

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number 33-65728

SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.
(Exact name of Registrant as specified in its charter)

CHEMICAL AND MINING COMPANY OF CHILE INC.
(Translation of Registrant's name into English)

CHILE
(Jurisdiction of incorporation)

El Trovador 4285, 6th floor, Santiago, Chile +56 2 2425 2000
(Address of principal executive offices)

Gerardo Illanes +56 2 2425-2485, gerardo.illanes@sqm.com, El Trovador 4285, 6th floor Santiago, Chile, 755000
(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered, pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series B common shares, in the form of American Depositary Shares each representing one Series B share	SQM	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital stock or common stock as of the close of business covered by the annual report.

Series A Common Shares	142,819,552
Series B Common Shares	142,818,904

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted, electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards † provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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PRESENTATION OF INFORMATION

In this Annual Report on Form 20-F, except as otherwise provided or unless the context requires otherwise, all references to “we,” “us,” “Company” or “SQM” are to Sociedad Química y Minera de Chile S.A., an open stock corporation (*sociedad anónima abierta*) organized under the laws of the Republic of Chile, and its consolidated subsidiaries.

All references to “US\$,” “U.S. dollars,” “USD” and “dollars” are to United States dollars, references to “pesos,” “CLP” and “Ch\$” are to Chilean pesos, references to ThUS\$ are to thousands of United States dollars, references to ThCh\$ are to thousands of Chilean pesos and references to “UF” are to *Unidades de Fomento*. The UF is an inflation-indexed, peso-denominated unit that is linked to, and adjusted daily to reflect changes in, the previous month’s Chilean consumer price index. As of December 31, 2021, UF 1.00 was equivalent to US\$36.69 and Ch\$30,991.74 according to the Chilean Central Bank (*Banco Central de Chile*). As of March 1, 2022, UF 1.00 was equivalent to US\$39.54 and Ch\$31,552.64.

The Republic of Chile is governed by a democratic government, organized in fifteen regions plus the Metropolitan Region (surrounding and including Santiago, the capital of Chile). Our production operations are concentrated in northern Chile, specifically in the Tarapacá Region and in the Antofagasta Region.

We use the metric system of weights and measures in calculating our operating and other data. The United States equivalent units of the most common metric units used by us are as shown below:

1 kilometer equals approximately 0.6214 miles

1 meter equals approximately 3.2808 feet

1 centimeter equals approximately 0.3937 inches

1 hectare equals approximately 2.4710 acres

1 metric ton (“MT” or “metric ton”) equals 1,000 kilograms or approximately 2,205 pounds.

We are not aware of any independent, authoritative source of information regarding sizes, growth rates or market shares for most of our markets. Accordingly, the market size, market growth rate and market share estimates contained herein have been developed by us using internal and external sources and reflect our best current estimates. These estimates have not been confirmed by independent sources.

Percentages and certain amounts contained herein have been rounded for ease of presentation. Any discrepancies in any figure between totals and the sums of the amounts presented are due to rounding.

GLOSSARY

“**assay values**” Chemical result or mineral component amount contained by the sample.

“**average global metallurgical recoveries**” Percentage that measures the metallurgical treatment effectiveness based on the quantitative relationship between the initial product contained in the mine-extracted material and the final product produced in the plant.

“**average mining exploitation factor**” Index or ratio that measures the mineral exploitation effectiveness, based on the quantitative relationship between (in-situ mineral minus exploitation losses) / in-situ mineral.

“**CAGR**” Compound annual growth rate, the year over year growth rate of an investment over a specified period of time.

“**cash and cash equivalents**” The International Accounting Standards Board (IASB) defines cash and cash equivalents as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

“**CCHEN**” The Chilean Nuclear Energy Commission (*Comisión Chilena de Energía Nuclear*).

“**Controller Group**” * A person or company or group of persons or companies that according to Chilean law, have executed a joint performance agreement, that have a direct or indirect share in a company’s ownership and have the power to influence the decisions of the company’s management.

“**Corfo**” Production Development Corporation (*Corporación de Fomento de la Producción*), formed in 1939, a Chilean national organization in charge of promoting Chile’s manufacturing productivity and commercial development.

“**CMF**” The Chilean Financial Market Commission. (*La Comisión para el Mercado Financiero*).

“**cut-off grade**” The minimal assay value or chemical amount of some mineral component above which exploitation is economical.

“**dilution**” Loss of mineral grade because of contamination with barren material (or waste) incorporated in some exploited ore mineral.

“**exploitation losses**” Amounts of ore mineral that have not been extracted in accordance with exploitation designs.

“**fertigation**” The process by which plant nutrients are applied to the ground using an irrigation system.

“**geostatistical analysis**” Statistical tools applied to mining planning, geology and geochemical data that allow estimation of averages, grades and quantities of mineral resources and reserves.

“**heap leaching**” A process whereby minerals are leached from a heap, or pad, of ROM (run of mine) ore by leaching solutions percolating down through the heap and collected from a sloping, impermeable liner below the pad.

“**horizontal layering**” Rock mass (stratiform seam) with generally uniform thickness that conform to the sedimentary fields (mineralized and horizontal rock in these cases).

“**hypothetical resources**” Mineral resources that have limited geochemical reconnaissance, based mainly on geological data and sample assay values spaced between 500–1000 meters.

“**Indicated Mineral Resource**” ** That part of a mineral resource with a level of geological confidence between that of measured and inferred resources; quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

“**Inferred Mineral Resource**” ** That part of a mineral resource with the lowest level of geological confidence; quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability.

“**industrial crops**” Refers to crops that require processing after harvest in order to be ready for consumption or sale. Tobacco, tea and seed crops are examples of industrial crops.

“**Kriging Method**” A technique used to estimate ore reserves, in which the spatial distribution of continuous geophysical variables is estimated using control points where values are known.

“**LIBOR**” London Inter Bank Offered Rate.

“**limited reconnaissance**” Low or limited level of geological knowledge.

“**Measured Mineral Resource**” ** That part of a mineral resource with the highest level of geological confidence; quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit.

“**metallurgical treatment**” A set of chemical and physical processes applied to the caliche ore and to the salar brines to extract their useful minerals (or metals).

“**Mineral Reserve**” ** An estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.

“Mineral Resource” ** A concentration or occurrence of material of economic interest in or on the earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.

“ore depth” Depth of the mineral that may be economically exploited.

“ore type” Main mineral having economic value contained in the caliche ore (sodium nitrate or iodine).

“ore” A mineral or rock from which a substance having economic value may be extracted.

“Probable Mineral Reserve” ** The economically mineable part of an indicated and, in some cases, a measured mineral resource.

“Proven Mineral Reserve” ** The economically mineable part of a measured mineral resource and can only result from conversion of a measured mineral resource.

“solar salts” A mixture of 60% sodium nitrate and 40% potassium nitrate used in the storage of thermo-energy.

“vat leaching” A process whereby minerals are extracted from crushed ore by placing the ore in large vats containing leaching solutions.

“waste” Rock or mineral which is not economical for metallurgical treatment.

“Weighted average age” The sum of the product of the age of each fixed asset at a given facility and its current gross book value as of December 31, 2021 divided by the total gross book value of the Company's fixed assets at such facility as of December 31, 2021.

* The definition of a Controller Group that has been provided is the one that applied to the Company. Chilean law provides for a broader definition of a “controller group”, as such term is defined in Title XV of Chilean Law No. 18,045.

** The definitions we use for resources and reserves are as defined in subpart 1300 of Regulation SK.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Form 20-F contains statements that are or may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not based on historical facts and reflect our expectations for future events and results. Words such as “believe,” “expect,” “predict,” “anticipate,” “intend,” “estimate,” “should,” “may,” “likely,” “could” or similar expressions may identify forward-looking information. These statements appear throughout this Form 20-F and include statements regarding the intent, belief or current expectations of the Company and its management, including but not limited to any statements concerning:

- trends affecting the prices and volumes of the products we sell and the effects on our results;
- level of reserves, quality of the ore and brines, and production levels and yields;
- our capital investment program and financing sources
- our Sustainable Development Plan;
- development of new products, anticipated cost synergies and product and service line growth;
- our business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items;
- the future impact of competition; and
- regulatory changes.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements included in this Form 20-F, including, without limitation, the information under “Item 4. Information on the Company,” “Item Number 5. Operating and Financial Review and Prospects” and “Item 11. Quantitative and Qualitative Disclosures About Market Risk.” Factors that could cause actual results to differ materially include, but are not limited to:

- volatility of global prices for our products;
- political, economic and demographic developments in certain emerging market countries, where we conduct a large portion of our business;
- the impact of the global novel coronavirus (COVID-19) pandemic, including any new strain and any associated economic downturn on our future operating and financial performance;
- changes in production capacities;
- the nature and extent of future competition in our principal markets;
- our ability to implement our capital expenditures program, including our ability to obtain financing when required;
- changes in raw material and energy prices;
- currency and interest rate fluctuations;
- risks relating to the estimation of our reserves;
- changes in quality standards or technology applications;
- adverse legal, regulatory or labor disputes or proceedings;
- changes in governmental regulations;
- a potential change of control of our company; and
- additional risk factors discussed below under Item 3. “Key Information—Risk Factors.”

SUMMARY OF RISK FACTORS

Risks Relating to our Business

- Our inability to extend or renew the mineral exploitation rights relating to the Salar de Atacama concession beyond their current expiration date in December 2030 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 high raw materials and energy prices that increase cost of sales, production costs and potentially result in energy unavailability, as well as changes in production capacities, including new production of iodine, potassium nitrate or lithium from current or new competitors in the markets in which we operate or variations of our inventory levels for economic or operational reasons could affect our prices, business, financial condition and results of operations.
- Our sales could be impacted by global shipping constraints.
- Our sales to emerging markets and expansion strategy expose us to risks related to economic conditions and trends in those countries as well as subject us to differing regulatory, tax and other regimes.
- We have a capital expenditure program that is subject to significant risks and uncertainties.
- 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.
- Chemical and physical properties of our products could adversely affect their commercialization.
- Changes in technology or other developments could result in preferences for substitute products.
- We are exposed to labor strikes and labor liabilities that could impact our production levels and costs.
- 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.
- Lawsuits and arbitrations could adversely impact us.
- Environmental laws and regulations could expose us to higher costs, liabilities, claims and failure to meet current and future production targets and changes in regulations regarding, or any revocation or suspension of mining, port or other concessions or changes in water rights laws and other regulations could affect 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.
- Tianqi is a significant shareholder and a competitor of the Company, which could result in risks to free competition.
- 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.
- Recent international trade tensions could have a negative effect on our financial performance.
- 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.
- 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.
- 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.

Risks Relating to Financial Markets

- Currency fluctuations and risks associated with the discontinuation, reform or replacement of benchmark indices may have a negative effect on our financial performance.
- We may be subject to risks associated with the discontinuation, reform or replacement of benchmark indices.

Risks Relating to Chile

- As we are a company based in Chile, we are exposed to political risks and civil unrest in Chile.
- Changes to the Chilean Constitution could impact a wide range of rights, including mining rights, water rights and property rights generally.
- 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.
- The Chilean government could separately levy additional taxes on mining companies operating in Chile or declare lithium mining to be in the national interest, which could enable the expropriation of our lithium assets.
- New legislation affecting mining licenses could materially adversely affect our mining licenses and mining concessions.
- Legislation and growing case law regarding indigenous and tribal peoples might affect our development plans.
- Chile has different corporate disclosure and accounting standards than those you may be familiar with in the United States.
- Chile is located in a seismically active region.

