Important Notice

SQM

Statements in this presentation concerning the Company's business outlook or future economic performances, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth, together with other statements that are not historical facts, are “forward-looking statements” as that term is defined under Federal Securities Laws.

Any forward-looking statements are estimates, reflecting the best judgment of SQM based on currently available information and involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those stated in such statements.

Risks, uncertainties, and factors that could affect the accuracy of such forward-looking statements are identified in the public filing made with the Securities and Exchange Commission, and forward-looking statements should be considered in light of those factors.
SQM at a Glance


NFD/EBITDA: .3 | Moody’s: Baa1 | Standard and Poor’s: BBB

FERTILIZERS
- Potassium

SPECIALTY CHEMICALS
- Specialty Plant Nutrients
- Iodine & Derivatives
- Lithium & Derivatives
- Industrial Chemicals

Contribution to Revenue vs. Gross Profit 2017\(^1\)

\(^1\) Excluding “Others”
Caliche Ore

- Caliche ore is only found in Chile
- The world’s largest deposits of nitrates and iodine
- Proprietary mining rights pursuant to exploitation concessions

Salar Brines

- High concentrations of potassium and lithium
- High evaporation rates
- Production rights are pursuant to a lease agreement with CORFO until 2030
- Technology and experience to efficiently operate

\[
\text{Sodium nitrate + Potassium chloride = Potassium nitrate + (Sodium chloride)}
\]

Technology and experience to efficiently operate
Lithium and Derivatives

Lithium Carbonate & Hydroxide

2017:
- 23% Market Share
- 49.7k MT Sales Volumes
- US$645 mm Revenues
- 60% Contribution to Gross Profit

SQM Lithium Projects

Chile

LITHIUM CARBONATE
- Current capacity 48,000 MT
- Expansion to 70,000 MT in 2018
- Expansion to 100,000 MT in 2019

Argentina

LITHIUM HYDROXIDE
- Current capacity 6,000 MT
- Expansion to 13,500 MT in 2018

Lithium Carbonate & Hydroxide

- Minera Exar, 50/50 JV
- Caucharí-Olaroz, Jujuy
- Capacity 25,000 MT - I stage in 2020

Australia

- Mt. Holland integrated project, 50/50 JV
- Capacity 40,000 MT in 2021
Iodine and Derivatives

Iodine

2017: 35% Market Share
12.7k Sales Volumes
US$252 mm Revenues
7% Contribution to Gross Profit

- Lowest-cost producer
- Main uses: X-ray contrast media - 23%, pharmaceuticals – 13%, LCD - 12%.
- Expansion to 14,000 MT per year by end-2018
- Average prices in 4Q2017 ~US$20
- Global demand in 2017 ~35,300 MT (~3% annual growth)
Specialty Plant Nutrients

Potassium Nitrate (KNO3)

2017: 54% KNO3 Market Share
966.2k MT Sales Volumes
US$697 mm Revenues
19% Contribution to Gross Profit

- Potassium nitrate (KNO3) provides unique benefits: chlorine-free, water soluble, and fast absorption
- Water soluble segment grows at ~5% per year

SQM competitive advantage:
- Access to reserves of both potassium and nitrates
- Developed distribution network and diverse customer base
- Current production capacity: 1.3 million MT/year, expansion to 1.5 million MT/year in 2018
Potassium

Potassium Chloride & Sulfate

2017: <3% Market Share
1.3 million MT Sales Volumes
US$379 mm Revenues
9% Contribution to LTM Gross Profit

- MOP is the most common used potassium based fertilizer
- 2017 market size ~ 63 million MT
- Major players in Belarus, Canada and Russia
- Slight price recovery seen in 2017, average prices in 2017 ~US$282/MT

SQM competitive advantage:
- Low-cost producer of MOP
- Flexibility to produce MOP, SOP and KNO3 depending on market needs
- Effective production capacity: 2 million MT/year (including KCL for KNO3 production), expected sales in 2018 ~1 million MT
Industrial Chemicals

Solar Salts

2017: 167.6k MT Sales Volumes
       US$136 mm Revenues
       6% Contribution to Gross Profit

- Various traditional uses for industrial nitrates related to glass, metal treatment and explosives
- Solar Salts:
  - A 50MW parabolic CSP plant with 7.5 hours of indirect storage requires ~30k MT of solar salts
  - Project being developed in Europe, Northern and Southern Africa, Middle East, Chile, China and Australia
  - Prices remained flat in 2017 compared to 2016
  - Sales volumes ~ 88k MT in 2017

SQM competitive advantage:

- Operational flexibility with certain industrial sodium and potassium nitrate products
- Production of both potassium nitrate and sodium nitrate, the two raw materials in solar salts production
Capex

Historical Maintenance CAPEX: ~US$100 million

2016-2018: Lithium Hydroxide Expansion to 13.5k MT: ~US$30 million

2017-2018: Potassium Nitrate Expansion to 1.5m MT: ~US$50 million

2017-2019: Lithium Carbonate Expansion to 100k MT: ~US$170 million

2017-2018: Iodine capacity expansion to 14k MT: ~US$30 million

CAPEX Framework 2018: ~US$517 million, including ~US$157 investments in projects outside Chile
Other Relevant Topics

**Ownership Structure**

- Bank of New York (ADRS) 15%
- Nutrien 32%
- Pampa Group and Kowa Group 32%
- Other Chile 32%

**Dividend Policy**

2017 Net Income distribution in 3 interim & 1 final dividend

- 100%
- 80%
- 60%

\[
\frac{\text{cash + other current financial assets}}{\text{current financial liabilities}} \geq \frac{\text{total liabilities}}{\text{total equity}} \leq
\]

- 2.5
- 2.0
- 1.5
- 1.1
- 1.2
- 1.3

If none of the above parameters is met: 50% of 2017 Net Income

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1As of December 31, 2017
2Please see the full version on our website at www.sqm.com
Mt. Holland
An integrated lithium Carbonate & Hydroxide project
**Mt. Holland**

**Mineral**
- ~1.5-1.6M t/pa
- ~1.44% Li₂O
- ~53,788 tLCE/pa

**Lithium concentrate**
- ~300,000 t/pa
- ~6% Li₂O
- ~44,500 tLCE/pa

**End product**
- ~37,800 t Li₂CO₃/pa; and/or
- ~44,000 t LiOH/pa
- ~40,000 tLCE/pa

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**Mine Site**

**JV Tenements**
- 4.75 Million Tone LCE

**Concentrator plant**
- Spodumene concentrate
  - Energy:
    - Existing grid
    - Solar plant

**Conversion plant:**
- Dual setup to produce Li₂CO₃ or LiOH
  - Energy:
    - Natural gas
    - Power grid
Mt. Holland

Integrated Project:

- Maximum value added to the mineral
- Dual plant production of lithium carbonate and/or hydroxide

Most Probable Location - Kwinana:

- Routes and distances to port and site
- Availability of water and gas access
- Tailing storage areas availability
CAPEX Summary

**CAPEX 2017: USD 172 millions**

- Maintenance capex plus expansions in nitrates and lithium
- Investment in Minera Exar of USD 24 millions
- Investment in Mt. Holland of USD 25 millions

**CAPEX 2018: USD 517 millions**

- Investments in Chile of USD 360 millions in maintenance and expansions in lithium, iodine and nitrates
- Investments out of Chile of USD 157 millions

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1 Twelve months ended September 30, 2017
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