



Solutions
for human
progress

Investor Day

September 15, 2022, NYSE

Agenda

1. SQM Today and Tomorrow

Ricardo Ramos, CEO

2. Strong Financial Position to Support Growth

Gerardo Illanes, CFO

3. Chile Constitutional Reform

Patricio Navia, NYU Professor

4. Q&A



Today's Speakers



Ricardo Ramos
CEO



Gerardo Illanes
CFO



Patricio Navia
NYU Professor

Ricardo Ramos, CEO

Mr. Ramos holds a degree in industrial engineering from Pontificia Universidad Católica de Chile. He joined SQM in 1989 as an advisor in the Finance Department. In 1991, he was transferred to the Sales Department, where he was in charge of the coordination between operations and sales. In 1993, he returned to the Finance Department as Deputy CFO. He is also on the board of Soquimich Comercial. As of January 7, 2019, Ricardo Ramos holds the position of Chief Executive Officer of the Company.





The image shows four female workers in a professional setting, likely a mining or industrial site. They are wearing white hard hats with the SQM logo and their names. The worker on the far left has a name tag that reads 'Dania Cervantes'. The worker in the second from the left has a name tag that reads 'OPERADOR LITIO' and 'JENDERY SOSA CATUR'. The worker in the third from the left has a name tag that reads 'MARJORITH TREBASTIN'. All workers are wearing safety glasses and high-visibility vests. The background is a blurred industrial site. The text 'SQM TODAY AND TOMORROW' is overlaid in large white letters.

SQM TODAY AND TOMORROW

SQM Products for better life



Water soluble
Increase productivity
improve quality

Does not contaminate
groundwater
lakes
and rivers

Specialty Plant Nutrition



Efficient thermal storage

Power generation day and
night

Solar Salts

SQM Products for better life



Uses for human health
X-Ray Contrast Media

Iodine



Electromobility
Zero pollution
Environmental standard

Lithium



SQM Operation Tour

Sustainability is our commitment



Reduction of continental water consumption
40% by 2030 and 65% by 2040.



Reduction of brine extraction from the Salar
Reduce 50% by 2030.

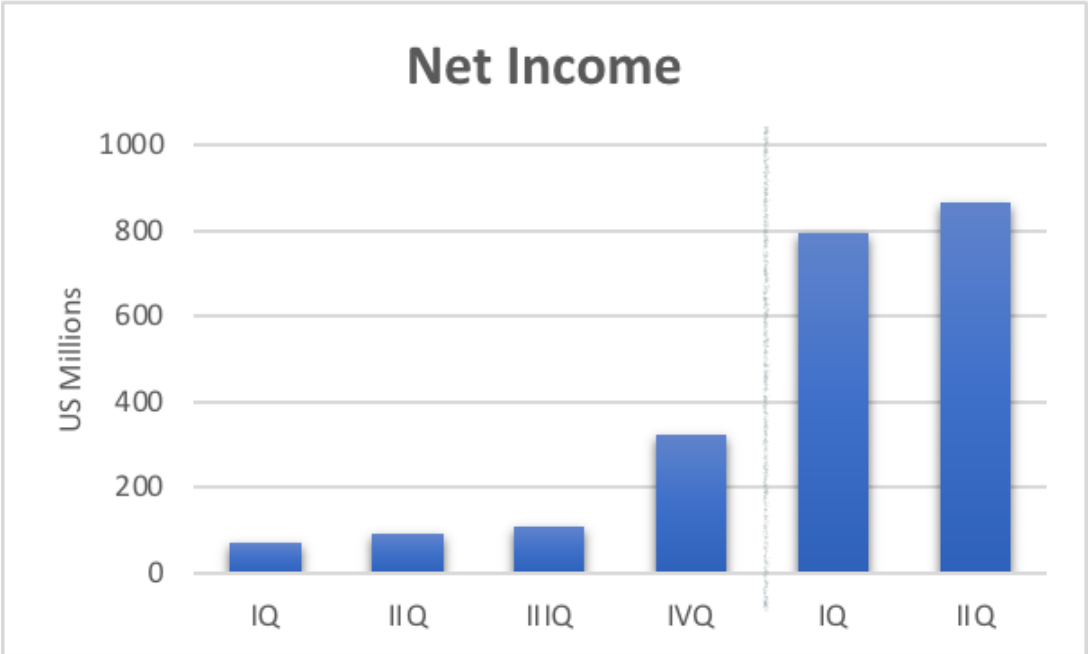
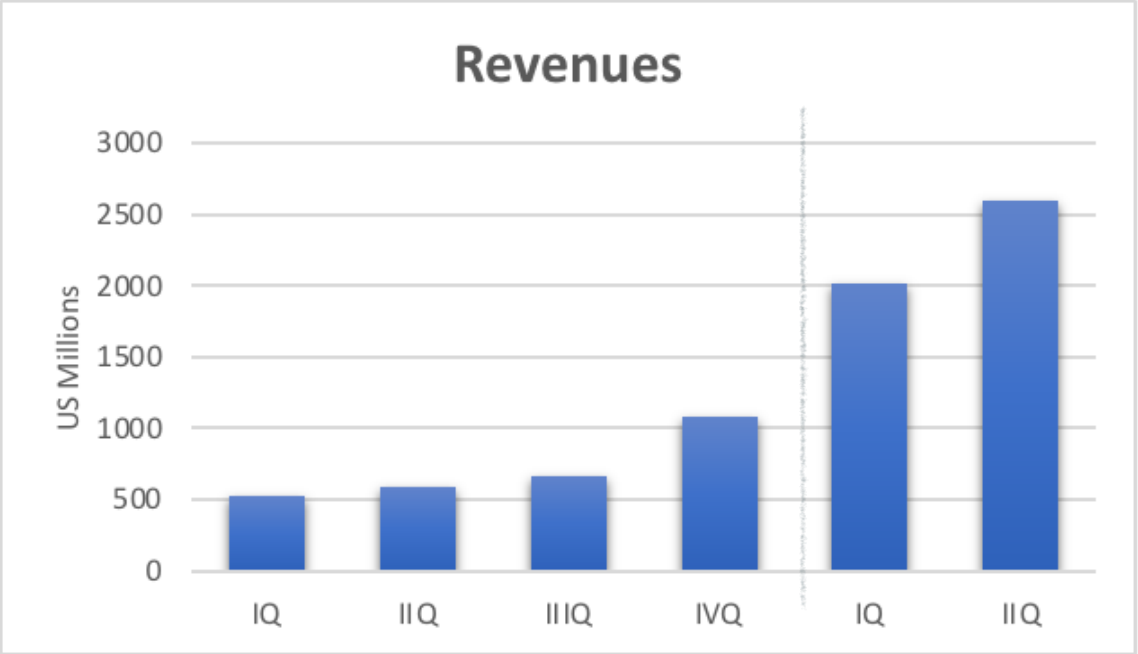