General Risks

- 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.
- Developments in other emerging markets could materially affect the value of our ADSs and our shares.
- The volatility and low liquidity of the Chilean securities markets could affect the ability of our shareholders to sell our ADSs.
- Our share or ADS price may react negatively to future acquisitions, capital increases and investments.
- ADS holders may be unable to enforce rights under U.S. 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.
- 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.
- Changes in Chilean tax regulations could have adverse tax consequences for U.S. investors.
- We are subject to risks related to the ongoing military conflict between Ukraine and Russia.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A. [Reserved]

3.B. Capitalization and Indebtedness

Not applicable.

3.C. Reasons for the Offer and Use of Proceeds

Not applicable.

3.D. Risk Factors

Our operations are subject to certain risk factors that may affect SQM's business, financial condition, cash flows, or results of operations. In addition to other information contained in this Annual Report on Form 20-F, 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 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, Maria 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, 2021, revenues related to products originating from the Salar de Atacama represented 47% 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, 2021, only 9 years remain on the term of the Lease Agreement and we had extracted approximately 32% 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.

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 could be impacted by global shipping constraints

We sell our products in more than 110 countries in the world. Our products are shipped in containers or break bulk format from the port terminals in Antofagasta, Tocopilla, Mejillones and Iquique in Chile. Current challenges in the global shipping industry have led to congestion in ports, a shortage in containers, and a lack of space on ships. Because of this situation, we face a risk of potential supply chain disruptions that may adversely affect our operations and ability to deliver our products to our customers. Depending on the terms of shipments to customers, the risk of loss related to these shipping issues could fall on us. Additionally, our revenues and collections may also be adversely affected by significant increases in the cost of transportation, as a result of increases in fuel or labor costs, higher demand for logistics services, or otherwise, and transportation delays that could have a negative impact on our sales agreements and customer relationships.

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 2021, approximately 53% of our sales were made in emerging market countries: 11% in Latin America (excluding Chile); 8% in Africa and the Middle East (excluding Israel); 8% in Chile; and 26% in Asia and Oceania (excluding Australia, Japan, New Zealand, South Korea and Singapore). In Note 21.1 to our consolidated financial statements, we reported revenues from Chile, Latin America and the Caribbean and Asia and others of US\$1.8 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 the COVID-19 or other pandemics. 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\$2.25 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 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. 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 15% in 2021. 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. Previously, our reserve estimates in the Salar de Atacama were also reviewed by the Superior Council for Scientific Investigations (*Consejo Superior de Investigaciones Cientificas*) 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 93% of our employees are employed in Chile, of which approximately 66% were represented by 20 labor unions as of December 31, 2021. As of December 31, 2021, all collective bargaining agreements had been renegotiated. 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 Chilean 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 20 to our Consolidated Financial Statements and "Item 8.A. Legal Proceedings." 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 those projects and activities. The Chilean Environmental Assessment Service (*Servicio de Evaluación Ambiental*) evaluates environmental impact studies and statements 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/or water extraction. For example, on December 13, 2017, the Environmental Court of Antofagasta ordered a temporary and partial closure of certain water extraction wells located in the Salar de Llamara. In October 2018, the 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 same Court 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 Enforcement Authority (*Superintendencia del Medio Ambiente*) or SMA in January 2019, did not comply with certain completeness and efficiency requirements of the Chilean environmental legislation.

In September 2021, SQM Salar S.A. 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 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 March 1, 2022, two principal shareholder groups held in the aggregate 48.33% of our total outstanding shares, including 94.19% 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 March 1, 2021, 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"), which owned approximately 25.20% of the total outstanding shares of SQM, and another principal shareholder is Tianqi Lithium Corporation ("Tianqi"), which directly and indirectly owned approximately 23.13% of the total outstanding shares of SQM.

The divestiture by the Pampa Group or Tianqi, or potential changes in the circumstances that have led to the determination of the CMF that there is currently no controlling shareholder 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. 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. The Chilean government has imposed several measures that may affect our operations, including mandatory quarantines for people who have been in contact with infected people, restrictions on the number of people that can be together, and lockdowns on specific communities that may suffer higher rates of infection or death, among others.

As a precaution, our management has voluntarily implemented several additional 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.

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% of our authorized limits. 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 and a global transition to a low carbon economy 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 and climate change-driven responses, such as a global transition to a low carbon economy on our operations and our customers' operations, remains uncertain, but the regulatory, market-risks associated with climate change as well as 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.

Climate-derived threats include, among others, changes in regional weather patterns, including changes in precipitation and evaporation parameters that, on the one hand, intensify drought phenomena, affecting the availability of water and, on the other hand, bring intense rains in short periods of time that generate other unwanted events that affect our operation and also our surrounding communities, such as road closures, infrastructure, landslides, among others. Additionally, rising sea levels and storm surges, increasing the days of port closures could impact the supply chain affecting our customers and suppliers. Other events such as storm patterns and intensities, increased wind speed, heat waves, cold waves, among other events considered as acute physical risks of climate change. Other effects are related to temperature levels, including increased volatility in seasonal temperatures through excessively high or low temperatures. These extreme weather conditions may vary by geography and location. 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, 2021, the Chilean peso exchange rate was Ch\$844.69 per U.S. dollar, while as of December 31, 2020 the Chilean peso exchange rate was Ch\$710.95 per U.S. dollar. The Chilean peso therefore depreciated against the U.S. dollar by 18.8% in 2021. As of March 1, 2022, the Observed Exchange Rate was Ch\$798.01 per U.S. dollar.

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, 2021 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.

In addition to the financial benchmarks, there are also market benchmarks used for the pricing of our long-term supply contracts, which may also be subject to regulatory scrutiny, or which may be discontinued, reformed or replaced. For example, for some of our long-term supply contracts, prices reference to indices prepared by commodity reporting agencies such as the Shanghai Metals Market (SMM) and Fastmarkets.

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. Also in 2019, then President Sebastian 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 a November 2020 referendum, Chilean citizens strongly supported convening a constitutional convention to draft a new Chilean Constitution. Any new Constitution could significantly alter the Chilean political situation, affect the Chilean economy, its business outlook, change existing rights, including rights to exploit natural resources, and water and property rights, any of which could adversely affect our business, results of operations, and financial condition.

The constitutional convention has already drafted proposals that may have a material impact on our business and operations. Although the final text of the Constitution is still being discussed and the voting of the proposals is still at an initial stage, the convention has accepted some proposals which seek to annul all of the existing mining and water rights and establish a whole new regime regarding mining and exploitation of natural resources. Also, the convention has approved certain proposals seeking to protect indigenous people and to recover indigenous land and territories. Part of our operations are located in areas that may be deemed to be indigenous land according to current and future legislation. Once the full text of the new Chilean Constitution has been drafted, it will be submitted to a national referendum in which the Chilean citizens will decide to approve or reject this text by a simple majority vote. We cannot predict the outcome of such referendum. If the referendum rejects the text of the new Chilean Constitution, the existing Chilean Constitution would remain in effect.

We cannot give any assurance that these reforms and proposals or the constitutional reform process will resolve the social and economic concerns or that mass protests or civil unrest will not resume. The long-term effects of this social unrest are hard to predict but could include slower economic growth, which could adversely affect our business, results of operations, and financial condition.

In addition, in December 2021, Chile elected Gabriel Boric as the new president. President Boric took office on March 11, 2022 and his agenda is mainly focused on the elimination of private pension funds, social security programs, increases in the minimum wage and pensions, and increases in corporate taxes. President Boric is also a strong supporter of the constitutional reforms being considered by the constitutional convention drafting a new Chilean Constitution. While it is still very early in President Boric's term and there is uncertainty regarding how President Boric's reforms may affect the political and business climate in Chile in the future, it is possible that these reforms could lead to higher-than-expected inflation levels, unemployment, higher corporate taxes and financial constraints on small and medium-sized companies, any of which could have an adverse effect on our business, results of operations, and financial condition.

Future adverse developments in Chile, including political events, financial or other crises, changes to policies regarding foreign exchange controls, regulations, and taxation, may impair our ability to execute our business plan and could adversely affect our growth, results of operations, and financial condition. Inflation, devaluation, social instability, and other political, economic, or diplomatic developments could also reduce our profitability. Economic and market conditions in Chilean financial and capital markets may be affected by international events, which could unfavorably affect the value of our securities.

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.

A new Chilean Constitution is in the process of being drafted by a constitutional convention, which was convened on July 4, 2021. The constitutional convention will have approximately one year to draft an entirely new Chilean Constitution. A wide range of rights could potentially be under consideration for reform under the new Chilean Constitution, including mining rights, water rights and property rights generally. If approved by the constitutional convention, the final draft of the new Chilean Constitution will be submitted for approval to a public referendum with mandatory participation and would require a simple majority vote for approval. If a new Constitution is not approved, the existing Chilean Constitution, which has been in place since 1980, would remain in effect. There can be no assurance that the constitutional convention will agree on a draft of a new Chilean Constitution or that the Chilean citizens will approve any draft Chilean Constitution approved by the constitutional convention. Any changes to rights under a new Chilean Constitution could change the political situation of Chile and affect the Chilean economy and the business outlook for the country generally and our business, results of operations, and financial condition.

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 constitutional convention 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.

In January 2022, the Chilean Congress approved a bill that amends the Chilean Water Code (*Código de Agua*), which is only waiting for its promulgation and subsequent publication in order to become an applicable Chilean law. This modification introduces several changes to the Water Code. A significant amendment is the change in the time periods for which the water rights were granted. According to this new legislation, water rights: (1) will have a temporary nature being granted for a maximum of 30 years (the specific period will depend on the characteristic of the riverbed and its water availability); (2) will be subject, in whole or in part, to expiration for its non-use; (3) will have to give human consumption and sanitation priority in the use of water; and (4) will be subject to a minimum ecological flow to ensure nature conservation and environmental protection, as determined by the Water Authority. It shall be noted that the water regulation and its distribution is one of the most important focuses of the constitutional convention, and therefore, new changes may come into effect.

The Chilean 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 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 Congress, which includes several possible changes to its current wording. We cannot guarantee that the bill will not eventually be approved by the Chilean Congress, or 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 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 Congress, which includes several possible changes to its current wording. We cannot guarantee that the bill will not eventually be approved by the Chilean 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.

New legislation affecting mining licenses could materially adversely affect our mining licenses and mining concessions.

Law No. 21,420, published in the Official Gazette on February 4, 2022, reduces or eliminates certain tax exemptions in order to finance a new social security program called “Universal Guaranteed Pension”. Among others changes, this law contemplates amendments to the Chilean Mining Code, such as: (i) the increase in the value of the mining licenses related to the mining concessions (an increase of at least 4 times the previous value); (ii) the modification of the term on which the mining exploration concessions are granted and the prohibition on the holder to obtain a new mining exploration concession in the same area once the previous concession has expired; and (iii) amendments to the mining concessions award process.

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 the 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 2017-2021, 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.

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, such as the one undertaken in 2021, 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. Although in connection with the 2021 capital increase, we filed a registration statement that permitted holders of ADSs to exercise preemptive rights, we may, in our absolute discretion, decide not to prepare and file such a registration statement in a future capital increase. If our ADS holders were unable to exercise their preemptive rights in a future capital increase because we do 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 ADS depository is not able to sell the rights, the rights 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 2021. 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. See "Item 10.E. Taxation—Material United States Tax Considerations."

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

Cash dividends paid by the Company with respect to the shares, including the shares represented by ADSs, will be subject to a Chilean withholding tax at a rate of 35%, less the credit available for corporate tax, which must be withheld and paid by the Company (the "Withholding Tax"). The effective rate of Withholding Tax imposed on dividends attributed to earnings in 2021 of the Company and distributed during the same period was 23.90412%.

