERA Y ASOCIADOS S.A.
AUDITORES CONSULTORES
RUT: 78.182.952-4
REG. CMF N° 70

Reasoned Analysis of the Financial Situation

1 Analysis of the Consolidated Statements of Financial Position

Consolidated Statements of Financial Position		
(in millions of US\$)	December 31, 2020	December 31, 2019
Total current assets	2,569.3	2,682.2
Cash and cash equivalents	509.1	588.5
Other current financial assets	348.1	505.5
Accounts receivable (1)	427.8	460.4
Current inventories	1,093.0	983.3
Other current assets	191.3	144.4
Total non-current assets	2,249.2	2,002.0
Other non-current financial assets	51.9	8.8
Investments in related companies	86.0	109.4
Property, plant and equipment	1,737.3	1,569.9
Right-of-use assets	30.1	37.2
Other non-current assets	343.9	276.7
Total assets	4,818.5	4,684.2
Total current liabilities	475.9	776.9
Other current financial liabilities	69.0	291.1
Current lease liabilities	5.5	7.7
Other liabilities	401.4	478.1
Total non-current liabilities	2,180.0	1,772.8
Other non-current financial liabilities	1,899.5	1,488.7
Non-current lease liabilities	25.5	30.2
Other non-current liabilities	255.0	253.9
Total equity	2,162.6	2,134.5
Equity attributable to the owners of the parent company	2,123.1	2,086.30
Minority interests	39.5	48.2
Total liabilities and equity	4,818.5	4,684.20
Liquidity (2)	5.4	3.5

(1) Trade and other accounts receivable, current + Accounts receivable from related companies, current

(2) Current assets / Current liabilities

1.1 Analysis of Consolidated Statement of Financial Position

As of December 31, 2020, the company's total assets were MUS\$ 4,818.5, which represents an increase of approximately 3% in comparison to MUS\$ 4,684.2 as of December 31, 2019. This difference between the two periods is primarily due to the variation in the following items:

Current assets decreased by approximately 4%, from MUS\$ 2,682.2 registered at the close of the prior year to MUS\$ 2,569.3 for the current period.

- Cash and cash equivalents decreased by MUS\$ 79.4 (13%), closing at MUS\$ 509.1 on December 31. The account details can be found in Note No. 11.
- Other current financial assets decreased by MUS\$ 157.4 (31%), closing at MUS\$ 348.1 on December 31. The account details can be found in Note No. 14.
- Accounts receivable decreased by MUS\$ 32.6 (7%), closing at MUS\$ 427.8 on December 31. The account details can be found in Notes No. 13 and 14.
- Current inventories increased by MUS\$ 109.7 (11%), closing at MUS\$ 1,093.0 on December 31. The account details can be found in Note No. 12.

Non-current assets increased by approximately 12%, from MUS\$ 2,002.0 registered at the close of the prior year to MUS\$ 2,249.2 for the current quarter.

- Other non-current financial assets increased by MUS\$ 43.1 (492%), closing at MUS\$ 51.9 on December 31. The account details can be found in Note No. 14.
- Property, plant and equipment increased by MUS\$ 167.4 (11%), closing at MUS\$ 1,737.3 on December 31. The account details can be found in Note No. 17.

As of December 31, 2020, the company's total liabilities were MUS\$ 2,655.9, which represents an increase of approximately 4% in comparison to MUS\$ 2,549.7 as of December 31, 2019. This difference between periods is primarily due to the variation in the following items:

Current liabilities decreased by approximately 39%, from MUS\$ 776.8 registered at the close of December last year to MUS\$ 475.9 for the current quarter.

- Other current financial liabilities decreased by MUS\$ 222.2 (76%), closing at MUS\$ 69.0 on December 31. The account details can be found in Note No. 14.
- Current lease liabilities decreased by MUS\$ 2.2 (28%), closing at MUS\$ 5.5 on December 31. The account details can be found in Note No. 15.
- Other current liabilities decreased by MUS\$ 76.6 (16%), closing at MUS\$ 401.4 on December 31. The account details can be found in Notes No. 13, 14, 19, 20 and 29.

Non-current liabilities increased by approximately 23%, from MUS\$ 1,772.9 registered at the close of the prior year to MUS\$ 2,180.0 for the current quarter.

- Other non-current financial liabilities increased by MUS\$ 410.8 (28%), closing at MUS\$ 1,899.5 on December 31. The account details can be found in Note No. 14.
- Non-current lease liabilities decreased by MUS\$ 4.7 (15%), closing at MUS\$ 25.5 on December 31. The account details can be found in Note No. 15.

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (herein IFRS) and represent the comprehensive and explicit application without reserve of the cited international standards issued by the International

Accounting Standards Board (IASB). Should any discrepancies arise between IFRS and CMF instructions, the latter will prevail.

These consolidated financial statements are a true reflection of the equity and financial situation of the company and the results of its operations, changes in the recognized income and expense statement and in the cash flow, which have arisen during the period ended on these dates.

The main assets and liabilities have been valued in accordance with the following:

Inventories: The Company measures inventories at the lower of the cost and net realizable value. The value of finished products and work in progress includes the direct cost of materials and, when applicable, labor costs, the indirect costs incurred in transforming raw materials into finished products, and general expenses incurred in carrying inventories to their current location and conditions. The method used to determine the cost of inventories is the weighted average cost.

Commercial discounts, rebates obtained, and other similar entries are deducted in the determination of the acquisition value.

The net realizable value represents the estimate of the sales price, less all the estimated costs involved in making the finished product and the costs that will be incurred in the commercialization, sales, and distribution processes.

The Company conducts an evaluation of the net realizable value of inventories at the end of each year, recording an estimate with a charge to profit or loss when these are overvalued. When the circumstances that previously caused a decrease have ceased to exist, or when there is clear evidence of an increase in net realizable value due to a change in the economic circumstances or prices of primary raw materials, the previous estimate undergoes a modification.

The valuation of obsolete, defective or slow-moving products has been reduced to its estimated realizable value.

The provisions on company inventories have been constituted based on a technical study that covers the different variables that affect the products in stock (density, humidity, etc.).

Raw materials, supplies and materials are recorded at the lower value between acquisition cost or market value. The acquisition cost is calculated according to the average annual price method.

Property, plant and equipment: Tangible assets are valued at acquisition cost, net of accumulated depreciation and any impairment losses it may have experienced.

1.1 Consolidated Income Statements

Consolidated Income Statements (in millions of US\$)	Fourth quarter		Accumulated as of December 31	
	2020	2019	2020	2019
Income	513.8	472.2	1,817.2	1,943.7
Lithium and Derivatives	136.9	99.7	383.4	505.7
Specialty Plant Nutrition ⁽¹⁾	179.1	172.8	701.7	723.9
Iodine and Derivatives	71.9	93.6	334.7	371.0
Potassium Chloride and Potassium Sulfate	66.3	49.9	209.3	212.2
Industrial Chemicals	53.1	47.0	160.6	94.9
Other Income	6.5	9.2	27.5	36.0
Cost of Sales	(335.3)	(282.7)	(1,130.4)	(1,182.3)
Depreciation and Amortization	(46.0)	(51.6)	(203.9)	(201.4)
Gross Profit	132.5	137.8	482.9	560.1
Administrative Expenses	(32.4)	(33.4)	(107.0)	(117.2)
Finance Costs	(17.1)	(18.0)	(82.2)	(76.9)
Finance Income	1.2	7.0	13.7	26.3
Exchange Differences	2.6	(1.1)	(4.4)	(2.2)
Others	(0.7)	1.9	(64.4)	0.6
Profit (loss) before tax	86.1	94.1	238.5	390.6
Income tax expense	(17.8)	(26.0)	(70.2)	(110.0)
Profit for the year	68.3	68.2	168.4	280.6
Profit attributable to non-controlling interest	1.3	1.3	3.8	2.5
Profit attributable to owners of the parent	67.0	66.9	164.5	278.1
Earnings per share (US\$)	0.25	0.25	0.63	1.06

⁽¹⁾ Includes other specialty plant nutrients

1.2.1 Analysis based on business areas and market variations

Lithium and its Derivatives

Income from lithium and derivatives totaled US\$ 383.4 million during the twelve months ended on December 31, 2020, a decrease of 24.2% over the US\$ 505.7 million reported for the same period in 2019.

Income from lithium and derivatives during the fourth quarter of 2020 increased by 37.3% over the fourth quarter of 2019. Total income was US\$ 136.9 million during the fourth quarter of 2020 in comparison to the US\$ 99.7 million during the fourth quarter of 2019.

In 2020, we believe that the total market demand for lithium was approximately 330,000 metric tonnes, a growth of 6% over 2019, while our volumes in this market grew more than 40% over the same period. It is important to note that the growth in sales of electric vehicles in 2020 represented a 40% increase over 2019, and this increase in the fourth quarter of 2020 was approximately 120% higher than the same period the previous year. We hope that this growth continues in 2021 and we believe that the growth in demand for lithium will be almost 25% this year and will ultimately reach between 900,000 and 1 million metric tonnes in 2025.

Given these strong market growth indicators, our installed capacity and the quality of our production, we believe that our sales volumes in 2021 will increase, reaching over 80,000 metric tonnes for the year.