Emission reduction
Carbon neutral in Lithium, Potassium Chloride and
Iodine by 2030, and in all our products by 2040.



Waste reduction
50% by 2025

SQM Significant increase in results



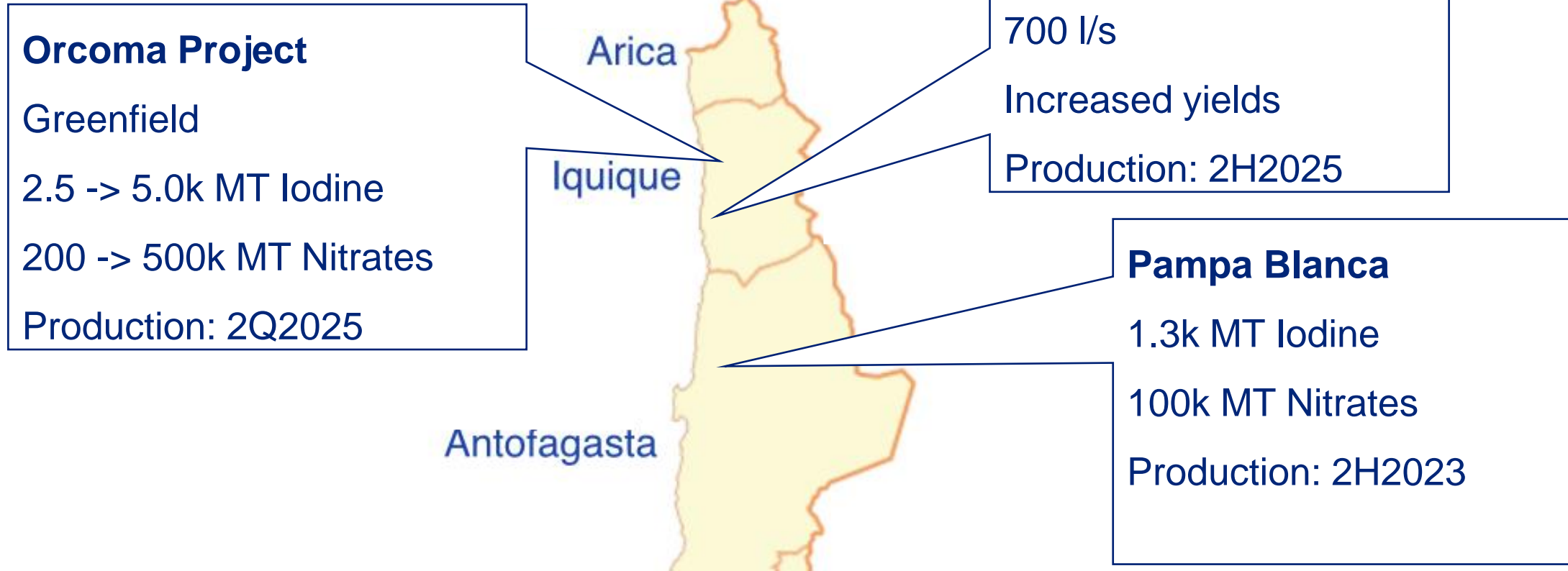
SQM Short term outlook

- The war in Ukraine has affected:
 - the production of fertilizers in Europe
 - the export of potassium chloride from Belarus and Russia
 - is affecting economic activity mainly in Europe
- II half Specialty Plant Nutrients prices relatively stable
 - sales volumes similar to the first half of this year
- The significant increase in potash prices has negatively affected global demand
 - prices should fall during second half... but maintaining levels higher than last year