Changes in Chilean tax regulations could have adverse consequences for U.S. investors. For example, the changes introduced by Law No. 21,420 that will be effective on September 1, 2022, by which the highest value or gain obtained in the sale on the stock exchange or in a public offering process of shares of corporations with a high stock market presence will be affected by a single tax with a rate of 10%, except for certain institutional investors, could have adverse tax consequences for investors resident in the United States. See "Item 3.D. Risk Factors—Risks Relating to Chile—The Chilean Government Could Levy Additional Taxes on Corporations Operating in Chile" and "Item 10.E. Taxation—Material Chilean Tax Considerations."

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.

We are subject to risks related to the ongoing military conflict between Ukraine and Russia and it may have a material adverse effect on our business, financial condition and results of operations

On February 24, 2022, Russia launched a military invasion of Ukraine. The ongoing military conflict between Russia and Ukraine has provoked strong reactions from the United States, the UK, the European Union and various other countries around the world, including the imposition of broad financial and economic sanctions against Russia. While the precise effects of the ongoing military conflict and these sanctions on the Russian and global economies remain uncertain, they have already resulted in significant volatility in financial markets as well as in an increase in energy and commodity prices globally. Should the conflict continue or escalate, markets may face various economic and security consequences including, but not limited to, supply shortages of different kinds, further increases in prices of commodities, including natural gas, oil, fertilizers and agricultural goods, significant disruptions in logistics infrastructure, telecommunications services, the risk of unavailability of information technology systems and infrastructure, among others, given that Russia and Ukraine are significant exporters of commodities. The resulting impacts on financial markets, inflation, interest rates, unemployment and other matters could disrupt the global economy. Other potential consequences include, but are not limited to, growth in the number of popular uprisings in the region, increased political discontent, especially in the regions most affected by the conflict or economic sanctions, increase in cyberterrorism activities and attacks, displacement of persons to regions close to the areas of conflict and an increase in the number of refugees fleeing across Europe, among other unforeseen social and humanitarian effects.

ITEM 4. INFORMATION ON THE COMPANY

4.A. History and Development of the Company

Historical Background

Sociedad Química y Minera de Chile S.A. is an open stock corporation organized under the laws of the Republic of Chile. We were constituted by public deed issued on June 17, 1968 by the Notary Public of Santiago, Mr. Sergio Rodríguez Garcés. Our existence was approved by Decree No. 1,164 of June 22, 1968 of the Ministry of Finance, and we were registered on June 29, 1968 in the Registry of Commerce of Santiago, on page 4,537 No. 1,992. Our headquarters is located at El Trovador 4285, Fl. 6, Las Condes, Santiago, Chile. Our telephone number is +56 2 2425-2000. We are legally referred to by our full name Sociedad Química y Minera de Chile S.A. as well as commercially by the abbreviated name "SQM." Our Website is www.sqm.com. The information contained on or linked from our website is not included as part of, or incorporated by reference into this report. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, such as our company, at www.sec.gov.

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 Corfo, a Chilean government entity. 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 ADSs have traded on the NYSE under the ticker symbol "SQM" since 1993. Each ADS represents one Series B common share. We have from time to time accessed international capital markets for the issuance of additional ADSs in, including most recently the US\$1.1 billion capital increase in 2021.

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 has enabled us to produce potassium chloride, lithium carbonate, lithium hydroxide, 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.

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 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 plant in the Carmen Lithium production facility, near the city of Antofagasta in the north of Chile. In 2007, we completed the construction of a new prilling and granulating plant for nitrates in Coya Sur. 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 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.

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 our iodine capacity in 2018, which, including Pedro de Valdivia and Nueva Victoria, reached 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 Cauchari-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.

In 2017, we entered into a 50/50 joint venture with respect to the Mt. Holland lithium project to design, construct and operate a mine, concentrator and refinery for the production of lithium hydroxide.

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

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 2021, in the Salar de Atacama, we began preparing an external audit in IRMA’s rigorous responsible mining certification process.

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. During 2021, our lithium carbonate production in Chile reached an effective capacity of 120,000 metric tons and we expect to increase this to 180,000 metric tons and our lithium hydroxide capacity to 30,000 metric tons during 2022.

In November 2021, we were accepted into the Dow Jones Sustainability Chile and the Dow Jones Sustainability MILA Pacific Alliance Indices for the second year in a row.

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 2021, we also worked on the expansion of our lithium carbonate and lithium hydroxide capacity in Chile, which reached 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 and lithium hydroxide in Western Australia.

Our capital expenditures for the years ended December 31, 2021, 2020 and 2019 were as follows:

(in millions of US\$)	2021	2020	2019
Capital expenditures	471.5	322.2	321.3

During 2021, we had total capital expenditures of US\$471.5 million. Our 2021 capital expenditure was primarily related to:

- Capacity expansion projects related to the completion of our increase of our lithium carbonate production in Chile from 70,000 metric tons per year to 120,000 metric tons per year and investment in our lithium carbonate production from 120,000 to 180,000 metric tons per year;
- Completion of capacity expansion of lithium hydroxide production in Chile from 13,500 metric tons per year to 21,500 metric tons per year and commencement of a further capacity expansion of lithium hydroxide production in Chile from 21,500 metric tons per year to 30,000 metric tons per year;
- Investment in our new 50,000 metric ton lithium hydroxide facility in Western Australia;
- Optimization projects related to iodine production plants in Nueva Victoria; and
- General maintenance of all production units in order to ensure the fulfillment of production and sales targets.

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 was primarily related to:

- Capacity expansion projects related to the increase of our lithium carbonate production in Chile from 70,000 metric tons per year to 120,000 metric tons per year;
- Capacity expansion of lithium hydroxide production in Chile from 13,500 metric tons per year to 21,500 metric tons per year;
- 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 in Chile to 70,000 metric tons per year and the commencement of our lithium carbonate expansion project in Chile to reach 120,000 metric tons per year.
- Capacity expansion of lithium hydroxide production in Chile from 13,500 metric tons per year to 21,500 metric tons per year;
- 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.

We believe that our capital expenditures for 2022 could reach approximately US\$900 million focused on the increase of 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, as well as the maintenance of our production facilities in order to strengthen our ability to meet our production goals. We expect our installed capacity of lithium carbonate and lithium hydroxide in Chile to reach approximately 180,000 and 30,000 metric tons, respectively, during the first half of 2022. We will also begin the investment in a new lithium expansion in Chile, increasing lithium carbonate and lithium hydroxide capacity to approximately 210,000 and 40,000 metric tons, respectively, by 2024. We will also invest heavily in our Mt. Holland lithium project in Western Australia through the purchase of necessary equipment and continuing the construction of the project.

In addition, we will begin investments in the Pampa Orcoma project in the Tarapacá Region of Chile to increase effective iodine capacity by approximately 2,500 metric tons, and increase our nitrate salts production by 320,000 metric tons, including the use of 200 liters/second of seawater for the leaching operation. Production is expected to start during 2024.

4.B. Business Overview

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 92% of our sales in 2021 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.

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. Our main specialty fertilizer is potassium nitrate, which is used primarily in high-value 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. Industrial nitrates are also being used in concentrated solar power plants as a means for energy storage. In addition, we complement our product portfolio through the buying and selling of other fertilizers in Chile and around the world.

For the year ended December 31, 2021, we had revenues of US\$2,862.3 million, gross profit of US\$1,090.1 million and profit attributable to controlling interests of US\$585.5 million. Our worldwide market capitalization as of December 31, 2021 was approximately US\$15.5 billion.

Specialty Plant Nutrition: We produce four main types of specialty plant nutrients which offer nutritional solutions for fertigation, direct soil and foliar fertilizer applications: potassium nitrate, sodium nitrate, sodium potassium nitrate and specialty blends. We also sell other specialty fertilizers including third party products. All of these products are used in either solid or liquid form mainly on high value crops such as fruit, flowers and some vegetables. These fertilizers are widely used in crops that use modern agricultural techniques such as hydroponics, greenhouses and crops with foliar application and fertigation (in the latter case, the fertilizer is dissolved in water before irrigation).

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 different application methods. Crystalline potassium nitrate products are ideal for application by fertigation and foliar applications, and potassium nitrate prills are suitable for direct soil applications.

We have developed brands for marketing according to the different applications and uses of our products. Our main brands are: Ultrasol[®] (fertigation), Qrop[®] (soil application), Speedfol[®] (foliar application) and Allganic[®] (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 us 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. One of the advantages of our products is the presence of certain beneficial trace elements, which makes them more valuable for 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 and 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 largest 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 2021, 2020 and 2019 according to our product lines:

	2021	2020	2019
Specialty Plant Nutrition	32%	39%	37%
Iodine and Derivatives	15%	18%	19%
Lithium and Derivatives	33%	21%	26%
Potassium	15%	12%	11%
Industrial Chemicals	5%	9%	5%
Other	1%	2%	2%
Total	100%	100%	100%

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 applications; (iii) position ourselves as 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 2021, the team has confirmed the existence of high-grade copper and gold mineralization at the Bufalo project, located 120 kilometers east of the city of Antofagasta. The Bufalo project corresponds to a district that hosts several mineralized bodies of copper, copper-gold and copper-gold-silver in which SQM has already drilled nearly 99,000 meters of drilling, using our own diamond and RC drilling 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 February 2022, we had three 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 2021, specialty plant nutrients revenues increased to US\$908.8 million, representing 31.8% of our total revenues for that year. We believe that we are the world's largest producer of potassium nitrate. We estimate that our 2021 sales volume represented approximately 51% of the total global potassium nitrate used for all applications, remaining flat with our sales volume in 2020. We estimate that our sales accounted for approximately 51% of global potassium nitrate sales for all agricultural uses by volume in 2021. During 2021, the agricultural potassium nitrate market increased approximately 4% when compared to 2020. 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. The products have significant advantages for certain applications over commodity fertilizers based on other sources of nitrogen and potassium, such as urea and potassium chloride.

The advantages of our specialty plant nutrients include that they:

- are fully water soluble, allowing their more efficient use in hydroponics, fertigation, foliar applications and other advanced agricultural techniques thus reducing the water use associated with cultivating the crops;
- are chloride-free, which prevents 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 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.

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 2021, 2020 and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Sales volumes (Th. MT)			
Sodium nitrate	32.1	25.6	30.2
Potassium nitrate and sodium potassium nitrate	643.6	575.2	617.4
Specialty blends ⁽¹⁾	304.0	271.3	238.9
Other specialty plant nutrients ⁽²⁾	174.9	164.4	155.3
Total revenues (in US\$ millions)	908.8	701.7	723.9

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

⁽²⁾ Includes trading of other specialty fertilizers.

In 2021, our specialty plant nutrients revenues increased to US\$908.8 million, representing 32% of our total revenues for that year and a 29.5% increase from US\$701.7 million in specialty plant nutrients revenues in 2020. Prices increased approximately 16.3% in 2021.

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 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; and
- to achieve rapid recovery from leaf stress caused by climatic conditions, soil conditions and irrigation management.

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.

During 2021, through our research and development team, we continued the development of products such as 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 2021, we sold our specialty plant nutrients in approximately 103 countries and to more than 1,200 customers. No customer represented more than 10% of our specialty plant nutrition revenues during 2021, and our ten largest customers accounted in the aggregate for approximately 28% 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	2021	2020	2019
North America	35%	35%	34%
Europe	20%	21%	21%
Chile	15%	14%	15%
Central and South America (excluding Chile)	10%	10%	11%
Asia and Others	21%	20%	20%

We sell our specialty plant nutrition products globally mainly through our own worldwide network of commercial offices and distributors.

We maintain inventory of our specialty plant nutrients in our commercial offices in our main markets in order to facilitate prompt deliveries to customers. Sales are made pursuant to spot purchase orders or short-term contracts.

As part of our marketing strategy, we provide technical and agronomical assistance 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 fertigation 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 products.

Our customers are located in diverse latitudes. 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\$159 million and US\$118 million in 2021 and 2020, respectively. During 2021, 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 2021 was approximately 24%.