Our sales volumes grew almost 50% in the fourth quarter of 2020 in comparison to the third quarter of the same year, while our average price during this period was stable at around US\$ 5,300 per metric tonne. We believe that this may be the end of the low-price trend and that we may see higher prices during the first half of 2021.

Given these trends, we are still particularly optimistic about the long-term growth of the lithium market. For this reason, the Board of Directors recently approved the investment in the Mt. Holland lithium project in Western Australia, a 50/50 joint venture with our partner Wesfarmers Limited. Based on information provided in the Updated Definitive Feasibility Study (UDFS), it is expected that the participation of SQM in the investment of the project will reach approximately US\$ 700 million between 2021-2025. The UDFS confirms an initial expected production of 50,000 metric tonnes of battery-grade lithium hydroxide with the first in line production during the second half of 2024 if all the necessary permits are received as anticipated. We plan to purchase the main equipment and start construction in the second half of 2021. We believe that we are one of the lower-cost lithium producers and we anticipate that the project will also be positioned competitively in terms of costs in comparison to other competitors.

The **gross margin** of the lithium and derivatives segment⁽³⁾ represented approximately 18% of the consolidated gross margin of SQM for the twelve months that ended on December 31, 2020.

Specialty Plant Nutrition (SPN)

Income from our second line of business, Specialty Plant Nutrition, for the twelve months ending on December 31, 2020 totaled US\$ 701.7 million, a reduction of 3.1% compared to the US\$ 723.9 million reported for the twelve months ending December 31, 2019.

During the fourth quarter of 2020, income reached US\$ 179.1 million, an increase of 3.6% compared to the US\$ 172.8 million reported during the fourth quarter of 2019.

The specialty plant nutrition line of business continues to be an important segment within our diverse portfolio and we believe that the growth in demand in this market was approximately 5% in 2020 and we hope to see the same growth in demand in 2021. Our sales volumes in 2020 were more or less the same as the previous year, decreasing by 0.5%. Prices in the fourth quarter of 2020 increased more than 4% in comparison to the third quarter of the same year.

As an integrated potassium chloride and potassium nitrate producer, the higher prices for potassium chloride that we are seeing in the market should not have a significant impact on our production cost, and at the same time, our consolidated distribution network could enable us to reduce part of the impact of the higher transportation costs that we are seeing in the market. In consequence, although we believe that we are the lowest-cost producer in this market, we believe that our competitive market position should be stronger in 2021.

The **gross margin** of the SPN segment represents approximately 34% of the consolidated gross margin of SQM for the twelve months that ended on December 31, 2020.

Iodine and its derivatives

Income from the sale of iodine and its derivatives during the twelve months ending on December 31, 2020 were US\$ 334.7 million, a decrease of 9.8% compared with the US\$ 371.0 million generated during the twelve months ending on December 31, 2019.

Sales revenue from iodine and its derivatives for the fourth quarter of 2020 was US\$ 71.9 million, showing a decrease of 23.2% in comparison with the US\$ 93.6 million reached during the fourth quarter of 2019.

The iodine market was affected by the COVID-19 pandemic during 2020 and as a result the total market demand decreased by approximately 9% last year. We believe that we will see a significant recovery during 2021 as the impact of the pandemic dissipates, primarily led by the X ray contrast media, LCD and the pharmaceutical markets, and we hope to increase our market share during the year. We have announced plans to increase our capacity in this business line to ensure that we have adequate capacity to meet the future demand.

During the last quarter of 2020, our sales volumes were still affected by a lower consumption throughout the iodine supply chain. The demand has shown a positive trend during the first months of 2021 and we anticipate that our sales volumes during the first quarter may be higher than those reported for the fourth quarter of 2020. The average prices in the iodine and derivatives business line were stable on a quarterly basis throughout the year.

The **gross margin** of the iodine and its derivatives segment represents approximately 34% of the consolidated gross margin of SQM for the twelve months that ended on December 31, 2020.

Potassium Chloride and Potassium Sulfate (MOP & SOP)

Revenue from potassium chloride and potassium sulfate for the twelve-month period ending December 31, 2020 totaled US\$ 209.3 million, a decrease of 1.3% from the same period in 2019, when revenue was US\$ 212.2 million.

Revenue from potassium chloride and potassium sulfate increased by 32.9% in the fourth quarter of 2020, reaching US\$ 66.3 million, in comparison to US\$ 49.9 million registered during the fourth quarter of 2019.

We believe that the potassium chloride market exceeded 67 metric tonnes in 2020, an increase of approximately 3 million metric tonnes in comparison to 2019. The average potassium chloride prices during the fourth quarter were around US\$ 244/metric tonne, with no changes over the third quarter. During the first months of 2021, we have seen

higher prices, which leads us to believe that we will see higher prices during the rest of the year, given the expected growth in demand in 2021.

Our sales volumes for potassium chloride and potassium sulfate for the twelve months ending on December 31, 2020 totaled approximately 730,000 metric tonnes, exceeding our expectations. We believe that our sales volumes in 2021 will be similar to the sales volumes reported for 2020.

The **gross margin** of the potassium chloride and potassium sulfate segment represented approximately 5% of the consolidated gross margin of SQM for the twelve months that ended on December 31, 2020.

Industrial Chemicals

Sales revenue for industrial chemicals for the twelve months ending on December 31, 2020 reached US\$ 160.6 million, a 69.3% increase over the US\$ 94.9 million registered for the same period in 2019.

Revenue for the fourth quarter of 2020 totaled US\$ 53.1 million, with an increase of 13.0% over the revenue numbers for the fourth quarter of 2019, which reached US\$ 47.0 million.

Revenue from industrial chemical products for the twelve months ending on December 31, 2020 increased significantly over the revenue reported for the same period the previous year. This was the result of the anticipated sales volumes of solar salts, which reached 160,000 metric tons. We believe that in 2021, our sales volumes related to solar salts will reach approximately 200,000 metric tonnes in addition to the sales volumes associated with the traditional uses of this business line.

The **gross margin** of the industrial chemicals business represents approximately 9% of the consolidated gross margin of SQM for the twelve months that ended on December 31, 2020.

Other Commodity Fertilizers and Other Revenue

Sales revenue for other commodity fertilizers and other revenue reached US\$ 27.5 million for the twelve months ending on December 31, 2020, a number below the US\$ 36.0 million registered for the same period in 2019.

Financial Reporting

Cost of sales

The cost of sales, excluding total expenses for depreciation and amortization, reached US\$ 1,130.4 million for the twelve months ending on December 31, 2020, a decrease of 4.4% in comparison to the US\$ 1,182.3 million for the same period in 2019.

Administrative expenses

Administrative expenses totaled US\$ 107.0 million (5.9% of revenue) for the twelve months ending on December 31, 2020, in comparison to the US\$ 117.2 million (6.0% of revenue) registered for the twelve months ending on December 31, 2019.

Finance costs, net

The net finance costs for the twelve months ending on December 31, 2020 were US\$ 68.5 million in comparison to the US\$ 50.6 million registered for the twelve months ending on December 31, 2019.

Income Tax Expenses

Income tax expenses reached US\$ 70.2 million for the twelve months ending on December 31, 2020, which represents an effective tax rate of 29.4%, in comparison to an income tax expense of US\$ 110.0 million during the twelve months ending on December 31, 2019. The Chilean corporate tax rate was 27.0% for the 2020 and 2019 period.

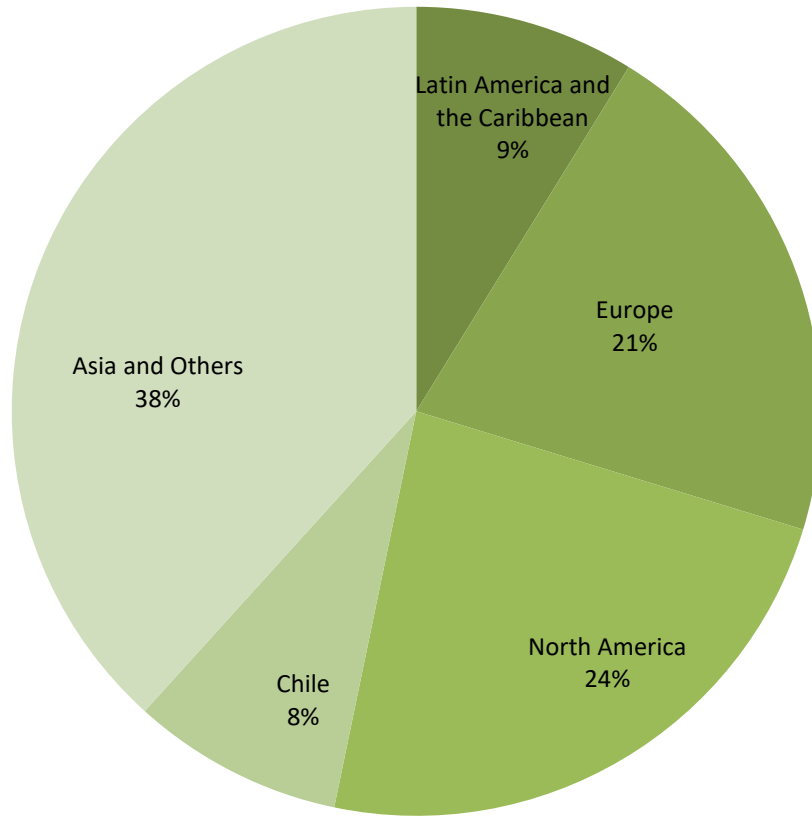
Others

The adjusted EBITDA⁽³⁾ for the twelve months ending on December 31, 2020 was US\$ 579.8 million, less than the US\$ 644.2 million registered for the twelve months ending on December 31, 2019. The adjusted EBITDA margin was 31.9% for the twelve months ending on December 31, 2020, compared to the adjusted EBITDA of 33.1% for same period in 2019. The adjusted EBITDA margin for the fourth quarter of 2020 was approximately 28.4%.