SQM Short term outlook

- Iodine:
 - Better prices and higher volumes expected in second half 2022 compared to the first half
- Lithium:
 - Prices expected in third quarter 2022 similar to the second quarter
 - Fourth quarter prices...difficult to predict...we expect similar prices
 - We now expect to sell 150,000 tons of lithium carbonate equivalent this year
 - Sales volumes during second half 7%-9% higher than first half 2022

SQM Iodine and Nitrates

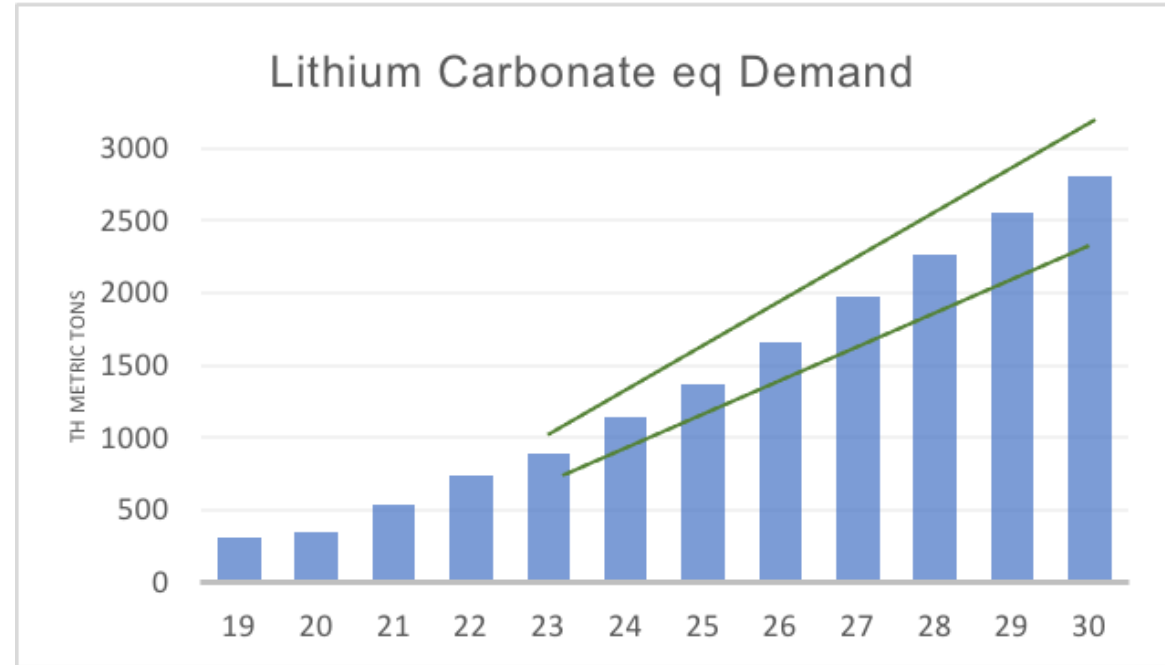


- Increase in the capacity to crystallize nitrates / solar salts, plus quality and logistics improvements
- Capex 2022-2024 close to US\$1 billion (including maintenance capex)

SQM Lithium market outlook

Lithium demand:

- 2022: aprox. 750k MT → + 40%
EV's penetration: ~14%
- 2023: 20%-23% increase LCE
- 2025: 1.2–1.6 million MT LCE.
- 2030: 2.3– 3.3 million MT LCE
EV's penetration: ~47%



- Predicting supply is much more difficult than predicting demand
- However, demand/supply is likely to be > 90% each year

SQM Lithium 2023

- 210k MT of LCE:
 - 180k MT in Chile and
 - 30k MT in China (from lithium sulfate), capex ~US\$140 million
- Lithium Hydroxide in Chile from 22k to 37k MT (3Q2023)
- Start of production of concentrated spodumene JV Australia (4Q2023): 350k MT per year
- **SQM plant in China (Sichuan) 20k MT of lithium hydroxide from lithium sulfate (2Q2023)**



SQM Lithium 2024

- 240k MT of LCE:
 - 210k MT in Chile and
 - 30k MT in China (from lithium sulfate)
- Advancing geology work in Australia and potential M&A
- Start of production of Lithium Hydroxide JV Australia (4Q2024): 50k MT
- Capex 2022-2024 in Chile close to US\$1 billion (including maintenance capex)
- Capex 2022-2024 JV Australia and China US\$700 millions



A photograph of four female employees from SQM, all wearing white hard hats and safety glasses. They are dressed in high-visibility work vests. The image is overlaid with a blue-to-green gradient. The text 'SQM SALAR FUTURO' is centered in white. The hard hats have various labels: 'Dania Cervantes 7', 'OPERADOR LITIO', 'JENDERY SOSA CATUR', and 'MARJORITH TREBASTIN'.