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 17% of total world sales during 2021 (excluding sales by Chinese producers to the domestic Chinese market). Our sales accounted for approximately 51% 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 2021, our revenues from iodine and iodine derivatives amounted to US\$437.9 million, representing 15.3% of our total revenues in that year. We estimate that our sales accounted for approximately 31% of global iodine sales by volume in 2021.

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 24% 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, 13%; iodophors and povidone-iodine, 8%; animal nutrition, 8%; fluoride derivatives, 7%; biocides, 6%; nylon, 4%; human nutrition, 4% and other applications, 14%.

During 2021, the demand for iodine had a significant recovery compared to 2020, and exceeded the demand levels of 2019. Main drivers of this increase were in the X-ray contrast media market, in which demand grew by 14-15% compared to 2020, mainly due to worldwide growth in the healthcare industry spending during the year and increased accessibility to these types of treatments in emerging economies, mainly China. Another application for which demand increased above the market average was polarizing films for screens, growing around 6% compared to 2020, due to the reduction in TV costs, increased screen sizes and home office and home school trends as a result of the pandemic.

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 production capacity of approximately 16,000 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 one of 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 2021, 2020 and 2019:

	2021	2020	2019
Sales volumes (Th. MT)			
Iodine and derivatives	12.3	9.7	12.7
Total revenues (in US\$ millions)	437.9	334.7	371.0

Our revenues increased to US\$437.9 million in 2021 from US\$334.7 million in 2020. This increase was primarily attributable to higher sales volumes and higher average prices during 2021. Average iodine prices were more than 2.8% higher in 2021 than in 2020. Our sales volumes increased 27.2% in 2021.

Iodine: Marketing and Customers

In 2021, we sold our iodine products in approximately 52 countries to approximately 260 customers, and most of our sales were exports. Two customers each accounted for more than 10% of our iodine revenues in 2021. 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	2021	2020	2019
North America	23%	27%	24%
Europe	40%	42%	33%
Chile	0%	0%	0%
Central and South America (excluding Chile)	2%	3%	2%
Asia and Others	34%	27%	40%

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 58% of total global sales of iodine in 2021, including SQM, with approximately 31%, 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 Urruticoechea 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 27% of global iodine sales in 2021, including recycled iodine.

We estimate that iodine producers in the United States accounted for nearly 5% of world iodine sales in 2021.

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 17% 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\$36 per kilogram in 2021, from the average sales prices of approximately US\$35 per kilogram observed in 2020. During the first half of 2021, the price remained similar to 2020. However, in the second half of the year, the growth in demand and the challenging international logistics situation led to a gradual increase in prices.

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 2021, our revenues from lithium sales amounted to US\$936.1 million, representing 32.7% 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 the leading application for lithium, accounting for approximately 84% of total lithium demand, including batteries for electric vehicles, which accounted for approximately 70% of total lithium demand.

There are many other applications both for basic lithium chemicals and lithium derivatives, such as lubricating greases (approximately 4% of total lithium demand), heat-resistant glass (ceramic glass) (approximately 2% of total lithium demand), chips for the ceramics and glaze industry (approximately 1% 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 2021, lithium chemicals demand increased by approximately 55%, reaching approximately 528,000 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 Carmen Lithium production facility, near Antofagasta, Chile, from highly concentrated lithium chloride produced in the Salar de Atacama. The annual production capacity of our lithium carbonate plant at the Carmen Lithium production facility is now 120,000 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 Carmen Lithium production facility, next to the lithium carbonate operation. The lithium hydroxide facility has a production capacity of 21,500 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 carbonate and its derivatives for 2021, 2020 and 2019:

	2021	2020	2019
Sales volumes (Th. MT)			
Lithium and derivatives	101.1	64.6	45.1
Total revenues (in US\$ millions)	936.1	383.4	505.7

Our revenues in 2021 were US\$936.1 million, a 144.2% increase from US\$383.4 million in 2020, due to higher average prices and higher sales volumes during the year. The average price for 2021 was approximately 56.1% higher than the average price in 2020.

Lithium: Marketing and Customers

In 2021, we sold our lithium products in approximately 43 countries to approximately 244 customers, and most of our sales were to customers outside of Chile. No customer accounted for more than 10% of our lithium revenues in 2021. Our ten largest customers accounted in the aggregate for approximately 44% of revenues. One supplier accounted for 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 21.2 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 revenues:

Revenues breakdown	2021	2020	2019
North America	5%	7%	9%
Europe	8%	13%	15%
Chile	0%	0%	0%
Central and South America (excluding Chile)	1%	0%	1%
Asia and Others	86%	80%	75%

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.

Lithium: Competition

Lithium is produced mainly from two sources: (i) concentrated brines and (ii) minerals. During 2021, 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 101,000 metric tons of lithium carbonate and hydroxide, SQM's market share of lithium chemicals was approximately 19% in 2021. 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 lithium chemical market share of approximately 19%. 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 Energy Australia Pty Ltd ("TLEA"), through a joint venture with the Chinese company Tianqi Lithium Corp. ("Tianqi"), with 51% of the ownership, and the Australian IGO Limited with the remaining 49%, 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 14% of total lithium chemical demand, is converted into basic lithium chemicals in China by Tianqi and Albemarle. Currently, Tianqi and Albemarle are planning to begin production at their new lithium hydroxide plants in China and Australia, which are expected to be operational during 2022. Tianqi is also a significant shareholder of ours, holding approximately 23.13% of our shares as of March 1, 2022.

Another important competitor is Livent Corporation ("Livent"), with an estimated market share of approximately 4%. 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 2%.

Australia is an important source of concentrated lithium minerals. Since 2018, two producers have doubled their production of concentrated mineral, which is currently 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 has been operating since 2018 in the Pilgangoora deposit. In addition, there were at least ten other companies producing lithium in China from brines or minerals in 2021.

We believe that lithium production will continue to increase this decade, 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 2021, our potassium chloride and potassium sulfate revenues amounted to US\$416.6 million, representing 14.6% of our total revenues and a 99.0% increase compared to 2020, as a result of increased average prices and higher sales volumes. We estimate that we accounted for approximately 1% of global sales of potassium chloride in 2021.

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 2 to 3%. We estimate that demand in 2021 reached approximately 71 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 2021, 2020 and 2019:

	2021	2020	2019
Sales volumes (Th. MT)			
Potassium chloride and potassium sulfate	893.2	726.7	597.3
Total revenues (in US\$ millions)	416.6	209.3	212.2

Our revenues in 2021 were US\$416.6 million, a 99.0% increase from US\$209.3 million in 2020, due to significantly higher prices and higher sales volumes during the year. Our sales volumes in 2021 were approximately 22.9% higher than sales volumes reported during 2020.

Potassium: Marketing and Customers

In 2021, we sold potassium chloride and potassium sulfate to approximately 543 customers in approximately 38 countries. One individual customer accounted for more than 10% of our revenues of potassium chloride and potassium sulfate in 2021, representing approximately 13% of our revenues in the business line. We estimate that our ten largest customers accounted in the aggregate for approximately 46% 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 21.2 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 revenues:

Revenues breakdown	2021	2020	2019
North America	14%	19%	20%
Europe	8%	14%	13%
Chile	12%	11%	13%
Central and South America (excluding Chile)	51%	35%	31%
Asia and Others	14%	21%	23%

Potassium: Competition

We estimate that we accounted for approximately 1% of global sales of potassium chloride in 2021. Our main competitors are Nutrien, Uralkali, Belaruskali and Mosaic. We estimate that in 2021, Nutrien accounted for approximately 19% of global sales, Belaruskali accounted for approximately 18% of global sales, Uralkali accounted for approximately 18% of global sales, and Mosaic accounted for approximately 13% of global sales.

Industrial Chemicals

In 2021, our revenues from industrial chemicals were US\$132.0 million, representing approximately 4.6% 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 and explosives, metal recycling, insulation materials, metal treatments, thermal solar and various chemical processes.

In addition, this product line has also experienced growth from the use of industrial sodium and potassium nitrates as thermal storage in concentrated solar power plants (commonly known as "CSP"). Solar salts 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 economic value in the need to develop long duration electricity storage worldwide. Thermal storage using solar salts are also being developed in "Carnot Batteries". These batteries are charged with thermal energy recovered by other renewable sources like PV and wind, through electrical heaters. These systems represent an excellent solution for achieving global decarbonization targets defined around the world and can be deployed in locations where other technologies are not physically or economically viable, to provide long duration energy 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 2021, we sold approximately 100,000 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, there are several major solar salt and Carnot Battery projects currently under development worldwide that we believe we could supply between 2022-2025.

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, such as retrofitting coal plants.

Industrial Chemicals: Our Products

The following table shows our sales volumes of industrial chemicals and total revenues for 2021, 2020 and 2019:

	2021	2020	2019
Sales volumes (Th. MT)			
Industrial chemicals	174.5	225.1	123.5
Total revenues (in US\$ millions)	132.0	160.6	94.9

Revenues for industrial chemicals decreased to US\$132.0 million in 2021 from US\$160.6 million in 2020, as a result of lower sales volumes in this business line. Sales volumes in 2021 decreased 22.5% compared to sales volumes reported last year.

Industrial Chemicals: Marketing and Customers

We sold our industrial nitrate products in approximately 59 countries in 2021 to approximately 280 customers. One customer accounted for more than 10% of our revenues of industrial chemicals in 2021, accounting for approximately 51%, and our ten largest customers accounted in the aggregate for approximately 66% 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 21.2 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 revenues for 2021, 2020 and 2019:

Revenues breakdown	2021	2020	2019
North America	23%	15%	29%
Europe	14%	7%	16%
Chile	3%	3%	42%
Central and South America (excluding Chile)	6%	3%	7%
Asia and Others	55%	72%	6%

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 2021, our estimated market share by volume for industrial potassium nitrate was 71% and for industrial sodium nitrate was 43% (excluding domestic demand in China and India).

Our competitors in sodium nitrate are mainly based in Europe and Asia, producing sodium nitrate as a by-product of other production processes. In sodium nitrate, BASF AG, a German corporation, and several producers in Eastern Europe and China are competitive since they produce industrial sodium nitrate as a by-product. Our industrial sodium nitrate grades 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 competitors in the industrial potassium nitrate business are Haifa Chemicals, Kemapco and some Chinese producers, which we estimate had a market share of 6%, 5% and 4%, respectively, in 2021. We estimate that our market share was approximately 71% for 2021.

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.

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 2021, 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 Torcaza. The Second Region mining operations at the Pampa Blanca site, the El Toco mine (which is part of the Maria 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 and treatability tests are performed at a pilot plant. 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 2021, SQM worked with two continuous mining equipment systems 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 and sodium nitrate.

During 2021, 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 2021, 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. Crystallized sodium nitrate is processed 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. Depending on the specifications of the required product, it is subjected to an adiabatic or atmospheric cooling process to obtain the required quality.

Our current potassium nitrate production capacity at Coya Sur is approximately 1,300,000 metric tons per year. During 2021, 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 the first half of 2022. 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 2021, 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 combusting (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, valid through 2023.

Our total iodine production in 2021 was 10,225 metric tons: 7,954 metric tons from Nueva Victoria, 795 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 production capacity at our iodine production plants is approximately 16,000 metric tons per year, this considers efficiency projects at the Nueva Victoria prilling plant, which now has a total capacity of 11,000 metric tons, and at our plant in Pedro de Valdivia, with a total capacity of 5,000 metric tons. Currently, all the finished iodine is produced in Nueva Victoria, since production at the Pedro de Valdivia plant has been suspended since November 2021 and will be restarted as more iodine production capacity is needed.

In November 2021, the Tarapacá Environmental Assessment Commission environmentally authorized the Tente en el Aire project, which allows the productive capacities of the Nueva Victoria Faena facility to be increased, incorporating seawater for its processes. This project expects to incorporate the use of 900 liters per second of seawater, increasing the mine area and allowing for increased production of iodine and nitrate salts.