Notes:

1. A significant portion of the cost of sales for SQM corresponds to costs associated with shared production processes (mining, leaching, etc.), which are distributed between different final products. To estimate the gross margin per business line for both periods covered by this report, the Company used similar criteria to assign the shared costs between the different business areas. This distribution of the gross margin must be used only as reference as a general approximation of the margins per business line.
2. Adjusted EBITDA = EBITDA - Other revenue - Other profit (loss) - Proportion of profit from associates and joint ventures accounted for using the equity method + Other expenses by function + Net profit due to impairment in the reversion (loss) of financial assets - Financial revenue - Currency differences. EBITDA = Net income + Depreciation and amortization expenses + Finance expenses + Income taxes. Adjusted EBITDA margin = Adjusted EBITDA/Revenue. We have included the adjusted EBITDA to provide investors with a complementary measure to our operating performance. We believe that the adjusted EBITDA is an important complementary measure to our operating performance because it eliminates elements that have less influence on our operating performance and therefore highlights the trends in our main business, which would otherwise not be evident if we solely relied on the IFRS financial measures. As an analytical tool, the adjusted EBITDA has significant limitations. For example, the adjusted EBITDA does not reflect (a) our cash expenses or future requirements for capital expenses or contractual commitments; (b) cash changes or requirements for our working capital needs; (c) significant interest expenses, or cash requirements needed to pay interest or capital payment of our debt; and (d) payment of taxes or distributions to our main office to make payments on tax that is attributable to us and represents a reduction in the cash available to us. Even if we consider that the elements excluded in the calculation of non-IFRS measures are less relevant to evaluating our performance, some of these elements may continue to appear and in consequence, may reduce our available cash.

Revenue as per geographical distribution



2. Financial Ratios

Liquidity			December 31, 2020	December 31, 2019	
Current liquidity	Times	5.40	3.45	$\frac{\text{Current assets}}{\text{Current liabilities}}$	
Acid Test Ratio	Times	3.10	2.19	$\frac{(\text{Current Assets} - \text{Inventories})}{\text{Current Liabilities}}$	

Leverage			December 31, 2020	December 31, 2019	
Debt ratio	%	122.8	119.5	$\frac{\text{Current liabilities}}{\text{Total equity}}$	
Short-term debt proportion	%	17.9	30.5	$\frac{\text{Current liabilities}}{\text{Total Debt}}$	
Long-term debt proportion	%	82.1	69.5	$\frac{\text{Current Liabilities}}{\text{Total debt}}$	

Activity			December 31, 2020	December 31, 2019	
Total assets	MUS\$	4,818	4,684		
Inventory turnover	%	1.22	1.41	$\frac{\text{LTM Cost of sales}}{\text{Inventories}}$	
Inventory permanence	%	295	256	$\frac{360 \text{ days}}{\text{Inventory turnover}}$	

Profitability			December 31, 2020	December 31, 2019	
Earnings (loss) per share	Times	0.64	1.07	$\frac{\text{LTM net profit (loss)}}{\text{Subscribed shares}}$	
Results of equity	%	7.8	13.1	$\frac{\text{LTM net profit (loss)}}{\text{Equity}}$	
Return on assets	%	9.8	12.8	$\frac{(\text{Gross Earnings} - \text{Admin. Expenses}) \text{ LTM}}{\text{Assets (1)}}$	

(1) Assets = Total Assets - (Cash and cash equivalents + Financial assets + Investments in related companies)

2.1 Analysis of Financial Ratios

Liquidity:

- **Current Liquidity Ratio:** This increase in the ratio can be explained as the result of a decrease in the Current Assets (CA) (-112.9 million, 4.2%), and a greater decrease in both the amount and the proportion in the Current Liabilities (CL) (-300.9 million), resulting in a higher ratio. The main variation in assets was seen in the increase of 110 million in Inventories, the decrease of 79 million in Cash and Cash Equivalents and the decrease in Other Current Financial Assets of 157 million, more precisely 140 million of the time deposits greater than 90 days and 17 million of the hedging instruments covered by these. The greatest change in liabilities was seen in Other Current Financial Liabilities, which decreased by 222 million, an amount explained primarily by the payment of a US\$ 250 million bond in April 2020, which as of December 2019 was in the account and the increase of almost 20 million of the hedging liabilities that cover debt; and the decrease of 77 million in Other Current Liabilities, explained in large part by the decrease of 66 million in Other Current Non-Financial Liabilities.
- **Acid-Test Ratio:** As mentioned in the previous ratio, there was an increase of 110 million in Current inventories. If we take this amount out of the equation, we can see that the CA decreased by 223 million (-13.1%), which is still lower in both the amount and proportion than the drop suffered by the CL, which leads this ratio to increase.

Leverage:

- **Leverage ratio:** As seen, this ratio increased. While the CL decreased as mentioned above, the Non-Current Liabilities (NCL) increased by 407 million (23.0%), making Total Liabilities increase by 106.2 million (4.2%), and Equity increase by 28 million (1.3%), which means a direct increase in the ratio. The increase in NCL is primarily explained by the increase of 411 million in Other Non-current Financial Liabilities, as a result of the inclusion of the new bond of US\$ 400 million, which was issued this year and will reach maturity in 2050.
- **Debt proportion:** Given the aforementioned movements in the liability accounts, by decreasing the CL and increasing the NCL, we can conclude that there is a direct effect meaning a decrease in the short-term debt proportion and an increase in the long-term proportion.

Activity:

- **Inventory Turnover and Permanence:** A decrease in the inventory turnover can be seen, due to the fact that inventory increased by 110 million, close to 11.2%, while the LTM cost of sales decreased by 49.3 million, a proportion close to 3.6%, primarily due to a decrease in sales for the year. Either of the recently mentioned movements on its own causes the ratio to decrease, which means that when both effects are combined, it is evident that the ratio will decrease, Due to this decrease, there is also an increase in the permanence of inventory at 39 days, as both ratios are inversely proportional.

Return:

- **Earnings (loss) per share:** With the same number of shares, as there is a decrease of 112.2 million (40.0%) in profit obtained in 2020, when compared to profit obtained in 2019, there is a decrease in this ratio. For further details, see income statement.
- **ROE:** The decrease in this ratio was due to the decrease in LTM net profit (loss) in the amount and proportion mentioned above, whereas equity increased in a smaller proportion, as mentioned below (28 million, 1.3%).

- ROA: The decrease in this ratio was affected by both the decrease of 67.0 million (around 15.1%) in the dividend and the increase in assets that affect this ratio, which increased by 351.5 million (approximately 10.1%).

3. Cash Flow Statement Analysis

The constitution of the main components of the flow of cash and cash equivalents as of December 31, 2020 and 2019 is as follows:

Flow Statement of Cash and Cash Equivalents	December 31, 2020	December 31, 2019
	MUS\$	MUS\$
Net cash flows provided by operating activities	182,234	426,971
Net cash flows used in investing activities	(167,091)	(485,471)
Net cash flows provided by (used in) financing activities	(94,132)	105,896
Effect of exchange rate changes on cash and cash equivalents	(439)	(14,932)
Cash and cash equivalent at beginning of period	588,530	556,066
Cash and cash equivalent at end of period	509,102	588,530

4. Market Risk Analysis

Interest rate: As of December 31, 2020, the Company's current and non-current financial liabilities that accrue interest are US\$ 1,922.9 million. These primarily include the following types of financing:

- Unsecured debentures that accrue current and non-current interest (considering only capital): a US dollar bond of US\$ 300 million with a fixed interest rate of 3.625%; a US dollar bond of US\$ 250 million with a fixed interest rate of 4.375%; a US dollar bond of US\$ 450 million with a fixed interest rate of 4.25%; a US dollar bond of US\$ 400 million with a fixed interest rate of 4.25%; a UF bond for the equivalent of US\$ 134.0 million with a fixed dollar rate, through a Cross Currency Swap, of 6.24%; a UF bond for the equivalent of US\$ 58.7 million with a fixed dollar rate, through a Cross Currency Swap, of 4.47%; a UF bond for the equivalent of US\$ 134.2 million with a fixed dollar rate, through a Cross Currency Swap, of 5.11%; a UF bond for the equivalent of US\$ 106.9 million with a fixed dollar rate, through a Cross Currency Swap, of 5.45%.
- A US dollar credit for US\$ 70 million at a variable rate of LIBOR6M+1.1%.

As of December 31, 2020, the Company registers US\$ 69.0 million as other current financial liabilities and US\$ 1,899.5 million as other non-current financial liabilities.

Exchange rate: The primary economic environment of SQM is United States dollars. However, given the internationalization of the Company, it has operations in different countries that generate an exposure to exchange rate variations in different currencies to the US dollar. Therefore, SQM maintains hedge contracts to mitigate the exposure generated by its main mismatches (net assets of liabilities) in currencies other than the US dollar against the exchange rate variation, updating these contracts weekly depending on the amount of assets and liabilities necessary to be covered in currencies other than US dollar.