SQM SALAR FUTURO

SQM Salar Futuro

- SQM celebrated 25 years producing lithium in the Salar de Atacama
- The lithium produced by SQM is one of the economic activities that contributes most to Chile in percentage terms and is the best example of a successful Public-Private partnership
 - Contributions for lithium amounted to US\$2.3 billion during the first half of 2022
- SQM has become the main integrated producer of high-quality lithium worldwide in its country of origin, increasing its production of lithium carbonate and lithium hydroxide from 45,000 MT per year to 150,000 MT in the last three years, being the fastest growing producer globally

SQM Salar Futuro

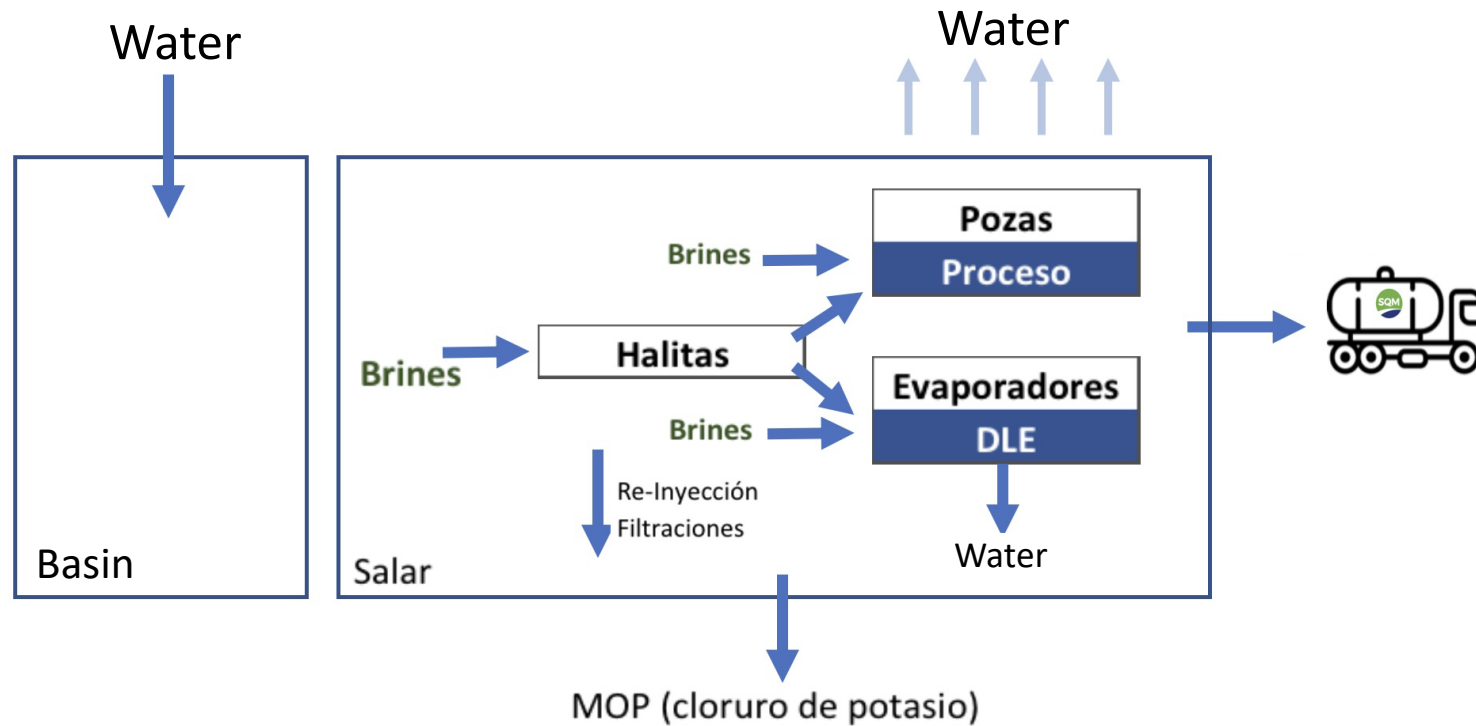
- SQM announced a Sustainability Plan that, among other aspects, included a voluntary commitment to lower brine extraction in the Salar de Atacama on an annual basis. This implies reducing extraction from approximately 1,700 l/s to levels of 822 l/s by 2030
- We estimate that SQM is currently the lithium-producing company with the lowest carbon and water footprint in the world
- The current production process and its projections over time are fully compatible with the water balances of the Salar de Atacama and its surrounding area

SQM Salar Futuro

- The permanent R&D work that SQM has carried out for decades allows us to continue advancing in the search of initiatives aimed at making extraordinary environmental and social contributions
- Today, we are in a position to propose adding four main technological advances to be implemented in our operations:
 1. Use advanced evaporation technologies for a significant part of the brines of the Salar
 2. Use Direct Lithium Extraction (DLE) technologies
 3. Significant increases in production yields in the final production plants
 4. Seawater adduction in conjunction with a desalination plant

SQM Salar Futuro

- This disruptive proposal will allow delivering exactly the same amount of total water that is consumed and evaporated from the system (Basin + Salar), thus generating a totally neutral long-term water balance