In parallel, work is being done on the new Pampa Orcoma project in the Tarapacá Region. This has an approved RCA for 2,500 tons of iodine per year and 320,000 tons of nitrate-rich salts per year, in addition to the use of 200 l/s of seawater for the leaching operation. Currently, progress is being made with the processing of the necessary permits for its exploitation. Production operation is expected to start during 2024.

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.

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 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 (1,860,671 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. See "Item 3.D. Risk Factors" and "Item 8.A.7 Legal Proceedings."

For the year ended December 31, 2021, revenues related to products originating from the Salar de Atacama represented 47% 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, 2021, only 9 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 salts, lithium chloride solutions, lithium carbonate, lithium hydroxide, lithium salts, potassium sulfate, boric acid, sodium chloride 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 have the potential to be used in the copper mining process. 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 (sylvinite) 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 chloride-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, quality and performance 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 (bischfite) as a by-product.

Lithium Chloride Solution and Lithium Carbonate

After the production and precipitation of the potassium chloride salts, a portion of the solutions remaining is sent to additional solar evaporation ponds adjacent to the potassium evaporation 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 5-6%. Next is the process of concentration and purification of the remaining concentrated solution of lithium chloride, which is transported by truck to the Carmen Lithium production facilities located near Antofagasta, approximately 190 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 2021 has been 120,000 metric tons per year. We are now expanding lithium carbonate capacity to reach 180,000 metric tons per year during 2022.

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. See “—Salar de Atacama Brine Deposits” and “Item 8.A.7 Legal Proceedings.”

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 three lithium hydroxide plants, one of which entered into operations at the end of March 2022, and have a total production capacity of 21,500 metric tons per year. These plants are located at the Carmen Lithium production facility, 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. The calcium carbonate salt is removed from the process by filtration and the lithium hydroxide brine is stored in ponds. The brine is then evaporated in a multi-effect evaporator and crystallized to produce lithium hydroxide which is then dried and packaged for shipment to customers.

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 by-product of this 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 re-injected 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, lithium hydroxide 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), calcium oxide, sulphuric acid, hydrochloric acid, kerosene, sulphur, anti-caking and anti-dust agents, calcium oxide, potassium carbonate, 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 15% of our cost of sales in 2021.

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.

For our supply of liquefied natural gas, we maintain a five-year contract with Engie, which was executed in 2019 and some annual contracts to supply possible increases in demand. In addition, we have a supply of liquefied petroleum gas (LPG) from Lipigas at the Carmen Lithium production facility and the Salar de Atacama.

We obtain ammonium nitrate, sulphuric acid, hydrochloric acid, kerosene, sulphur, calcium oxide and soda ash from several large suppliers, mainly in Chile, the United States and Europe, 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 lithium carbonate and lithium hydroxide production processes at the Carmen Lithium production facility, and we also purchase potable water from local utility companies. We have not experienced significant difficulties obtaining the necessary water to conduct our operations.

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 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 quotas that limit the total tonnage of lithium authorized to be sold, along with other conditions.

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 “Item 3.D. Risk Factors—Risks Relating to Chile—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, results of operations and financial condition.” and “—Changes in water rights laws and other regulations could affect our operating costs.” 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 Especifico a la Actividad Minera) or the “Royalty Law”, established a tax to be applied to mining activities developed in Chile. In 2010, modifications were made to the law and taxes were increased.

On February 24, 2020, Law No.21,210 the “Law to Modernize the Tax Legislation” was published. As a result of these reforms, open stock corporations, such as SQM, are subject to the general rules. 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 “Item 3.D. Risk Factors—Risks Relating to Our Business—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.

We are subject to the Securities Law and Law No. 18,046 on Corporations (*Ley de Sociedades Anónimas* or the “Chilean Corporations Act”), which regulates corporate governance of public companies. 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. See “Item 6.C. Board Practices” and “Item 7.B. Related Party Transactions.”

On March 2, 2021, the Chilean Congress approved a bill to strengthen the financial market in Chile, which includes, among others, the following provisions: (a) Amends Law No. 18,045 (the Securities Market Law), mainly in the following matters: (i) a prohibition was established for directors, managers, administrators and principal executives of an issuer of publicly offered securities, as well as their relatives, to carry out transactions on securities issued by the issuer, within thirty days prior to the disclosure of the latter's quarterly or annual financial statements; (ii) increased certain penalties and modified, expanded and added criminalized conducts; and (iii) established that the information provided to investors or the general public containing recommendations to acquire, maintain or dispose of publicly offered securities, or that implies the definition of target prices, must comply with the requirements established by the CMF; (b) Amends the Chilean Corporations Act, mainly in the following matters: (i) it adds, as a presumption of guilt of directors, the approval of related party transactions in contravention of the applicable rules; (ii) it modifies rules applicable to independent directors and the directors' committee; and (iii) it modifies the rules for approval of related party transactions for open corporations; (c) Amends DL 3,538 (CMF), mainly in the following matters: (i) penalties for audited persons are increased, from a ceiling of UF 15,000 to UF 100,000, in both cases, with the possibility of increasing it five times in case of recidivism; and (ii) the figure of the "Anonymous Whistleblower" is created for collaboration with investigations; (e) Amends the Commercial Code, mainly in insurance matters; (f) Amends Law No. 18,010 (Money Lending Transactions), mainly in the following matters: (i) establishes that default interest may not be applied jointly or additionally, on the same amount, with any other interest and its capitalization is prohibited; and (ii) establishes that the entities supervised by the CMF, including massive fund placement entities, may charge commissions with respect to money credit operations to the extent that such commissions comply with the requirements, rules and conditions established by the CMF through General Rule and, in any case, to the extent that they correspond to consideration for real and effectively rendered services.

There are currently no material legal or administrative proceedings pending against us except as discussed under "Item 8.A.7 Legal Proceedings", in Note 20 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, the Environmental Law of 1994, amended in 2010 (Ley sobre Bases Generales del Medio Ambiente or the "Environmental Law") and Law No.16,744 of the Labor Code relating to workplace accidents and occupational diseases ("Law No. 16,744").

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 Labor and Social Security, 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 regulations set in Law No. 16744 and the Mine Health and Safety Act protect workers and nearby communities from health and safety hazards. The Health and Basic Conditions Act along with our Internal Mining Standards (*Reglamentos Internos Mineros*) establish guidelines 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 relevant regulatory bodies 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. During 2020, any required closure plans were updated and presented to Sernageomin in accordance with required deadlines and in 2021, we continued this process as required by formal comments we have received.

The new and modified Chilean Environmental Law defines the Ministry of the Environment as the governmental agency responsible for coordinating and supervising environmental issues. The Environmental Assessment Service is responsible for reviewing environmental assessments of new projects or significant modifications of existing ones, and the decision to grant or reject environmental permits rests with the Environmental Assessment Commission. On the other hand, the Superintendence for the Environment is responsible for supervising environmental performance during the construction, operation and closure of the projects that have been evaluated for environmental permits, and it is also responsible for enforcing compliance with prevention and atmospheric decontamination plans. The Environmental Law also promotes citizen participation in project evaluation and implementation, providing more opportunities for observations or objections to be made during the environmental evaluation process. Annually, the Superintendence for the Environment audits a sample of approved projects to verify compliance with the environmental permits, and it may pursue fines or sanctions if applicable, which can be challenged in the Environmental Court.

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 14001 certification process for our operations in the Salar de Atacama and in our Carmen Lithium production facility. This certification is being overseen by TÜV-Rheinland. During 2021 we began the certification process at the Port of Tocopilla, which we successfully concluded at the end of that year. In addition, in 2021 we started this process in Coya Sur.

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 our port in Tocopilla, 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 2021, in the Salar de Atacama, we began preparing an external audit with the Initiative for Responsible Mining Assurance (IRMA) for a mining certification process.

We have submitted and will continue to submit 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 2021:

In 2019, Regulation (EU) 2019/1009 was published, which establishes provisions regarding the market availability of fertilizer products and repeals Regulation (EC) No 2003/2003. During 2021, the annual contaminant evaluation program in fertilizer products was carried out. On the other hand, the updating of the arts of the products marketed in Europe and the evaluation of the raw materials used in this market began.

We continue our active participation as members of the Standing Committee on Precursors of the European Commission, which monitors and assists in the implementation of Regulation (EU) 2019/1148 on the marketing and use of explosive precursors. The invoices of our products covered by this Regulation inform of such a condition so that our users are informed and can take the pertinent measures.

On January 1, 2021, the so-called UK REACH came into force in the United Kingdom. Before October 27, SQM presented the Downstream User Import Notification (DUIN) for its products sold in this market using the figure of the Exclusive Representative.

In June 2021, Chile enacted Law No. 21,349, which establishes regulations on the composition, labeling and marketing of fertilizers and biostimulants. During that year, SQM actively participated through the Chilean Chemical Industry Association in the preparation of the Regulations and Resolutions that implement the Law.

Decree 57 of the Chilean Ministry of Health approving the Regulations for the classification, labeling and notification of hazardous chemicals and mixtures was published in the Official Gazette on February 9, 2021. SQM has actively participated in the public and private implementation committee of this Regulation and through the regulatory affairs committee of the Association of Industrial Chemicals of Chile. During that year, the hazard classification criteria of our products were contrasted so that the safety data sheets reflect the changes established in the regulation.

In 2021, in South Korea, the registration processes of two products under the K-REACH regulation were completed, using the Exclusive Representative model, to facilitate the regulatory compliance of our clients in this market. Additionally, at the SQM commercial office in Seoul, the Korean authority KCMA (Korean Chemical Management Association) was notified of all the products that are going to be imported from the lithium and iodine business lines. In 2021, the process of notifying the safety data sheets of the lithium and iodine business lines marketed in Korea under the K-OSHA regulations to different competent authorities in Korea, including the Ministry of Labor and Employment, also began.

On May 25, 2019, Japan updated its chemical classification and labeling standards (JIS Z 7252: 2019 and 7253: 2019) to align with the sixth version of the UN-GHS. This update has a three-year transition period that ends in May 2022. During 2021, the process of reviewing the Safety Data Sheets and updating the labeling of the products marketed by SQM in Japan was carried out, under the JIS Z 7252 standards: 2019 & 7253: 2019, from the lithium and iodine business lines.

Research and Development, Patents and Licenses

See "Item 5.C. Research and Development, Patents and Licenses."

4.C. Organizational Structure

All of our principal operating subsidiaries are essentially wholly owned, except for SQMC, which is approximately 61% owned by us and whose shares are listed and traded on the Santiago Stock Exchange, and Ajay SQM Chile S.A., which is 51% owned by us. The following is a summary of our main subsidiaries as of December 31, 2021.