To ensure the difference between its assets and liabilities, as of December 31, 2020, the Company maintains the following derivative instruments (as absolute value of the sum of its notional values): US\$ 61.25 million in Chilean peso/US dollar derivative instruments, US\$ 55.8 million in Euro/US dollar derivative instruments, US\$ 27.11 million in South African rand/US dollar derivative instruments, US\$ 58.0 million in Chinese renminbi/US dollar derivative instruments and US\$ 9.14 million in other currencies.

In addition, the Company maintained US\$ 181.38 million in derivative instruments to cover their term deposit investments in Chilean pesos.

To cover its expected net cash flows in Chilean pesos associated with the fertilizer trading business in Chile, as of December 31, 2020, the Company did not maintain Chilean peso/US dollar derivative instruments. To cover its expected net cash flows in Euros, as of December 31, 2020, the Company did not maintain Euro/US dollar derivative instruments.

Commodities prices: The main commodities consumed by the Company are petroleum in all of its forms. The Company currently has no hedge contracts that cover international price variations, but it does have long-term contracts for energy supply.

As presented in the Company's Annual Report, the markets where the Company operates are unpredictable, they are exposed to significant variations in supply and demand and their prices are highly volatile. In addition, the supply of certain fertilizers or chemical products, including certain products that the Company commercializes, varies primarily based on production from the most important producers and their respective business strategies. Due to this, the Company cannot predict with certainty the movements of demand, the competitor responses, or the fluctuations in final prices of products. The aforementioned can generate significant impacts on the sales volumes of its products, on the Company's financial situation and on the price of its shares.

The report for the Consolidated Financial Statements as of December 31, 2020 provides a detailed analysis of the risks associated with the Company's business.

10) B) SUMMARY FINANCIAL STATEMENTS

The summary consolidated or individual financial statements of all companies reported as required by the CMF (ex)SVS General Rule No. 346, Section I, No. 2.1, Letter a. 4.2 are provided below, the complete financial statements of such companies are available to the public in our offices and at the offices of the CMF (ex)SVS.

SQM Potasio S.A. and Subsidiaries
Summary Consolidated Classified Statements of Financial Position

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	154,643	84,010
Trade receivables due from related parties, current	191,623	351,069
Current inventories	636,963	245,229
Other current assets	375,613	104,929
Total current assets	1,358,842	785,237
Non-current assets		
Property, plant and equipment	1,016,487	887,737
Other non-current assets	293,425	227,105
Total non-current assets	1,309,912	1,114,842
Total assets	2,668,754	1,900,079
Liabilities and Equity		
Liabilities and Equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Other current financial liabilities	1,835	3,532
Trade payables due to related parties, current	1,086,514	509,616
Other current liabilities	205,366	169,456
Total current liabilities	1,293,715	682,604
Non-current liabilities		
Deferred tax liabilities	191,736	191,056
Other non-current liabilities	33,708	14,619
Total non-current liabilities	225,444	205,675
Total liabilities	1,519,159	888,279
Equity		
Equity attributable to owners of the Parent	946,557	853,456
Non-controlling interest	203,038	158,344
Total equity	1,149,595	1,011,800
Total liabilities and equity	2,668,754	1,900,079

SQM Potasio S.A. and Subsidiaries
Summary Consolidated Statements of Income

Consolidated Statements of Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Revenue	1,290,815	780,312
Cost of sales	(1,185,360)	(556,296)
Gross profit	105,455	224,016
Profit from operating activities	75,224	214,856
Profit before taxes	63,372	208,797
Income tax expense	(29,479)	(54,906)
Profit for the year	33,893	153,891
Profit attributable to Owners of the Parent	29,791	125,975
Profit (loss) attributable to Non-controlling interests	4,102	27,916
Profit for the year	33,893	153,891

Summary Consolidated Statements of Comprehensive Income

Summary Consolidated Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Profit for the year	33,893	153,891
Changes in other comprehensive income	163,953	(721)
Total comprehensive income	197,846	153,170
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	142,193	125,394
Comprehensive income attributable to non-controlling interest	55,653	27,776
	197,846	153,170

SQM Potasio S.A. and Subsidiaries**Summary Consolidated Statements of Cash Flows**

Consolidated Statements of Cash Flows	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Net cash generated from operating activities	349,989	259,551
Net cash generated used in investing activities	(213,920)	(150,299)
Net cash generated used in financing activities	(63,869)	(112,300)
Net decrease in cash and cash equivalents before the effect of changes in the exchange rate	72,200	(3,048)
Effects of exchange rate fluctuations on cash held	(1,567)	(1,210)
Net decrease in cash and cash equivalents	70,633	(4,258)
Cash and cash equivalents at beginning of period	84,010	88,268
Cash and cash equivalents at end of period	154,643	84,010

SQM Potasio S.A. y Subsidiarias

Summary Consolidated Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2020	257,010	(3,923)	(1,145)	11,289	6,221	590,225	853,456	158,344	1,011,800
Net profit	-	-	-	-	-	29,791	29,791	4,102	33,893
Other comprehensive income	-	112,699	(69)	(228)	112,402	-	112,402	51,551	163,953
Comprehensive income	-	112,699	(69)	(228)	112,402	29,791	142,193	55,653	197,846
Dividends	-	-	-	-	-	(49,092)	(49,092)	(10,959)	(60,051)
Increase (decrease) in equity	-	112,699	(69)	(228)	112,402	(19,301)	93,101	44,694	137,795
Equity as of December 31, 2020	257,010	108,776	(1,214)	11,061	118,623	570,924	946,557	203,038	1,149,595

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	257,010	(3,983)	(504)	11,289	6,802	562,434	826,246	148,944	975,190
Net profit	-	-	-	-	-	125,975	125,975	27,916	153,891
Other comprehensive income	-	60	(641)	-	(581)	-	(581)	(140)	(721)
Comprehensive income	-	60	(641)	-	(581)	125,975	125,394	27,776	153,170
Dividends	-	-	-	-	-	(98,184)	(98,184)	(18,376)	(116,560)
Increase (decrease) in equity	-	60	(641)	-	(581)	27,791	27,210	9,400	36,610
Equity as of December 31, 2019	257,010	(3,923)	(1,145)	11,289	6,221	590,225	853,456	158,344	1,011,800

SQM Potasio S.A. and Subsidiaries

Detail of related parties and related party transactions

As of December 31, 2020, and 2019, the detail of transactions with related parties is as follows:

SQM Potasio S.A. and Subsidiaries

Tax ID No	Company	Nature	Country of origin	Transaction	As of	As of
					December	December
					31, 2020	31, 2019
					MUS\$	MUS\$
96.592.180-K	Ajay SQM Chile	Other related parties	Chile	Sale of products	142	-
96.592.180-K	Ajay SQM Chile	Other related parties	Chile	Services provided	1	1
79.770.780-5	SIT S.A.	Other related parties	Chile	Current account interest	453	470
79.770.780-5	SIT S.A.	Other related parties	Chile	Current account interest	-	2
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	Sale of products	9,059	7,790
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Sale of products	74,089	83,854
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Dividends	1,429	1,334
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Services provided	702	886
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Current account interest	133	97
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Current account interest	71	306
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Purchase of property, plant and equipment	9	-
76.686.311-9	SQM Mag SPA	Common controller	Chile	Purchase of property, plant and equipment	74	322
96.592.190-7	SQM Nitratos S.A.	Associate	Chile	Sale of products	14,392	-
96.592.190-7	SQM Nitratos S.A.	Associate	Chile	Services provided	879	1,098
96.592.190-7	SQM Nitratos S.A.	Associate	Chile	Current account interest	40	151
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	24,826	17,559
93.007.000-9	SQM S.A.	Parent	Chile	Sale of products	917	-
93.007.000-9	SQM S.A.	Parent	Chile	Services provided	883	1,365
Foreign	Ajay Europe SARL	Associate	France	Sale of products	23,162	-
Foreign	Ajay Europe SARL	Associate	France	Dividends	1,197	-
Foreign	Ajay North América	Associate	United States of America	Dividends	1,967	2,796
Foreign	Soquimich European Holding B.V.	Other related parties	Netherlands	Current account interest	-	509
Foreign	SQM (Shanghai) Chemicals Co.	Other related parties	China	Sale of products	101,629	-
Foreign	SQM Africa Pty. Ltd.	Other related parties	South Africa	Sale of products	-	26,928
Foreign	SQM Colombia S.A.S.	Subsidiary	Colombia	Sale of products	7,210	4,787
Foreign	SQM Comercial de México S.A. de C.V.	Associate	Mexico	Sale of products	23,459	25,502
Foreign	SQM Ecuador S.A.	Other related parties	Ecuador	Sale of products	10,958	15,006
Foreign	SQM Europe N.V.	Other related parties	Belgium	Sale of products	-	322,666
Foreign	SQM Iberian S.A.	Other related parties	Spain	Sale of products	-	4,575
Foreign	SQM Internacional S.A.	Other related parties	Belgium	Sale of products	-	4,664
Foreign	SQM Japan Co. Ltd.	Associate	Japan	Sale of products	-	156,471
Foreign	SQM North América Corp.	Other related parties	United States of America	Sale of products	20,560	44,370
Foreign	SQM North América Corp.	Other related parties	United States of America	Current account interest	485	407
Foreign	SQM Pavoni & C., SpA	Other related parties	Italy	Sale of products	1,125	-
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	Sale of products	19,981	17,303
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Peru	Sale of products	1,689	6,941