SQM Salar Futuro

- The Salar Futuro Project, in its initial analysis, considers maintaining the voluntary reduction target of a total extraction of 822 l/s brines per year, which corresponds to 50% of the authorized average pumping by 2030
- Even with the significantly lower use of brines (822 l/s) considered in the initial analysis, SQM estimates that it is possible to project total production between 220,000 and 250,000 MT of lithium carbonate equivalent per year
- SQM has started the necessary engineering that will allow a more precise estimate of the resources that need to be invested and the dimensions of the necessary equipment. In principle, it is estimated that the investments will be close to US\$1.5 billion

SQM Salar Futuro

- Parallel to the aforementioned technological changes, SQM is committed to creating a development hub in the north of Chile, for which we expect to invest more than US\$700 million in various value-added initiatives, even producing battery components in the future
 - more lithium hydroxide capacity / lithium metal / high quality LC / soda ash /
- The Salar Futuro Project implies assuming important technological challenges. The initial tests allow us to be optimistic, but these are fundamental changes in the technologies and processes currently used that imply taking relevant risks to achieve the proposed ambitious objectives
- **However, we have no doubts that we will be able to achieve the proposed objectives**

SQM Salar Futuro

- Today we are facing the unique opportunity to propose disruptive alternatives for processes and technologies that further increase the environmental advantage of lithium production in the Salar de Atacama. We believe it is essential to start early and take initiative and leadership
- The current terms of the contract between CORFO and SQM impose certain limitations on medium and long-term investments and therefore on the implementation of technological improvements
- At SQM, we are convinced that it is in the interest of both parties, CORFO and SQM, to evaluate different options in this matter to generate value for the Antofagasta Region, the communities, Chile and SQM

The Salar Futuro Project must become the main Public-Private cooperation project in Chile, generating an example of long-term sustainable development

Gerardo Illanes, CFO

Gerardo Illanes is a Civil Industrial Engineer from the Pontificia Universidad Católica de Chile and holds an MBA from Goizueta Business School of Emory University, USA. He joined SQM in 2006 and since then has held various positions in the Finance area, both in Chile and abroad. He also serves on the Board of Directors of Soquimich Comercial and had served as the Vice-President of Corporate Finance and CFO since 2018.



A woman wearing a blue safety vest with the name 'KARLA ULLOA' on it and a white face mask is sitting at a desk in a control room. She is looking towards the camera. In the background, there are several computer monitors displaying data and charts. Another person wearing a face mask is visible in the background, working at a desk. The image has a blue and green color gradient overlay.

STRONG FINANCIAL POSITION TO SUPPORT GROWTH

CORFO contract: payment structure

Since 2018, after negotiations with CORFO current payment structure came into place:

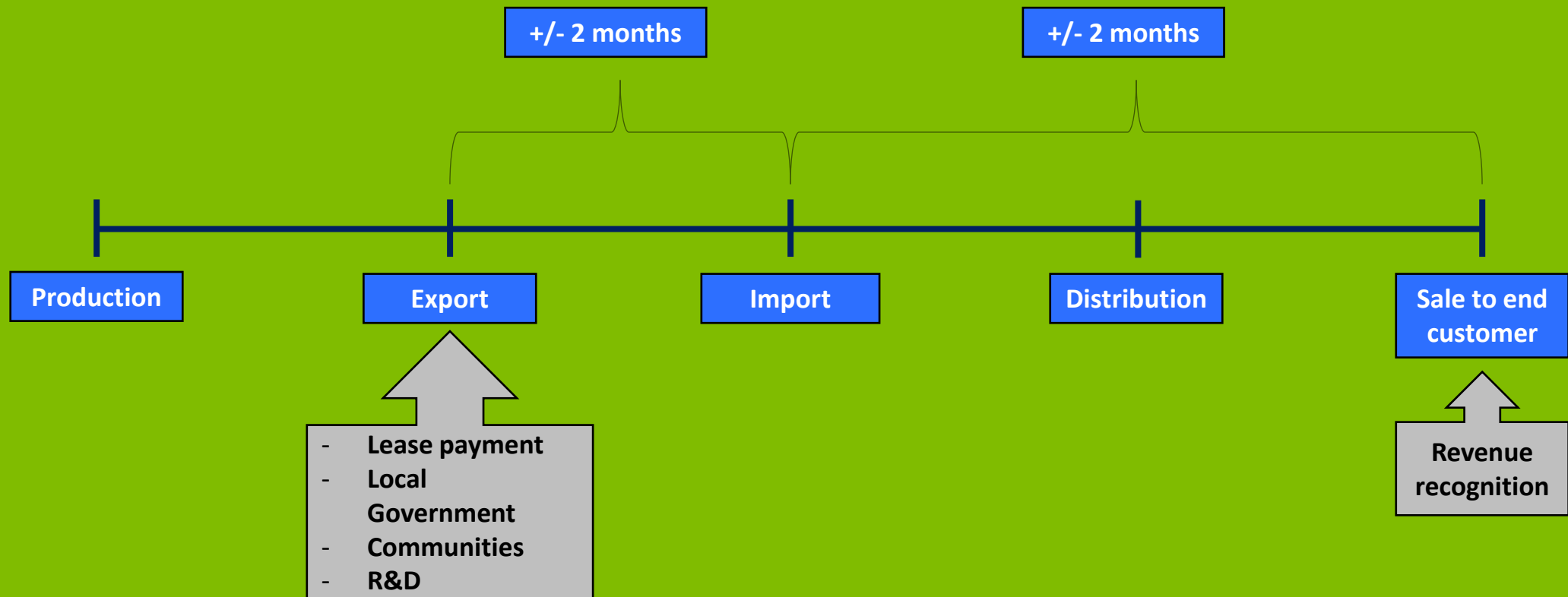
1. Lease payment: As a function of the sale price of each product.