Principal subsidiaries	Activity	Country of Incorporation	SQM Beneficial Ownership Interest (Direct/Indirect)
SQM Nitrates S.A.	Extracts and sells caliche ore to subsidiaries and affiliates of SQM	Chile	100%
SQM Industrial S.A.	Produces and markets SQM's products directly and through other subsidiaries and affiliates of SQM	Chile	100%
SQM Salar S.A.	Exploits the Salar de Atacama to produce and market SQM's products directly and through other subsidiaries and affiliates of SQM	Chile	100%
SQM Potasios S.A.	Produces and markets SQM's products directly and through other subsidiaries and affiliates of SQM	Chile	100%
Servicios Integrados de Tránsito y Transferencias S.A. (SIT)	Owms and operates a rail transport system and also owns and operates the Tocopilla port facilities	Chile	100%
Orcoma Estudios SPA	Holds permits and studies of the Orcoma Project	Chile	100%
Orcoma SPA	Holds environmental permits and mining tenement of the Orcoma Project	Chile	100%
Sociedad Contractual Minera Bufalo	Mining exploration	Chile	100%
RS Agro Chemical Trading Corporation A.V.V.	A finance vehicle	Aruba	100%
Soquimich Comercial S.A.	Markets SQM's specialty plant nutrition products domestically and imports fertilizers for resale in Chile	Chile	61%
Ajay-SQM Chile S.A.	Produces and markets SQM's iodine and iodine derivatives	Chile	51%
Sales and distribution subsidiaries in the United States, Argentina, Belgium, Brazil, China, Colombia, Ecuador, Mexico, Peru, South Africa, Spain, and other locations.	Market SQM's products throughout the world	Various	

4.D. Property, Plant and Equipment

Mineral Reserves and Resources

Information concerning our mining properties in this Annual Report on Form 20-F has been prepared in accordance with the requirements of subpart 1300 of Regulation S-K, which first became applicable to us for the fiscal year ended December 31, 2021. These requirements differ significantly from the previously applicable disclosure requirements of SEC Industry Guide 7. Among other differences, subpart 1300 of Regulation S-K requires disclosure of mineral resources, in addition to mineral reserves, as of December 31, 2021, both in the aggregate and for each of our individually material mining properties. Our mineral reserves and resources are estimated by individuals deemed Qualified Persons (QP) according to the standards set forth in subpart 1300 of Regulation S-K.

SQM believes it is a production stage company based on the classification of its material properties. SQM reports mineral resource and reserve estimates for development and production stage projects, following the classification done by SQM of its material properties. See the individual property disclosures below for further details regarding the mineral rights, titles, property size, permits and other information for our significant mineral extraction properties.

Mineral resources and reserves are defined in subpart 1300 of Regulation S-K as follows:

- **Mineral resource.** A concentration or occurrence of material of economic interest in or on the earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.
- **Mineral reserve.** An estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of a QP, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.

Under subpart 1300 of Regulation S-K, mineral resources may not be classified as mineral reserves unless the determination has been made by a QP that such mineral resources can be the basis of an economically viable project. The conversion of reported mineral resources to mineral reserves should not be assumed.

Mineral resource classifications are differentiated under subpart 1300 of Regulation S-K, in part, as follows:

- **Measured resource.** That part of a mineral resource with the highest level of geological confidence; quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured mineral resource is sufficient to allow a QP to apply modifying factors in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit.

· **Indicated resource.** That part of a mineral resource with a level of geological confidence between that of measured and inferred resources; quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a QP to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

· **Inferred resource.** That part of a mineral resource with the lowest level of geological confidence; quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability.

Caliche

Geologists and mining engineers who are QPs prepare our estimates of caliche ore resources and reserves. The resource and 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 resources and reserves based on evaluations, performed by engineers and geologists, of assay values derived from sampling of drillholes and other openings. Drillholes 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 us to estimate the continuity of the caliche bed based on surface geological reconnaissance and analysis of samples and trenches.

Salar de Atacama

Hydrogeologists and geologists who are QPs prepare our estimates of the resource and reserve base of potassium, sulfate, lithium and boron dissolved in brines at the Salar de Atacama. We have exploitation concessions through Corfo covering an area of 81,920 hectares, in which we have carried out geological exploitation, brine sampling and geostatistical analysis.

Mt. Holland

Geologists and mining engineers who are QPs prepared the mineral resource and reserve estimation for lithium hydroxide contained in pegmatites at Mt. Holland. The mineral reserve has been calculated from the mine plan created from the mineral resource estimation. Wireframes for the geological domains are defined by mineralization style and based on a cut-off grade of 0.5% lithium oxide.

Mining Rights

The 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 primarily produce products based on potassium, sulfate, and lithium. Our spodumene mining interests are located in Mt. Holland in Western Australia. From spodumene, we produce lithium hydroxide.

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

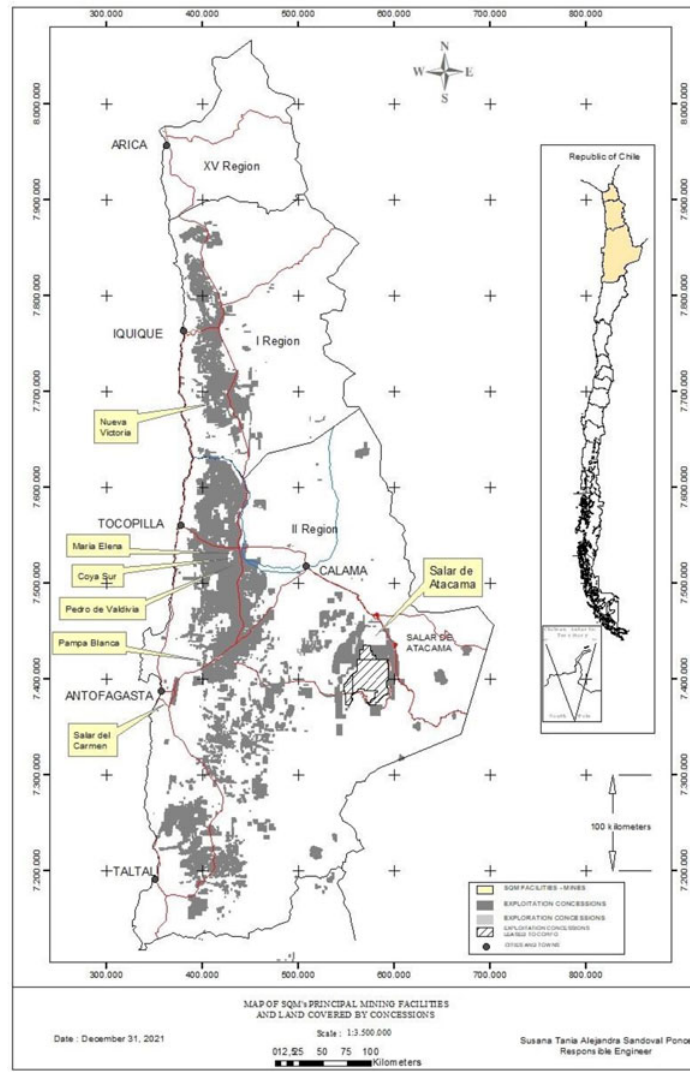


Figure 1. Location of SQM mining operations in Chile and the exploitation and exploration mining concessions.

The map below shows the location of our principal mining operations in Australia and the exploitation and exploration mining concessions that have been granted to the Mt. Holland Joint Venture.

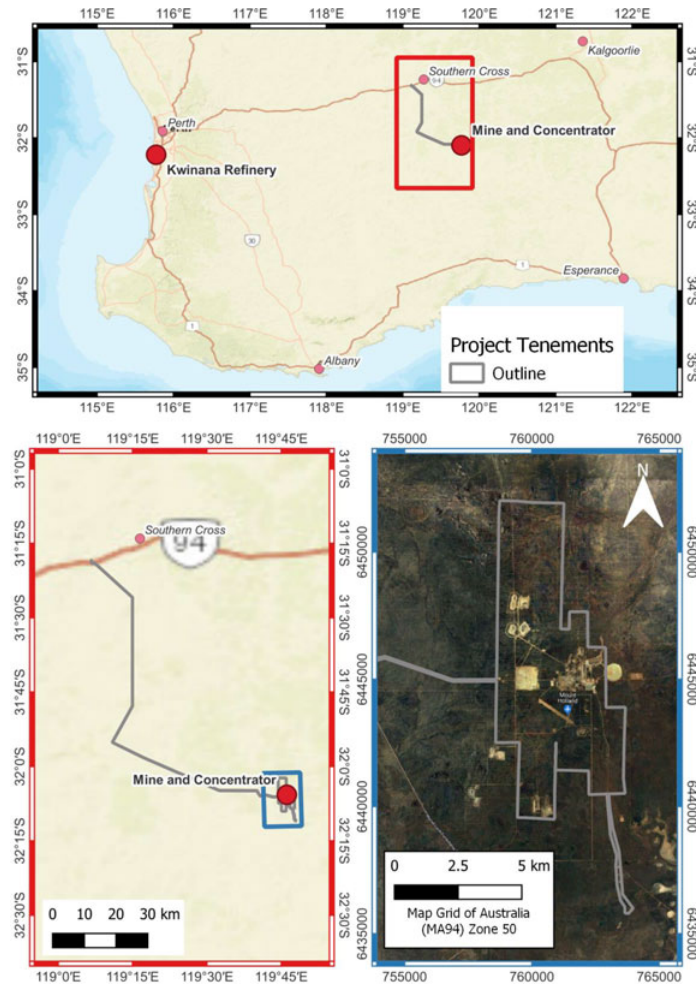


Figure 2. Location of Mt. Holland JV mining operations in Australia and the exploitation and exploration mining concessions.

Mining Concessions in Chile

We hold our mining rights in Chile pursuant to mining concessions for exploration and exploitation of mining resources granted pursuant to applicable law in Chile. For a discussion of the mining concessions, see “Material Individual Properties — El Norte Grande — Mining Concessions for the Exploration and Exploitation of Caliche Ore” and “—Salar de Atacama Mining Concessions for Exploitation of Brines.”

As of December 31, 2021, approximately 99% of SQM’s mining interests in Chile 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 96% already have been granted pursuant to applicable Chilean law, and approximately 4% are in the process of being granted.

In 2021, we made payments of US\$7.6 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, 2021:

Region of Chile	Exploitation Concessions		Exploration Concessions		Total	
	Total Number	Hectares	Total Number	Hectares	Total Number	Hectares
Region I	2,870	539,840	6	1,900	2,876	541,740
Region II	8,938	2,343,701	57	22,500	8,995	2,366,201
Region III and others	469	107,480	2	400	471	107,880
Total	12,277	2,991,021	65	24,800	12,342	3,015,821

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 Exploration 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 National Geology and Mining Survey (Sernageomin), indicating that the type of substance contained by such Mining Concessions has changed, for purposes of the annual payment for these rights.

Mt. Holland Mining Rights

The Mt. Holland Lithium project development envelope for the Mine and Concentrator is spread across three core mining tenements (M77/1065, M77/1066 & M77/1080), as well as exploration licenses, general purpose licenses and miscellaneous licenses (Project Tenements), covering an approximate area of 4,606 hectares. A summary map showing the main tenements is provided in Figure 2.

Most of the Project Tenements are currently registered under MH Gold, an affiliate of Wesfarmers Limited, and SQM Australia, an affiliate of SQM, in equal interests. Any other tenements are held by MH Gold Pty Ltd or Montague Resources Australia Pty Ltd, both ultimately controlled by Wesfarmers Chemicals, Energy and Fertilizers (WesCEF). The project is an unincorporated joint venture, in which SQM owns 50% and Wesfarmers Limited owns the remaining 50% (the “Mt. Holland JV”), and is managed by Covalent Lithium Pty Ltd (“Covalent”), an entity owned 50% by SQM and 50% by Wesfarmers. Covalent and the joint venturers have entered into an access agreement with Montague and MH Gold that authorizes the Mt. Holland JV to access such tenements as required for the purpose of the Project. Covalent is not the registered holder or applicant of the Project Tenements under the Mining Act of 1978 (WA) (Mining Act).

Costs

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 specified business lines 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.

	2021		2020		2019	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Iodine and Derivatives	45%	US\$36/kg	50%	US\$35/kg	38%	US\$29/kg
Specialty Plant Nutrition	29%	US\$787/ton	23%	US\$677/ton	21%	US\$695/ton
Industrial Chemicals	17%	US\$757/ton	26%	US\$713/ton	33%	US\$768/ton

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 specified business lines 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.