SQM Potasio S.A. and Subsidiaries**Trade receivables due from related parties, current:**

Tax ID No	Name	Nature	Country of origin	Currency	As of	As of
					December 31, 2020	December 31, 2019
					ThUS\$	ThUS\$
Foreign	Nitratos Naturais Do Chile Ltda.	Other related parties	Brazil	Dollar	2,358	2,358
Foreign	SQM Africa Pty Ltd.	Other related parties	South Africa	Dollar	-	21,341
Foreign	SQM Colombia SAS	Other related parties	Colombia	Dollar	7,037	4,787
Foreign	SQM Corporation N.V.	Associate	Curacao	Dollar	3,607	3,594
Foreign	SQM Ecuador S.A.	Other related parties	Ecuador	Dollar	11,123	14,668
Foreign	SQM Europe N.V.	Other related parties	Belgium	Dollar	-	157,303
Foreign	SQM Iberian S.A.	Other related parties	Spain	Dollar	-	3,044
Foreign	SQM Japan	Associate	Japan	Dollar	-	65,335
96.592.190-7	SQM Nitratos S.A.	Associate	Chile	Dollar	14,154	1,185
Foreign	SQM North America Corp.	Other related parties	United States of America	Dollar	32,911	41,558
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	Dollar	3,229	-
Foreign	SQM Comercial de México S.A. de C.V.	Associate	Mexico	Dollar	12,355	16,611
Foreign	Ajay North America	Associate	United States of America	Dollar	25	25
Foreign	Ajay Europe SARL	Associate	France	Dollar	4,420	-
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	Dollar	12,668	12,227
Foreign	SQM Vitas Fzco	Joint venture	United Arab Emirates	Dollar	70	65
Foreign	SQM Vitas Perú S.A.C	Joint venture	Peru	Dollar	4,027	6,968
Foreign	SQM Korea LLC	Other related parties	Korea	Dollar	41	-
Foreign	SQM (Shanghai) Chemicals Co.	Other related parties	China	Dollar	77,391	-
Foreign	SQM Beijing Commercial Co. Ltd.	Other related parties	China	Dollar	37	-
Foreign	SQM Pavoni & C., SpA	Joint venture	Italy	Dollar	1,491	-
Foreign	SQM Migao (Sichuan) Fertil. (JV)	Joint venture	China	Dollar	4,463	-
Foreign	Abu Dhabi Fertilizer Industrie	Associate	Omán	Dollar	216	-
Total					191,623	351,069

SQM Potasio S.A. and Subsidiaries**Trade payables due to related parties, current:**

Tax ID No	Name	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Foreign	RS Agro Chemical Trading Corporation A.V.V.	Associate	Aruba	Dollar	5,140	5,140
79.770.780-5	Serv. Integrales de Tránsito y Transf. S.A.	Other related parties	Chile	Dollar	17,609	6,044
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Dollar	120,092	12,294
93.007.000-9	SQM S.A.	Matriz	Chile	Dollar	943,431	485,587
Foreign	Covalent Lithium Pty Ltd.	Joint venture	Australia	Dollar	241	232
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	Dollar	-	319
77.114.779-8	SCM Búfalo	Associate	Chile	Dollar	1	-
Total					1,086,514	509,616

SQM Industrial S.A. and Subsidiaries
Summary Consolidated Classified Statements of Financial Position

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	205,344	136,973
Trade receivables due from related parties, current	128,970	54,088
Current inventories	707,290	961,378
Other current assets	189,414	423,140
Total current assets	1,231,018	1,575,579
Non-current assets		
Property, plant and equipment (net)	529,291	517,476
Other non-current assets	111,204	126,395
Total non-current assets	640,495	643,871
Total assets	1,871,513	2,219,450
Liabilities and Equity		
Liabilities and Equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Other current financial liabilities	2,965	1,692
Trade payables due to related parties, current	662,029	841,117
Other current liabilities	153,765	191,495
Total current liabilities	818,759	1,034,304
Non-current liabilities		
Deferred tax liabilities	41,040	50,170
Other non-current liabilities	81,357	101,555
Total non-current liabilities	122,397	151,725
Total liabilities	941,156	1,186,029
Equity		
Equity attributable to owners of the Parent	882,067	981,261
Non-controlling interests	48,290	52,160
Total equity	930,357	1,033,421
Total liabilities and equity	1,871,513	2,219,450

SQM Industrial S.A. and Subsidiaries
Summary Consolidated Statements of Income

Consolidated Statements of Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Revenue	1,354,559	2,105,365
Cost of sales	(1,095,890)	(1,874,158)
Gross profit	258,669	231,207
Profit from operating activities	204,549	150,627
Profit before taxes	195,674	147,687
Income tax expense	(42,535)	(40,444)
Profit for the year	153,139	107,243
Profit attributable to Owners of the Parent	150,594	105,198
Profit attributable to Non-controlling interests	2,545	2,045
Profit for the year	153,139	107,243

Summary Consolidated Statements of Comprehensive Income

Summary Consolidated Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Profit for the year	153,139	107,243
Changes in other comprehensive income	(97,310)	(1,434)
Total comprehensive income	55,829	105,809
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	50,819	103,822
Comprehensive income attributable to non-controlling interest	5,010	1,987
Total comprehensive income	55,829	105,809

SQM Industrial S.A. and Subsidiaries**Summary Consolidated Statements of Cash Flows**

Consolidated Statements of Cash Flows	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Net cash flows generated from (used in) operating activities	153,716	(33,325)
Net cash flows generated from (used in) investing activities	(68,646)	(117,435)
Net cash flows generated from (used in) financing activities	(17,188)	142,468
Net decrease in cash and cash equivalents before the effect of changes in the exchange rate	67,882	(8,292)
Effects of exchange rate fluctuations on cash held	489	180
Net decrease in cash and cash equivalents	68,371	(8,112)
Cash and cash equivalents at beginning of period	136,973	145,085
Cash and cash equivalents at end of period	205,344	136,973

SQM Industrial S.A. and Subsidiaries
Summary Consolidated Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2020	715,066	(12,022)	(4,505)	6,390	(10,137)	276,332	981,261	52,160	1,033,421
Net profit	-	-	-	-	-	150,594	150,594	2,545	153,139
Other comprehensive income	-	(100,623)	848	-	(99,775)	-	(99,775)	2,465	(97,310)
Comprehensive income	-	(100,623)	848	-	(99,775)	150,594	50,819	5,010	55,829
Dividends	-	-	-	-	-	(150,000)	(150,000)	(8,880)	(158,880)
Increase in Equity	-	-	-	(13)	(13)	-	(13)	-	(13)
Increase (decrease) in equity	-	(100,623)	848	(13)	(99,788)	594	(99,194)	(3,870)	(103,064)
Equity as of December 31, 2020	715,066	(112,645)	(3,657)	6,377	(109,925)	276,926	882,067	48,290	930,357

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	MUS\$	MUS\$	MUS\$		MUS\$				MUS\$
Equity as of January 1, 2019	715,066	(11,950)	(3,201)	6,383	(8,768)	311,134	1,017,432	56,109	1,073,541
Net profit	-	-	-	-	-	105,198	105,198	2,045	107,243
Other comprehensive income	-	(72)	(1,304)	-	(1,376)	-	(1,376)	(58)	(1,434)
Comprehensive income	-	(72)	(1,304)	-	(1,376)	105,198	103,822	1,987	105,809
Dividends	-	-	-	-	-	(140,000)	(140,000)	(5,936)	(145,936)
Increase (decrease) due to transfers and other changes	-	-	-	7	7	-	7	-	7
Increase (decrease) in equity	-	(72)	(1,304)	7	(1,368)	(34,802)	(36,171)	(3,949)	(40,120)
Equity as of December 31, 2019	715,066	(12,022)	(4,505)	6,390	(10,137)	276,332	981,261	52,160	1,033,421

SQM Industrial S.A. and Subsidiaries

Balances and transactions with related parties

Detailed identification of the link between the Parent and subsidiary

As of December 31, 2020, and 2019, the detail of transactions with related parties is as follows:

SQM Industrial S.A. and Subsidiaries

Tax ID No.	Company	Nature	Country of origin	Transaction	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Purchase products	-	167,481
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Sale of fixed assets	-	1,019
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Current account interest	17,720	13,537
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Current account interest	-	66
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Sale of product	1	-
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Sale of services	1	-
93.007.000-9	SQM S.A.	Parent	Chile	Sale of services	290,466	237,617
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	2,436	2,486
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	3,386	3,446
93.007.000-9	SQM S.A.	Parent	Chile	Sale of services	542	573
93.007.000-9	SQM S.A.	Parent	Chile	Sale of fixed assets	-	1,509
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Purchase products	-	83,854
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Sale of product	13,828	272
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Sale of services	13,619	9,963
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Current account interest	92	72
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Current account interest	522	774
76.425.380-9	Exploraciones Mineras	Other related parties	Chile	Current account interest	2	2
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Current account interest	41	27
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Services received	-	886
79.768.170-9	Soquimich Comercial S.A.	Common parent	Chile	Sale of product	609	-
79.768.170-9	Soquimich Comercial S.A.	Common parent	Chile	Sale of services	2	-
79.768.170-9	Soquimich Comercial S.A.	Common parent	Chile	Current account interest	70	-
79.768.170-9	Soquimich Comercial S.A.	Common parent	Chile	Current account interest	26	-
79.768.170-9	Soquimich Comercial S.A.	Common parent	Chile	Purchase of fixed assets	130	-
79.947.100-0	SQM Industrial S.A.	Other related parties	Chile	Sale of product	183	-
Foreign	SQM Brasil Ltda.	Other related parties	Brasil	Purchase of fixed assets	1	-
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	Sale of product	183	-
Foreign	Coromandel SQM (*)	Joint venture	India	Sale of product	-	3,955
Foreign	SQM Vitas Brasil Agroindustria (1)	Joint venture	Brazil	Sale of product	21,360	29,573
Foreign	SQM Vitas Perú S.A.C. (1)	Joint venture	Perú	Sale of product	16,034	17,197
Foreign	Plantacote NV (*)	Associate	Belgium	Sale of product	-	4,096
Foreign	Terra Tarsa Ukraine LLC (*)	Associate	Ukraine	Sale of product	-	1,280
Foreign	Terra Tarsa Don LLC	Associate	Federation Rusa	Sale of product	-	40
Foreign	Arpa Speciali S.R.L. (*)	Other related parties	Italy	Sale of product	-	2,359
Foreign	SQM Eastmed Turkey (*)	Associate	Turkey	Sale of product	-	47
Foreign	Pavoni & C., Spa	Joint venture	Italy	Sale of product	-	3,152
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of product	-	1,929

SQM Industrial S.A. and Subsidiaries

Tax ID No.	Company	Nature	Country of origin	Transaction	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Foreign	SQM Europe N.V.	Other related parties	Belgium	Sale of product	113,897	-
Foreign	SQM International N.V.	Other related parties	Belgium	Sale of product	106,210	-
Foreign	SQM Iberian S.A.	Other related parties	Spain	Sale of product	45,614	-
Foreign	Ajay North America LLC	Other related parties	United States	Sale of product	20,259	-
Foreign	SQM África Pty. Ltd.	Other related parties	South Africa	Sale of product	18,833	-
Foreign	SQM Japan Co. Ltd.	Other related parties	Japan	Sale of product	1,263	-
Foreign	SQM Investment Corporation N.V.	Other related parties	Netherlands Antilles	Current account interest	-	509
Foreign	Ajay Europe SARL	Associate	France	Sale of product	-	21,348
Foreign	SQMC Holding Corporation L.L.P.	Other related parties	United States	Current account interest	485	407
Foreign	Abu Dhabi Fertilizer Industries WWL.	Associate	United Arab Emirates	Sale of product	-	3,749
Foreign	Ajay North America LLC	Other related parties	United States	Sale of product	-	16,932
Foreign	Doktor Tarsa Tarim Sanayi AS (*)	Associate	Turkey	Sale of product	-	14,767

(3) These Companies are subsidiaries of the joint venture SQM Vitas Fzco.

(*) The following entities were considered related parties as of December 31, 2019 (see Note 9.4 letter a and Note 10.2): SQI Corporation N.V., SQM Italia SRL, Doktor Tarsa Tarim, SQM Eastmed Turkey, Terra Tarsa Ukraine LLC, Terra Tarsa B.V., Plantacote N.V., Terra Tarsa Don LLC, Doktolab Tarim Arastirma San., Doctochem Tarim Sanayi Ticaret Ltd. STI, Coromandel SQM India Sichuan SQM Migao Chemical Fertilizers Co Ltd. and Arpa Speciali S.R.L.

SQM Industrial S.A. and Subsidiaries**Trade receivables due from related parties, current:**

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31,	As of December 31,
					2020	2019
					ThUS\$	ThUS\$
Foreign	Arpa Speciali S.R.L	Other related parties	Italy	Euro	-	134
Foreign	Comercial Caiman Int. S.A.	Other related parties	Panama	Dollar	805	805
76.686.311-9	SQM Mag SPA	Other related parties	Chile	Dollar	6	4
76.425.380-9	Exploraciones Mineras S.A.	Other related parties	Chile	Dollar	42	40
96.592.180-K	Ajay SQM Chile S.A.	Other related parties	Chile	Dollar	-	35
Foreign	Soquimich SRL Argentina	Subsidiary	Argentina	Dollar	-	158
Foreign	Terra Tarsa Ukraine LLC	Associate	Ukraine	Ukrainian hryvnia	-	7
96.511.530-7	Soc. Inv P. Calichera S.A.	Jointly controlled entity	Chile	Dollar	6	5
Foreign	Abu Dhabi Fertilizer Ind	Other related parties	United Arab Emirates	Dollar	379	803
Foreign	Ajay Europe SARL	Other related parties	France	Dollar	-	3,489
Foreign	Ajay North América llc	Other related parties	United States	Dollar	3,141	2,318
Foreign	Terra Tarsa Don LLC	Other related parties	Federation rusa	Russian Ruble	-	13
Foreign	Coromandel SQM India	Joint venture	India	Indian rupee	-	1,792
Foreign	Plantacote N.V.	Joint venture	Belgium	Euro	-	657
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	Dollar	11,904	15,049
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Dollar	167	169
Foreign	SQM Vitas Perú S.A.C	Joint venture	Perú	Dollar	20,336	16,507
Foreign	Royal Seed Trading Corporation V.V.V.	Other related parties	Aruba	Dollar	11,275	11,275
Foreign	Doktor Tarsa Tarim Sanayi AS	Other related parties	Turkey	Dollar	-	110
Foreign	SQM Eastmed Turkey	Other related parties	Turkey	Euro	-	47
Foreign	Pavoni & C., Spa	Joint venture	Italy	Euro	-	1,028
Foreign	SQM Europe N.V.	Other related parties	Belgium	Dollar	47,098	-
Foreign	SQM Iberian S.A.	Other related parties	Spain	Dollar	15,331	-
Foreign	SQM Africa Ltd.	Other related parties	South Africa	Dollar	19,373	-
Foreign	SQM Japan	Other related parties	Japan	Dollar	153	-
Foreign	Provision			Dollar	(1,046)	(357)
Total					128,970	54,088

The receivables for Sichuan SQM Migao Chemical Fertilizers Co Ltda. are presented net of provisions (allowance for bad debts as of December 31, 2020 ThUS\$ 1,048 and december 31, 2019 ThUS\$ 1,048).

SQM Industrial S.A. and Subsidiaries**Trade payables due to related parties, current:**

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Foreign	SQM Investment Co.	Other related parties	Dutch Antilles	Dollar	5,563	5,550
96.592.190-7	SQM Nitratos S.A.	Other related parties	Chile	Dollar	465,908	356,516
79.626.800-k	SQM Salar S.A.	Other related parties	Chile	Dollar	52,699	291,794
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Peso	1,370	571
Foreign	SQMC Holding Corporation L.L.P.	Other related parties	United States	Dollar	28,525	26,307
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Dollar	-	243
93.007.000-9	SQM S.A.	Parent	Chile	Dollar	89,617	160,136
96.592.180-K	Ajay SQM Chile S.A.	Other related parties	Chile	Dollar	9	-
Foreign	SQM Europe N.V.	Other related parties	Belgium	Dollar	38	-
Foreign	SQM International N.V.	Other related parties	Belgium	Dollar	18,185	-
Foreign	SQM (Thailand) Limited	Associate	Thailand	Dollar	65	-
Foreign	Ajay Europe SARL	Associate	France	Dollar	50	-
Total					662,029	841,117

SQM Nitratos S.A.**Summary Classified Statements of Financial Position**

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	96	285
Trade receivables due from related parties, current	465,908	356,532
Current inventories	5,981	11,030
Other current assets	3,147	627
Total current assets	475,132	368,474
Non-current assets		
Property, plant and equipment	57,191	34,049
Other non-current assets	6,658	7,639
Total non-current assets	63,849	41,688
Total assets	538,981	410,162
Liabilities and Equity		
Liabilities and Equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Trade payables due to related parties, current	386,422	274,647
Other current liabilities	9,492	17,888
Total current liabilities	395,914	292,535
Non-current liabilities		
Deferred tax liabilities	4,118	2,874
Provisions for employee benefits, non-current	929	647
Total non-current liabilities	5,047	3,521
Total liabilities	400,961	296,056
Equity		
Equity attributable to owners of the Parent	138,020	114,106
Total equity	138,020	114,106
Total liabilities and equity	538,981	410,162

SQM Nitratos S.A.

Summary Statements of Income

Statements of Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Revenue	188,973	167,481
Cost of sales	(135,849)	(112,896)
Gross profit	53,124	54,585
Profit (loss) from operating activities	54,525	54,271
Profit (loss) before taxes	59,746	57,866
Income tax expense	(19,177)	(18,336)
Profit for the year	40,569	39,530

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Profit for the year	40,569	39,530
(Losses) gains from measurements of defined benefit plans	(81)	(90)
Total comprehensive income	40,488	39,440

SQM Nitratos S.A.**Summary Statements of Cash Flows**

Statements of Cash Flows	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Net cash generated from (used in) operating activities	(13,775)	1,605
Net cash generated used in investing activities	(35,011)	(19,661)
Net cash generated from financing activities	48,599	18,322
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(187)	266
Effects of exchange rate fluctuations on cash held	(2)	5
Net decrease in cash and cash equivalents	(189)	271
Cash and cash equivalents at beginning of period	285	14
Cash and cash equivalents at end of period	96	285

Note: All cash flows related to the operation of SQM Nitratos are made by SQM S.A.