Li₂CO₃		LiOH		KCl	
US\$/MT	%	US\$/MT	%	US\$/MT	%
< 4,000	6.8	< 5,000	6.8	< 300	3.0
4,000 – 5,000	8.0	5,000 – 6,000	8.0	300 – 400	7.0
5,000 – 6,000	10.0	6,000 – 7,000	10.0	400 – 500	10.0
6,000 – 7,000	17.0	7,000 – 10,000	17.0	500 – 600	15.0
7,000 – 10,000	25.0	10,000 – 12,000	25.0	> 600	20.0
> 10,000	40.0	> 12,000	40.0		

2. Local government and counties: 1.7% of the revenues of SQM Salar (SQM's entity extracting, producing and exporting lithium and potassium chloride products).
3. Neighboring communities: \$US10-\$US15 million per year as a function of lithium prices.
4. R+D: Fixed amount, as of 2022 almost \$US19 million.

CORFO contract: payment timing

There is a 3 to 4-month lag between when CORFO payments are processed and the revenue from those sales is recognized in SQM's income statement.



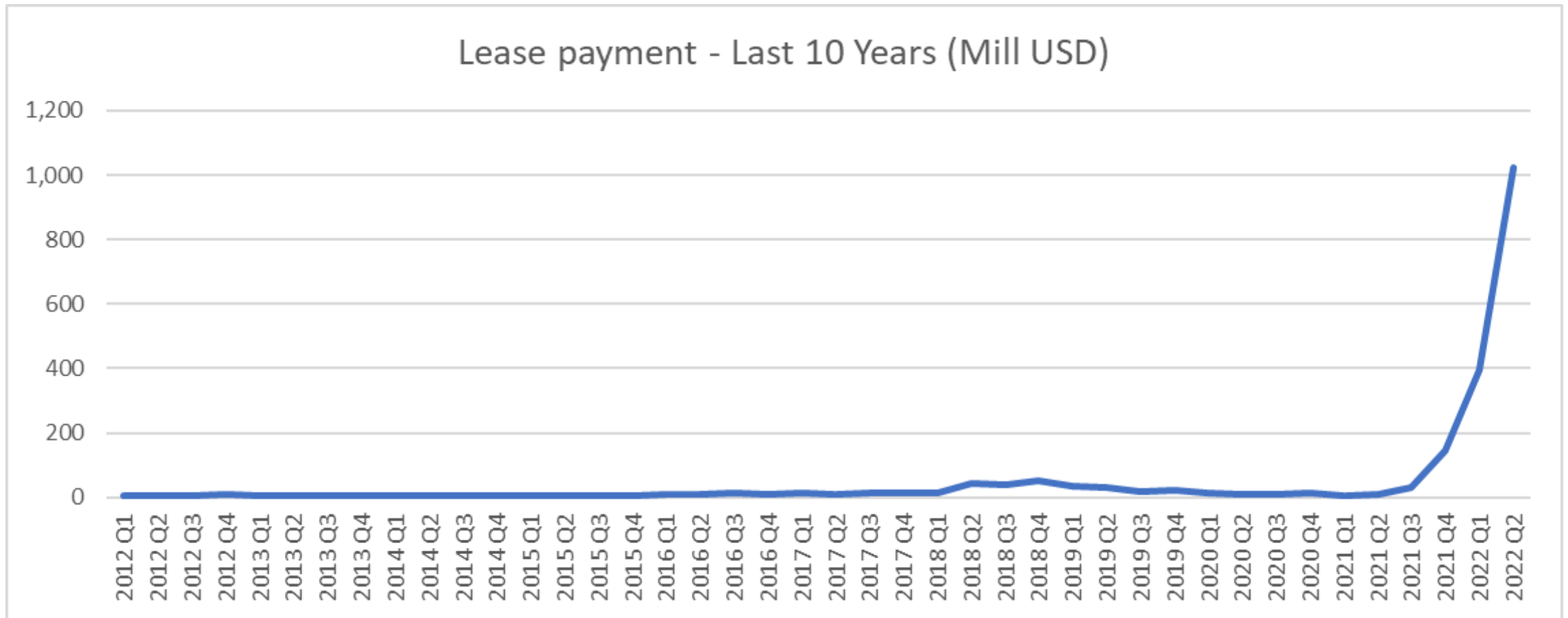
CORFO contract: payment timing

- When product is exported from Chile, CORFO payments are processed and/or accrued: lease payment + local government + communities + R&D.
- Following IFRS rules, part of the CORFO payments is activated as “additional cost of inventory” and part of these payments are expensed the same quarter they are accrued.
- The amount expensed per metric tone is a function of the volume exported from Chile and the volume sold to third parties during the same quarter.
- Additional capacity → more production → more exports → more sales

	Exports (kMT)	Sales (kMT)	Delta (kMT)
2021 Q3	28	22	6
2021 Q4	42	31	11
2022 Q1	30	38	-8
2022 Q2	53	34	19

- Accounting Cost of Goods Sold include production cost, CORFO payments activated at the moment the product was exported (i.e. inventory cost) and the portion expensed of the CORFO payments accrued during the period.