	2021		2020		2019	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Potassium Chloride and Potassium Sulfate	39%	US\$466/ton	11%	US\$288/ton	17%	US\$355/ton
Lithium and Derivatives	47%	US\$9300/ton	23%	US\$5,931/ton	39%	US\$11,212/ton

Summary of Mineral Reserves and Resources

The following tables summarize our estimated mineral reserves and resources as of December 31, 2021. The quantity of the mineral resources is estimated on an in situ basis as attributable to us. Mineral resources are reported exclusive of mineral reserves. The quantity of the mineral reserves is estimated on a saleable product basis as attributable to us. The relevant technical information supporting mineral reserves and resources for each material property is included in the "Material Individual Properties" section below, as well as in the technical report summaries ("TRS") filed as Exhibits 96.1, 96.2, 96.3 and 96.4 to this Annual Report on Form 20-F.

Summary Mineral Reserves at End of the Fiscal Year Ended December 31, 2021⁽¹⁾

	Proven Mineral Reserves		Probable Mineral Reserves		Total Mineral Reserves	
	Amount (Vol Mm ³)	Grade (% Li by weight)	Amount (Vol Mm ³)	Grade (% Li by weight)	Amount (Vol Mm ³)	Grade (% Li by weight)
Lithium—Brines: ^{(2), (3), (4), (5)}	183	0.20	107	0.20	290	0.20
Salar de Atacama, Chile						
	Amount (MT)	Grade (Li ₂ O%)	Amount (MT)	Grade (Li ₂ O%)	Amount (MT)	Grade (Li ₂ O%)
Lithium—Hard Rock: ⁽⁶⁾	10.8	1.48	31.2	1.6	42.0	1.57
Mt. Holland, Australia						
	Amount (Vol Mm ³)	Grade (% K by weight)	Amount (Vol Mm ³)	Grade (% K by weight)	Amount (Vol Mm ³)	Grade (% K by weight)
Potassium: ^{(2), (3), (4), (5)}	183	2.29	107	2.13	290	2.22
Salar de Atacama, Chile						
	Amount (MT)	Grade (% NO ³ by weight)	Amount (MT)	Grade (% NO ³ by weight)	Amount (MT)	Grade (% NO ³ by weight)
Nitrate: ^{(7), (8), (9)}						
El Norte Grande Caliche, Chile						
Pedro de Valdivia	99	9.1	112	5.8	211	7.3
Maria Elena	94	8.1	10	6.9	104	8.0
Pampa Blanca	35	6.3	515	5.1	550	5.2
Nueva Victoria	268	5.2	649	4.8	917	4.9
Pampa Orcoma	0	—	309	6.9	309	6.9
Total	496	6.6	1,595	5.4	2,091	5.7
	Amount (MT)	Grade (I ² parts per million)	Amount (MT)	Grade (I ² parts per million)	Amount (MT)	Grade (I ² parts per million)
Iodine: ^{(7), (8), (9)}						
El Norte Grande Caliche, Chile						
Pedro del Valdivia	99	522	112	366	211	439
Maria Elena	94	491	10	374	104	480
Pampa Blanca	35	552	515	516	550	518
Nueva Victoria	268	436	649	414	917	420
Pampa Orcoma	0	—	309	413	309	413
Total	496	472	1,595	443	2,091	450

- (1) Comparisons of values may not add due to rounding of numbers and the differences caused by averaging
- (2) Salar de Atacama, Chile. The process efficiency is based on the type of extracted brine at each well over the course of the simulation, the average process efficiency over the entire life of mine (LoM) is approximately 51% for lithium and approximately 74% for potassium.
- (3) Salar de Atacama, Chile. The average lithium and potassium concentration is weighted by the simulated extraction rates in each well.
- (4) Salar de Atacama, Chile. The mineral resource and reserve estimate considers a 0.05% w/w cut-off grade for lithium based on the cost of generating lithium product, lithium carbonate sales, and the respective cost margin. Based on historical lithium prices from 2010 and the forecast to 2040, a projected lithium carbonate price of US\$11,000 per metric ton with the corresponding cost and profit margin is considered with a small increase to accommodate the evaporation area and use of additives. A similar analysis was undertaken for potassium where the cut-off grade of 1% w/w has been set by SQM based on respective costs, sales, and margin.
- (5) Salar de Atacama, Chile. This reserve estimate differs from the in-situ base reserve previously reported (SQM, 2020) and considers the modifying factors of converting mineral resources to mineral reserves, including the production wellfield design and efficiency, as well as environmental and process recovery factors. The reserve estimate also considers the expiry of the Lease Agreement in 2030 (end of LoM). The Qualified Persons for the Mineral Reserves are Alvaro Henriquez, Rodrigo Riquelme and Gino Slanzi.
- (6) Mt. Holland, Australia. Mineral reserve tonnage and grade have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. Metallurgical processes are designed for nominal 2Mpta ore feed. Process recovery to concentrate is estimated at 75% for lithium oxide for predominantly Spodumene Mineralization and 0% for other mineralization types. Refinery process recovery is estimated at 85%. Tantalum recovery is estimated at 0%. A total operating cost of US\$4,979 per metric ton for LiOH production was considered in the reserve evaluation. The price, cost, and mass yield parameters, along with the internal constraints of the current operations, result in a mineral reserves cut-off grade of 0.5% Li₂O based on a selling Lithium Hydroxide price of US\$11,000 per ton FOB. The Qualified Person for the Mineral Reserves is David Billington with an effective date: December 15, 2021
- (7) El Norte Grande Caliche, Chile. The cutoff grades of the Proven and Probable Reserves vary according to the required targets at the different mines. The values assigned correspond to the averages of the different sectors. In the case of Pedro de Valdivia, the cut-off grade is for nitrate content, while in all other sites it is only for iodine.
- (8) El Norte Grande Caliche, Chile. The average overall metallurgical recovery of the nitrate and iodine processes contained in the recovered material varies between 50% and 70%.
- (9) The mineral resource and reserve estimate considers a cut-off grade of 300ppm for Iodine (I₂) based on the production costs of Iodine and derivate products. Based on historical Iodine prices from 2010 and the forecast to 2040, a projected Iodine price of US\$35,000 per metric ton is determined, taking in account the corresponding operational, financial and planned investment costs, depreciation, profit margin and taxes. A similar analysis was undertaken for nitrates where the cut-off grade of 5.0% sodium nitrate has been set by SQM based on respective costs for Potassium-Sodium Nitrates (fertilizers) production. A projected price of US\$690 per metric ton for sodium-potassium nitrates is considered by SQM in the economic analysis executed from 2010 and the forecast to 2040. In addition, a projected Solar Salts price of US\$680 per metric ton has been considered by SQM. Modifying factors of historical operational use in various of SQM's mining facilities, are applied to iodine and nitrate grades reported as probable resource estimates. The factors applied to iodine and nitrate grades are 0.9 and 0.85 respectively. Reserve estimates are shown for the area with current environmental permits for mining operations, as well as the surrounding area for which a future environmental permit will be considered. The Qualified Person for the Nueva Victoria and Pampa Orcoma Mineral Reserves is Donald Hulse, while the Qualified Persons for the Pedro de Valdivia and Pampa Blanca Mineral Reserves are Marco Lema and Marta Aguilera.

Summary Mineral Resources Exclusive of the Reserve at End of the Fiscal Year Ended December 31, 2021 ^{(1), (2), (3)}

	Measured Mineral Resources		Indicated Mineral Resources		Measured & Indicated Mineral Resources		Inferred Mineral Resources	
	Amount (Vol Mm ³)	Grade (% Li by weight)	Amount (Vol Mm ³)	Grade (% Li by weight)	Amount (Vol Mm ³)	Concentration (% Li by weight)	Amount (Vol Mm ³)	Grade (% Li by weight)
Lithium—Brines: ^{(3),(4)} Salar de Atacama, Chile	2,254	0.20	1,435	0.160	3,689	0.180	1,614	0.133
	Amount (MT)	Grade (Li ₂ O%)	Amount (MT)	Grade (Li ₂ O%)	Amount (MT)	Grade (Li ₂ O%)	Amount (MT)	Grade (Li ₂ O%)
Lithium—Hard Rock: ⁽⁵⁾ Mt. Holland, Australia	13.5	1.58	30.5	1.45	44.0	1.49	3.5	1.38
	Amount (Vol Mm ³)	Grade (% K by weight)	Amount (Vol Mm ³)	Grade (% K by weight)	Amount (Vol Mm ³)	Grade (% K by weight)	Amount (Vol Mm ³)	Grade (% K by weight)
Potassium: ^{(3),(4)} Salar de Atacama, Chile	2,254	1.80	1,435	1.70	3,689	1.77	1,614	1.77

	Amount (MT)	Grade (% NO ³ by weight)	Amount (MT)	Grade (% NO ³ by weight)	Amount (MT)	Grade (% NO ³ by weight)	Amount (MT)	Grade (% NO ³ by weight)
Nitrate: (6), (7)								
El Norte Grande Caliche, Chile								
Pedro de Valdivia	—	—	138	7.6	138	7.6	52	6.1
María Elena	21	11.1	119	10	140	10.2	117	7.2
Pampa Blanca	17	5.3	48	8.9	65	8.0	357	5.4
Nueva Victoria	—	—	—	—	—	—	33	5.4
Pampa Orcoma	—	—	18	7.4	18	7.4	—	—
Total	38	8.5	323	8.7	361	8.6	559	5.8

	Amount (MT)	Grade (I ² parts per million)	Amount (MT)	Grade (I ² parts per million)	Amount (MT)	Grade (I ² parts per million)	Amount (MT)	Grade (I ² parts per million)
Iodine: (6), (7)								
El Norte Grande Caliche, Chile								
Pedro de Valdivia	—	—	138	564	138	564	52	409
María Elena	21	489	119	465	140	469	117	362
Pampa Blanca	17	563	48	383	65	430	357	463
Nueva Victoria	—	—	—	—	—	—	33	431
Pampa Orcoma	—	—	18	457	18	457	—	—
Total	38	522	323	495	361	498	559	435