SQM Nitratos S.A.**Summary Statements of Changes in Equity**

Statements of Changes in Equity	Share capital	Reserve for (losses) gains from of defined benefit plans	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2020	30,350	(76)	83,832	114,106
Net profit	-	-	40,569	40,569
Other comprehensive income	-	(81)	-	(81)
Comprehensive income	-	(81)	40,569	40,488
Dividends	-	-	(16,574)	(16,574)
Increase (decrease) in equity	-	(81)	23,995	23,914
Equity as of December 31, 2020	30,350	(157)	107,827	138,020

Statements of Changes in Equity	Share capital	Reserve for (losses) gains from of defined benefit plans	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	30,350	14	56,160	86,524
Net profit	-	-	39,530	39,530
Other comprehensive income	-	(90)	-	(90)
Comprehensive income	-	(90)	39,530	39,440
Dividends	-	-	(11,858)	(11,858)
Increase (decrease) in equity	-	(90)	27,672	27,582
Equity as of December 31, 2019	30,350	(76)	83,832	114,106

SQM Nitratos S.A.**Related party disclosures**

As of December 31, 2020, and December 31, 2019, the detail of transactions with related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Transaction	As of	As of
					December 31, 2020	December 31, 2019
					ThUS\$	ThUS\$
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Sale of products	188,973	167,481
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Current account interest	17,720	13,537
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Purchase of materials and supplies	13,677	12,615
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Purchase fixed asset	8	1,019
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Miscellaneous services	5,513	5,461
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	12,589	9,423
93.007.000-9	SQM S.A.	Parent	Chile	Mining concession rental service	16,087	19,999
93.007.000-9	SQM S.A.	Parent	Chile	Payment of value added tax	18,308	14,490
93.007.000-9	SQM S.A.	Parent	Chile	Services received	7	8
93.007.000-9	SQM S.A.	Parent	Chile	Miscellaneous services	1,290	1,176
93.007.000-9	SQM S.A.	Parent	Chile	Provisional monthly payment	20,432	14,623
93.007.000-9	SQM S.A.	Parent	Chile	Dividends	17,190	11,859
79.770.780-5	Serv. Integrales de Tránsito y Transferencias S.A.	Other related parties	Chile	Current account interest	-	66
79.626.800-K	SQM Salar S.A.	Other related parties	Chile	Current account interest	-	5
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Current account interest	40	146
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Camp Service	879	1,098
76.425.380-9	Exploraciones Mineras S.A.	Other related parties	Chile	Mining concession	13,513	-

SQM Nitratos S.A.**Trade receivables due from related parties, current**

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Dollar	465,908	356,532
Total					465,908	356,532

Trade payables due to related parties, current

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					MUS\$	MUS\$
93.007.000-9	SQM S.A.	Parent	Chile	Dollar	372,268	273,446
96.651.060-9	SQM Potasio S.A.	Other related parties	Chile	Dollar	277	820
79.770.780-5	Serv. Integrales de Tránsito y Transferencias S.A.	Other related parties	Chile	Dollar	-	16
79.626.800-K	SQM Salar S.A.	Other related parties	Chile	Dollar	-	1
76.425.380-9	Exploraciones Mineras S.A.	Other related parties	Chile	Dollar	13,877	364
Total					386,422	274,647

Orcoma SPA

Summary Classified Statements of Financial Position

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current assets		
Other current non-financial assets	3	-
Total current assets	3	-
Non-current assets		
Intangible assets other than goodwill	2,357	2,357
Deferred tax assets	9	4
Total non-current assets	2,366	2,361
Total assets	2,369	2,361

Liabilities and Equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Trade payables due to related parties, current	35	14
Total current liabilities	35	14
Total liabilities	35	14
Equity		
Share capital	2,358	2,358
Retained earnings	(24)	(11)
Total equity	2,334	2,347
Total liabilities and equity	2,369	2,361

Orcoma SPA**Summary Statements of Income**

Statements of Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Administrative expenses	(17)	-
Profit from operating activities	(17)	-
Profit before taxes	(17)	-
Income tax benefit	4	-
Profit net	(13)	-

Orcoma SPA**Summary Statements of Changes in Equity**

Statements of Changes in Equity	Share capital	Retained earnings	Equity attributable to owners of the Parent	Total equity
	MUS\$			MUS\$
Equity as of January 1, 2020	2,358	(11)	2,347	2,347
Net profit	-	(13)	(13)	(13)
Comprehensive income	-	(13)	(13)	(13)
Increase (decrease) in equity	-	(13)	(13)	(13)
Equity as of December 31, 2020	2,358	(24)	2,334	2,334

Statements of Changes in Equity	Share capital	Retained earnings	Equity attributable to owners of the Parent	Total equity
	MUS\$			MUS\$
Equity as of January 1, 2019	2,358	(11)	2,347	2,347
Net profit	-	-	-	-
Comprehensive income	-	-	-	-
Increase (decrease) in equity	-	-	-	-
Equity as of December 31, 2019	2,358	(11)	2,347	2,347

Transactions with related parties

As of December 31, 2020, and 2019, there were no transactions with related entities.

Rs Agro Chemical Trading Corporation A.V.V.

Summary Classified Statements of Financial Position

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	6	6
Trade receivables due from related parties, current	5,149	5,149
Total current assets	5,155	5,155
Total assets	5,155	5,155
Liabilities and Equity		
Liabilities and Equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Trade and other payables, current	-	2
Trade payables due to related parties, current	88	62
Total current liabilities	88	64
Total liabilities	88	64
Equity		
Share capital	6	6
Retained earnings	5,061	5,085
Total equity	5,067	5,091
Total liabilities and equity	5,155	5,155

Summary Statements of income

Statements of comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Other expenses per function	(24)	(25)
Loss from operating activities	(24)	(25)
Finance Costs	-	-
Loss before taxes	(24)	(25)
Total comprehensive loss	(24)	(25)

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Other comprehensive income	(24)	(25)
Total comprehensive income	(24)	(25)

Rs Agro Chemical Trading Corporation A.V.V.
Summary Statements of Cash Flows

Statements of Cash Flows	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Net cash generated from operating activities		
Net cash generated from operating activities	-	-
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	-	-
Cash and cash equivalents at beginning of period	6	6
Cash and cash equivalents at end of period	6	6

Summary Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2020	6	5,085	5,091
Net loss	-	(24)	(24)
Comprehensive loss	-	(24)	(24)
Decrease in equity	-	(24)	(24)
Equity as of December 31, 2020	6	5,061	5,067

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	6	5,110	5,116
Net loss	-	(25)	(25)
Comprehensive loss	-	(25)	(25)
Decrease in equity	-	(25)	(25)
Equity as of December 31, 2019	6	5,085	5,091

Rs Agro Chemical Trading Corporation A.V.V.**Transactions with related parties****Trade receivables due from related parties, current:**

Tax ID N°	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
Foreign	SQM Investment Corporation	Associate	Aruba	Dollar	5,149	5,149
Total					5,149	5,149

Trade payables due to related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
93.007.000-9	SQM S.A.	Parent	Chile	Dollar	79	53
Foreign	Royal Seed Trading Co.	Other related parties	Aruba	Dollar	9	9
Total					88	62

Orcoma Estudios SPA

Summary Classified Statements of Financial Position

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	1	154
Other non financial assets, current	2	2
Total current assets	3	156
Non-current assets		
Other non-current financial assets	1,240	1,240
Property, plant and equipment	3,136	3,281
Deferred tax assets	183	-
Total non-current assets	4,559	4,521
Total assets	4,562	4,677

Liabilities and Equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Trade and other payables, current	156	1
Trade payables due to related parties, current	253	27
Total current liabilities	409	28
Non-current liabilities		
Deferred tax liabilities	-	-
Total non-current liabilities	-	-
Total liabilities	409	28
Equity		
Share capital	4,632	4,632
Retained earnings	(479)	17
Total equity	4,153	4,649
Total liabilities and equity	4,562	4,677

Orcoma Estudios SPA

Summary Statements of Income

Statements of Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Revenue	1	-
Cost of sales	(678)	-
Profit (loss) from operating activities	(677)	-
Foreign currency translation differences	(2)	1
Profit before taxes	(679)	1
Income tax expense	183	(1)
Profit for the year	(496)	-
Profit for the year	(496)	-

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Other comprehensive income	(496)	-
Total comprehensive income	(496)	-

Summary Statements of Cash Flows

Statements of Cash Flows	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Net cash generated (used in) from operating activities	-	(35)
Net cash generated used in investing activities	(145)	(105)
Net cash generated from financing activities	(8)	-
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(153)	(140)
Cash and cash equivalents at beginning of period	154	294
Cash and cash equivalents at end of period	1	154

Orcoma Estudios SPA**Summary Statements of Changes in Equity**

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2020	4,632	17	4,649
Net profit	-	(496)	(496)
Comprehensive income	-	(496)	(496)
Increase (decrease) in equity	-	(496)	(496)
Equity as of December 31, 2020	4,632	(479)	4,153

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	4,632	17	4,649
Net profit	-	-	-
Comprehensive income	-	-	-
Increase (decrease) in equity	-	-	-
Equity as of December 31, 2019	4,632	17	4,649

Orcoma Estudios SPA

Related party disclosures

As of December 31, 2020, and December 31, 2019, there are no transactions with related entities.