CORFO Payment Structure and Lithium Cost Impact

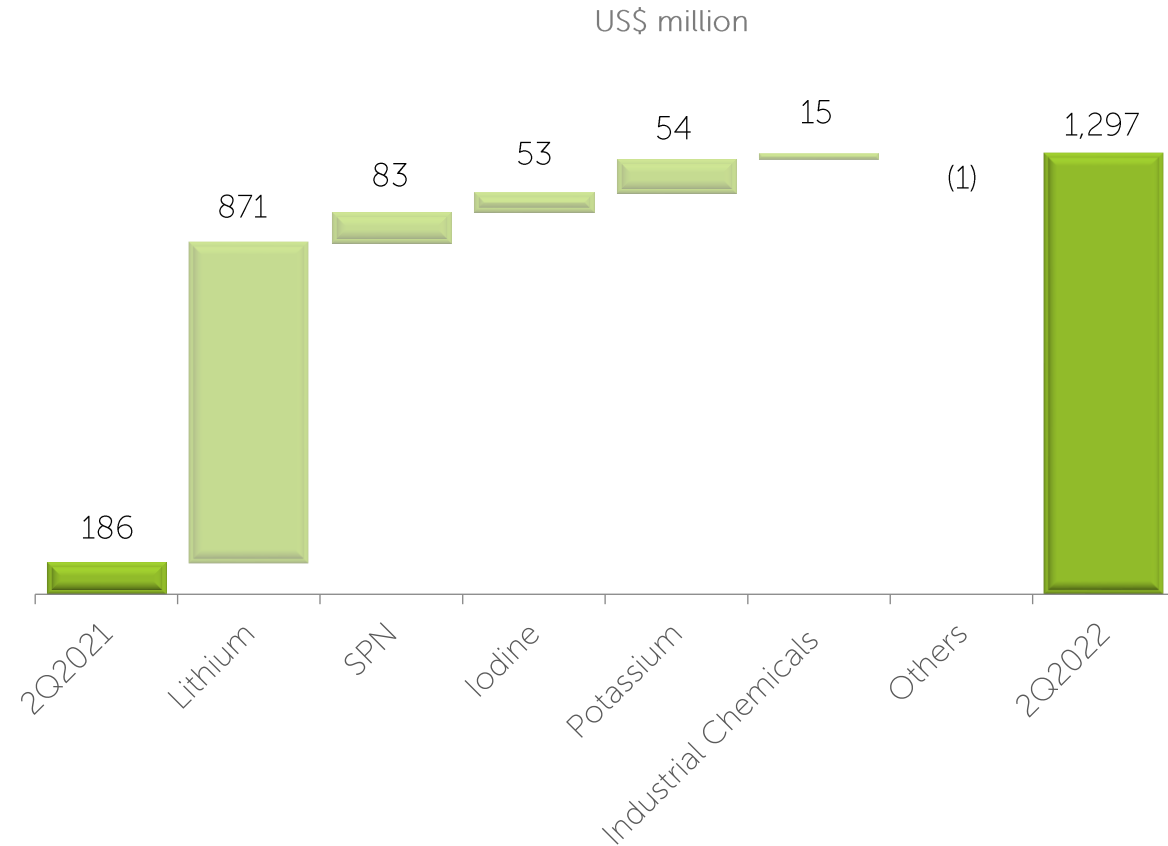


Q2 Financials: Year over year

Price vs Sales Volumes Variations
2Q2022 vs 2Q2021

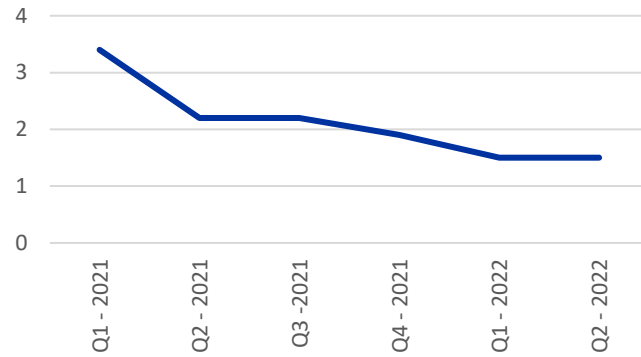
Variations	Average Price	Sales Volumes
Lithium	↑701%	↑~41%
Iodine	↑~58%	↓~11%
SPN	↑~96%	↓~22%
Industrial Chemicals	↑~58%	↑~149%
Potassium	↑~222%	↓~4%

Gross Profit Contribution
2Q2022/2Q2021

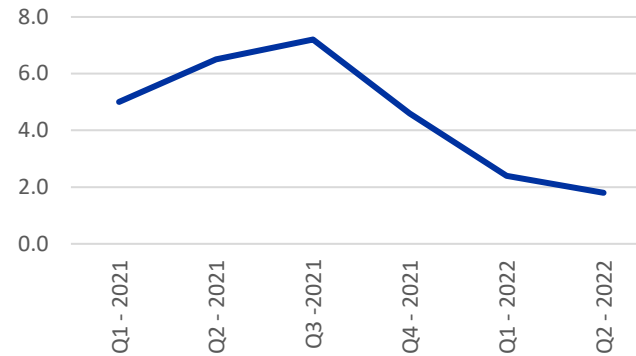


Q2 Financials: Strong financial position

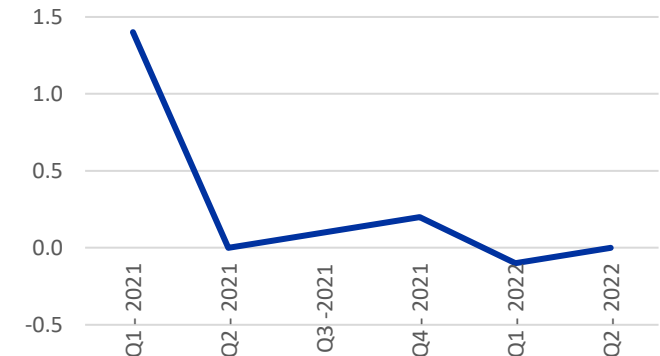
Months in AR



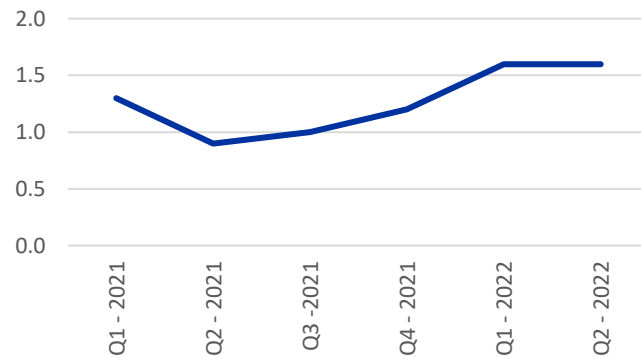
Current ratio



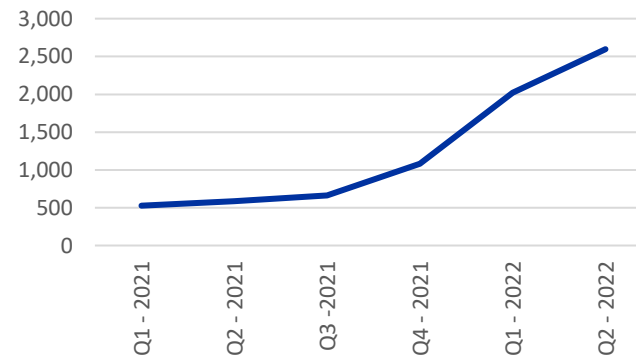
NFD / EBITDA



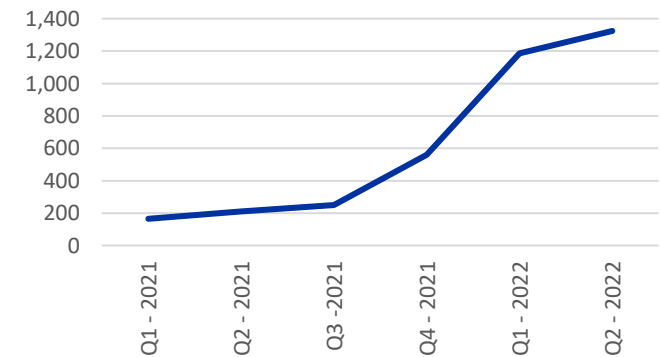
Leverage



Revenues (Mill USD)



EBITDA (Mill USD)



Q2 Financials: Dividend Policy

Dividend Payout (% of Annual Net Income)		100%	80%	60%
(a) $\frac{\text{Current Assets}}{\text{Current Financial Liabilities}}$	\geq	2.5	2.0	1.5
(b) $\frac{\text{Liabilities} - \text{Cash \& Cash Equivalents} - \text{Other Current Fin. Assets}}{\text{Equity}}$	\leq	0.8	0.9	1.0

If none of the above parameters are met, dividend payout would be 50% of 2022 net income

- Net income YTD Q2 = \$US1,655 million
- 2022 YTD Q2 Interim dividend = \$US1,324 million

Patricio Navia, NYU Professor

Patricio Navia is a Clinical (Full) Professor of Liberal Studies and Adjunct Professor in the Center for Latin American and Caribbean Studies at New York University. He is also a (full) Professor of Political Science at Universidad Diego Portales in Chile. Ph.D. in Politics from New York University, an M.A. in Political Science from the University of Chicago and a B.A. in Political Sciences and Sociology from the University of Illinois at Chicago. Patricio specializes on democratic consolidation, political parties, elections and public opinion in Latin America. He also studies the relationship between democracy and economic development in contemporary Latin America.



CHILE CONSTITUTIONAL REFORM

A photograph of two men in industrial safety gear (hard hats, sunglasses, and high-visibility vests) standing in front of a large industrial structure. The image is overlaid with a blue-to-green gradient. The text 'Q & A' is centered in white.

Q & A