Relationships between the parent and the entity

Orcoma Estudios SPA is controlled by Sociedad Química y Minera de Chile S.A., with 100% ownership.

Sociedad Química y Minera de Chile S.A., is registered with the Securities Registry of the Chilean Commission for Financial Markets (CMF) ex Superintendence of Securities and Insurance under No. 0184 of March 18, 1983 and accordingly, is subject to the oversight of such regulating authority,

Detailed identification of the link between Orcoma Estudios SPA and subsidiary

As of December 31, 2020, and December 31, 2019, the detail of entities that are related parties is as follows:

Tax ID N°	Company	Nature	Country of origin	Currency	As of	As of
					December 31, 2020	December 31, 2019
					ThUS\$	ThUS\$
93.007.000-9	SQM S.A.	Parent	Chile	Dollar	253	27
Total					253	27

Ajay SQM Chile

Summary Classified Statements of Financial Position

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	5,360	77
Trade receivables due from related parties, current	257	2,512
Current inventories	12,680	9,506
Other current assets	7,144	5,685
Total current assets	25,441	17,780
Non-current assets		
Property, plant and equipment	1,204	1,115
Other non-current assets	345	145
Total non-current assets	1,549	1,260
Total assets	26,990	19,040
Liabilities and Equity		
	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Trade payables due to related parties, current	7,304	731
Other current liabilities	2,260	553
Total current liabilities	9,564	1,284
Non-current liabilities		
Provisions for employee benefits, non-current	713	374
Total non-current liabilities	713	374
Total liabilities	10,277	1,658
Equity		
Equity attributable to owners of the Parent	16,713	17,382
Total equity	16,713	17,382
Total liabilities and equity	26,990	19,040

Ajay SQM Chile

Summary Statements of Income

Statement of Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Revenue	38,193	24,882
Cost of sales	(34,618)	(21,463)
Gross profit	3,575	3,419
Profit from operating activities	2,069	2,162
Profit before taxes	2,460	2,098
Income tax expense	(603)	(588)
Profit attributable to Owners of the Parent	1,857	1,510
Profit for the year	1,857	1,510

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Profit for the year	1,857	1,510
Total comprehensive income	1,857	1,510

Ajay SQM Chile**Summary Statements of Cash Flows**

Statements of Cash Flows	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Net cash generated from (used in) operating activities	7,022	(706)
Net cash generated from (used in) investing activities	(200)	(50)
Net cash generated from (used in) financing activities	(1,133)	(1,800)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	5,689	(2,556)
Effects of exchange rate fluctuations on cash held	(406)	-
Net decrease in cash and cash equivalents	5,283	(2,556)
Cash and cash equivalents at beginning of period	77	2,633
Cash and cash equivalents at end of period	5,360	77

Ajay SQM Chile

Summary Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2020	5,314	12,068	17,382
Net profit	-	1,857	1,857
Comprehensive income	-	1,857	1,857
Dividends	-	(2,526)	(2,526)
Increase (decrease) in equity	-	(669)	(669)
Equity as of December 31, 2020	5,314	11,399	16,713

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	5,314	12,358	17,672
Net profit	-	1,510	1,510
Comprehensive income	-	1,510	1,510
Dividends	-	(1,800)	(1,800)
Increase (decrease) in equity	-	(290)	(290)
Equity as of December 31, 2019	5,314	12,068	17,382

Ajay SQM Chile

Related party disclosures

Detailed identification of the link between Ajay-SQM Chile S.A. and subsidiary

As of December 31, 2020 and December 31, 2019, the detail of entities that are related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Functional Currency
93.007.000-9	SQM S.A.	Parent	Chile	Dollar
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	Dollar
Foreign	SQM (Shangai) Chemicals Co. Ltd.	Other related parties	China	Dollar
Foreign	Ajay North America	Other related parties	United States	Dollar
Foreign	Ajay Europe SARL	Other related parties	France	Euro
Total				

Trade receivables due from related parties, current:

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
93.007.000-9	SQM S.A.	Parent	Chile	Peso	-	2,237
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	Dollar	9	17
Foreign	Ajay Europe SARL	Other related parties	France	Euro	248	258
Total					257	2,512

Trade payables due to related parties, current:

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					ThUS\$	ThUS\$
93.007.000	SQM S.A.	Parent	Chile	Peso	7,072	591
Foreign	SQM (Shangai) Chemicals Co. Ltd.	Other related parties	China	Dollar	-	52
Foreign	Ajay North America	Other related parties	United States of America	Dollar	232	53
Foreign	Ajay Europe SARL	Other related parties	France	Euro	-	35
Total					7,304	731

SCM Búfalo

Summary Classified Statements of Financial Position

Assets	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Currents assets		
Other current non-financial assets	49	-
Trade receivables due from related parties, current	1	-
Total current assets	50	-
Non-current assets		
Other non-current non-financial assets	301	-
Intangible assets other than goodwill	22	-
Total non-current assets	323	-
Total assets	373	-

Liabilities and Equity	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$
Current liabilities		
Trade and other payables, current	33	-
Trade payables due to related parties, current	316	-
Current tax liabilities	1	-
Total current liabilities	350	-
Non-current liabilities		
Deferred tax liabilities	-	-
Total non-current liabilities	-	-
Total liabilities	350	-
Equity		
Share capital	23	-
Retained earnings	-	-
Total equity	23	-
Total liabilities and equity	373	-

SCM Búfalo

Summary Statements of Income

Statements of Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Other income	4	-
Profit from operating activities	4	-
Foreign currency translation differences	(3)	-
Profit before taxes	1	-
Income tax expense	(1)	-
Profit net	-	-

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2020	2019
	ThUS\$	ThUS\$
Other comprehensive income	-	-
Total comprehensive income	-	-

SCM Búfalo

Summary Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2020	-	-	-
Issuance of shares	23	-	23
Net profit	-	-	-
Comprehensive income	23	-	23
Increase (decrease) in equity	23	-	23
Equity as of December 31, 2020	23	-	23

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	-	-	-
Net profit	-	-	-
Comprehensive income	-	-	-
Increase (decrease) in equity	-	-	-
Equity as of December 31, 2019	-	-	-

Transactions with related parties

As of December 31, 2020, and 2019, there were no transactions with related entities.

Relationships between the parent and the entity

SCM Búfalo, is controlled by Sociedad Química y Minera de Chile S.A., with 100% ownership.

Sociedad Química y Minera de Chile S.A., is registered with the Securities Registry of the Chilean Commission for Financial Markets (CMF) ex Superintendence of Securities and Insurance under No. 0184 of March 18, 1983 and accordingly, is subject to the oversight of such regulating authority.

SCM Búfalo**Related party disclosures**

As of December 31, 2020, and December 31, 2019, the detail of transactions with related parties is as follows:

Trade receivables due from related parties, current

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					MUS\$	MUS\$
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Dollar	1	-
Total					1	-

Trade payables due to related parties, current

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2020	As of December 31, 2019
					MUS\$	MUS\$
93.007.000-9	SQM S.A.	Parent	Chile	Dollar	316	-
Total					316	-

11) RESPONSIBILITY STATEMENT

The Directors and Chief Executive Officer of SQM S.A. declare that we have exercised our respective functions as administrators and chief executive of the Company in conformity with the practices that are customarily used for such purposes in Chile and, in accordance with these practices, we swear under oath that the information in this 2020 Annual Report is true and that we accept any liability that may arise from this statement.

Alberto Salas Muñoz

Alberto Salas Muñoz (Mar 24, 2021 14:48 ADT)

Chairman

Alberto Salas M.

Chilean Taxpayer ID: 6.616.233-0

Patricio Contesse Fica

Patricio Contesse Fica (Mar 24, 2021 15:46 ADT)

Vice Chairman

Patricio Contesse F.

Chilean Taxpayer ID: 15.315.083-0

[Signature]

Georges de Bourguignon (Mar 25, 2021 09:18 ADT)

Director

Georges de Bourguignon A.

Chilean Taxpayer ID: 7.269.147-4

[Signature]

Herman Buchi (Mar 24, 2021 15:55 ADT)

Director

Herman Büchi B.

Chilean Taxpayer ID: 5.718.666-6

[Signature]

Laurence Golborne (Mar 25, 2021 07:41 EDT)

Director

Laurence Golborne R.

Chilean Taxpayer ID: 8.170.562-3

[Signature]

Gonzalo Guerrero Yamamoto (Mar 25, 2021 09:20 ADT)

Director

Gonzalo Guerrero Y.

Chilean Taxpayer ID: 10.581.580-8

[Signature]

Director

Francisco Ugarte L.

Chilean Taxpayer ID: 10.325.736-0

R J Zatta

R J Zatta (Mar 25, 2021 08:59 EDT)

Director

Robert J. Zatta

Chilean Taxpayer ID: 48.211.511-K

Ricardo Ramos

Ricardo Ramos (Mar 25, 2021 10:07 ADT)

Chief Executive Officer

Ricardo Ramos R.

Chilean Taxpayer ID: 8.037.690-1