- (1) Comparison of values may not add due to the rounding of numbers and differences caused by averaging.
- (2) Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves upon the application of modifying factors.
- (3) Salar de Atacama, Chile. Mineral resources are reported as in-situ and exclusive of Mineral Reserves, where the estimated Mineral Reserve without processing losses during the reported LOM and real declared extraction from 2021 were subtracted from the Mineral Resource inclusive of Mineral Reserves. A direct correlation between Proven Reserves and Measured Resources, as well as Probable Reserves and Indicated Resources was assumed. The Qualified Persons for the Mineral Resources are Álvaro Henríquez, Rodrigo Riquelme and Gino Slanzi.
- (4) Salar de Atacama, Chile. The mineral resource and reserve estimate consider a 0.05% w/w cut-off grade for lithium based on the cost of generating lithium product, lithium carbonate sales, and the respective cost margin. Based on historical lithium prices from 2010 and the forecast to 2040, a projected lithium carbonate price of US\$11,000 per/ metric ton with the corresponding cost and profit margin is considered with a small increase to accommodate the evaporation area and use of additives. A similar analysis was undertaken for potassium where the cut-off grade of 1% w/w has been set by SQM based on respective costs, sales, and margin.
- (5) Mt. Holland, Australia. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. Mineral resources are reported as exclusive of mineral reserves. Resource disclosed corresponds to the resources attributable to SQM. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Resources have been reported as in situ (hard rock within optimized pit shell). Pit optimization and economics for derivation of cut off grade include mine gate pricing of US\$800 FOB per ton of 6% Li₂O concentrate., AU\$19 per bcm mining cost (LoM average cost-variable by depth), AU\$65 processing cost per ton. Mining dilution set at 5% and recovery at 95%. Royalty fees 5%. The optimization considered for the concentrator is 75%. Costs estimated in Australian Dollars were converted to US Dollars based on an exchange rate of AU\$0.75:US\$1.00. These economics define a cut-off grade of 0.50% Li₂O. Kerry Griffin is the 65 QP responsible for the mineral resource estimate with an effective date: October 6, 2021. No material changes since the last update.
- (6) El Norte Grande, Caliche, Chile. To calculate Measured Resources, SQM uses the RGM100T and RGM50 data results combined in a 3D block model built using krikeage and applying some criteria: caliche thickness ≥ 2.0 m; overload thickness ≤ 3.0 m; waste / Mineral Ratio ≤ 1.5; and cut-off grades of NaNO₃ (5%) and Iodine (300 ppm). To calculate Indicated Resources, SQM uses the RGM100 and RGM200 data results combined using a geometric model. To evaluate Probable Reserves a reduction on grades must be consider as consequence of the deposit geological variability which determines a contrasting decrease in grades by going from 200x200m research grids to lower 100T (~70x70m) or 50x50m grids. The Mineral Resource estimates were prepared by Donald Hulse (who is the independent Qualified Person for these Mineral Resource estimates), reported using the S-K 1300 Definition Standards adopted December 2018.. The Qualified Persons for the Pedro de Valdivia, María Elena and Pampa Blanca Mineral Resources are Marco Lema and Marta Aguilera.
- (7) El Norte Grande, Caliche, Chile. The estimate was completed using a SG of 2.1 ton/m³. Cut-off grade for Iodine is 300 ppm. The cutoff grades of the mineral resources vary according to the required targets at the different mines. The values assigned correspond to the averages of the different sectors. In the case of Pedro de Valdivia, the cut-off grade is for nitrate content, while in all other sites it is only for iodine. The mineral reserve estimate considers a cut-off grade of 300ppm for Iodine (I₂) based on the production costs of Iodine and derivate products. Based on historical Iodine prices from 2010 and the forecast to 2040, a projected Iodine price of 35,000 USD/t is determined, taking in account the corresponding operational, financial and planned investment costs, depreciation, profit margin and taxes. A similar analysis was undertaken for nitrates where the cut-off grade of 5.0% NaNO₃ has been set by SQM based on respective costs for Potassium-Sodium Nitrates (fertilizers) production. A projected price of 690 USD/t for sodium-potassium nitrates is considered by SQM in the economic analysis executed from 2010 and the forecast to 2040. In addition, a projected Solar Salts price of 680 USD/t has been considered by SQM.

Material Individual Properties

To determine our individually material mining operations in accordance with subpart 1300 of Regulation S-K, management considered both quantitative and qualitative factors, assessed in the context of our overall business and financial condition. Such assessment included our aggregate mining operations on all of our mining properties, regardless of the stage of production or the type of mineral produced. Quantitative factors included, among others, mining operations' relative contributions to our aggregate historical and estimated revenues, cash flows, and EBITDA. Qualitative factors may include, as applicable, capital expansion plans, long-term pricing outlook, the regulatory environment and various strategic priorities. We concluded that, as of December 31, 2021, our individually material mines are the caliche ore mines at Nueva Victoria and Pampa Orcoma in El Norte Grande region of Chile, the brines in the Salar de Atacama in Chile and the Mt. Holland lithium project in Western Australia. We will update our assessment of individually material mines on an annual basis. The reserve and resource tables that follow do not include comparative information as of December 31, 2020 as we did not present such data previously under the SEC Industry Guide 7 requirements and such data is not required to be presented in connection with the adoption of the disclosure requirements of subpart 1300 of Regulation S-K.

The information that follows relating to such individually material properties is derived, for the most part, from, and in some instances is an extract from, from the TRS relating to such properties prepared in compliance with Item 601(b)(96) and subpart 1300 of Regulation S-K. Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein. Reference should be made to the full text of the TRS, incorporated herein by reference and made a part of this Annual Report on Form 20-F. The relevant TRS for the Nueva Victoria property, the Salar de Atacama property, the Mt. Holland lithium project and the Pampa Orcoma property are included as Exhibits 96.1, 96.2, 96.3 and 96.4, respectively, to this Annual Report on Form 20-F.

El Norte Grande Caliche, Chile

Our mining operations are concentrated in the First Region of Chile, where we mainly work in the mining areas of Tente en el Aire, Nueva Victoria Norte/West and Torcaza.

The El Norte Grande Caliche, found in Regions I and II of northern Chile, corresponds to flat areas or "pampas", that have been thoroughly explored. Results indicate that these prospects hold mineralization of nitrate and iodine. The area is accessible from Santiago through Route 5. The mineralization is stratiform in style, with a wide areal distribution, forming "spots" of several kilometers in extension, where mineralization thicknesses are variable. As a result of geological activity over time (volcanism, weathering, faulting) the deposits can be found as continuous mantles. Environmental permits for mining operations, and the corresponding Environmental Qualification Resolution, grant access to the required water and electricity supply, as well as the infrastructure required for the mining operation.

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 ore 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. The nitrate-rich salts are sent to Coya Sur, which is a process plant 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 four 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.

Pampa Orcoma

The Pampa Orcoma Project is located in the Tarapacá Region of northern Chile. It is situated 99 kilometers to the northeast of the city of Iquique, in the community of Huara. The property covers an area of 10,296 hectares and is composed of 45 mining concessions. The Pampa Orcoma Project aims to produce iodide, iodine and nitrate-rich salts from the processing of caliche that will be extracted from deposits rich in this mineral. The Pampa Orcoma Mining Plan considers an initial extraction of caliche at a rate of 11 Mt/year between 2024-2026, followed by an extraction rate of 20 Mt/year from 2027 onwards. For the period 2024-2040 a total extraction of 340 Mt of caliche is projected with an average grade of 413 ppm iodine and 6.9% nitrates. The production process to obtain iodine as the main product, along with salts rich in sodium nitrate and potassium nitrate as by-products, involves leaching with seawater or with recirculated solutions to obtain a solution rich in iodate, which will then be treated in chemical plants to transform it into elemental iodine in prill format. The Pampa Orcoma Project contemplates the construction of the following facilities: iodide and iodine production plants, with a capacity of 2,500 t/year (of equivalent iodine), evaporation ponds to produce salts rich in nitrate at a rate of 320,325 t/year and a seawater adduction pipe to meet the water needs. Solar energy and electricity are the primary sources of power for this future operation.

The following table provides a summary of our El Norte Grande production facilities as of December 31, 2021:

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		Potassium nitrate: 1,300 Crystallized nitrates: 1,200 Prilled nitrates: 360	10.7	724.8
Nueva Victoria ^{(5) (7)}	Concentrated nitrate salts and iodine production	47,492	Iodine: 13.0	7.3	595.1
Pampa Orcoma	Concentrated nitrate salts and iodine production	7,387	2.5	-	-

(1) Approximate size considers both the production facilities and the mine for Nueva Victoria. 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, Nueva Victoria.

(3) Includes production facilities and solar evaporation 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) The nominal production capacity for iodine considers the capacity of our plants. The effective capacity is 14,800 metric tons per year.

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 El Norte Grande mines for 2021, 2020 and 2019:

(in thousands, unless otherwise stated)

	2021	2020	2019
Coya Sur⁽¹⁾			
Metric tons of crystallized nitrate produced	820	935	771
Nueva Victoria			
Metric tons of ore mined	41,428	43,420	42,196
Iodine (ppm)	441	452	465
Metric tons of iodine produced	8.7	10.6	10.7

(1) 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.

Reserves and Resources

According to our experience in caliche ore, the grid pattern drillholes with spacings between 50 and 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 drillholes with spacings between 100 and 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.

The conversion of resources into reserves requires consideration of modifying factors, the most relevant of which is the existence of a valid environmental license (RCA or Sectorial Authorization). The criteria for converting resources into reserves, based on the environmental license modifying factor criterion, adopted for caliche mines are as follows:

1. Unit tonnage conversion criteria in both measured resources and indicated resources.
2. Grade conversion criteria: unit factor in measured resources and lower than unit and variable according to the mine, in the Iodine and Nitrate grades, for the indicated resources, due to the variability of the deposit.
3. Application of the factor associated with related environmental permit, not qualifying as reserves the resources defined in sectors without an environmental permit and qualifying as proven/probable reserves the measured/indicated resources associated with sectors with an effective environmental permit or Sectorial Authorization in force.

Nueva Victoria —Summary of Mineral Reserves at the End of the Fiscal Year Ended December 31, 2021^{1,2,3,4,5,6,7,8,9}

	Amount (Metric tons)	Nitrate Grade (% by weight)	Iodine Grade (Parts per million(ppm))	Cut-off grades ¹	Metallurgical recovery ²
Proven mineral reserves	268	5.2	436		
Probable mineral reserves	649	4.8	414	Iodine 300 ppm	50%-70%
Total mineral reserves	917	4.9	420		

- (1) Mineral Reserves are based on Measured and Indicated Mineral Resources at an operating cutoff of 300 ppm iodine. Operating constraints of caliche thickness ≥ 2.0 m; overburden thickness ≤ 3.0 m; and waste / caliche ratio ≤ 1.5 are applied.
- (2) Proven Mineral Reserves are based on Measured Mineral Resources at the criteria described in (1) above. The average overall metallurgical recovery of the nitrate and iodine processes contained in the recovered material varies between 50% and 70%. Based on SQM's operational experience and the laboratory and full-scale tests carried out, a progressive increase, over time, in heap leaching yield is expected, as irrigation application rates increase.
- (3) Probable Mineral Reserves are based on Indicated Mineral Resources at the criteria described in (1) above with a grade call factor of 0.9 for iodine and 0.85 for nitrates confirmed by operating experience.
- (4) Mineral Reserves are stated as in-situ ore (caliche) as the point of reference.
- (5) The units "Mt", "kt", "ppm" and % refer to million tonnes, kilotonnes, parts per million, and weight percent respectively.
- (6) Mineral Reserves are based on an Iodine price of USD35/kg and a Nitrate price of USD295/t. Mineral Reserves are also based on economic viability as demonstrated in an after-tax discounted cashflow.
- (7) Donald Hulse is the QP responsible for the Mineral Reserves.
- (8) The QP is not aware of any environmental, permitting, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that could materially affect the Mineral Reserve estimate that are not discussed in this TRS.
- (9) Comparisons of values may not total due to rounding of numbers and the differences caused by use of averaging methods.

	Resources			Cut-off grade ⁵
	Amount (Metric tons)	Nitrate Grade (% by weight)	Iodine Grade (Parts per million(ppm))	
Measured mineral resources	—	—	—	Iodine 300 ppm
Indicated mineral resources	—	—	—	
Measured + Indicated mineral resources	—	—	—	
Inferred mineral resources	33	5.4	431	

- (1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserves upon the application of modifying factors.
- (2) Mineral Resources are reported as in-situ and exclusive of Mineral Reserves, where the estimated Mineral Reserve without processing losses during the reported LOM was subtracted from the Mineral Resource inclusive of Mineral Reserves. All Measured and Indicated Mineral Resources have been converted into Mineral Reserves; as a result, only Inferred Mineral Resources are reported in this TRS.
- (3) Comparisons of values may not add due to rounding of numbers and the differences caused by use of averaging methods
- (4) The units “Mt”, “ppm” and % refer to million tonnes, parts per million, and weight percent respectively.
- (5) The Mineral Resource estimate considers an iodine cut-off grade of 300 ppm, based on accumulated cut-off iodine grades and operational average grades, as well as caliche thickness ≥ 2.0 m and overburden thickness ≤ 3.0 m. The iodine cut-off grade considers the cost and medium- and long-term price forecasts of generating iodine as discussed in Sections 11, 16 and 19 of the TRS.
- (6) Donald Hulse is the QP responsible for the Mineral Resources.

Pampa Orcoma—Summary of Mineral Reserves at the End of the Fiscal Year Ended December 31, 2021^{1,2,3,4,5,6,7,8}

	Amount (Metric tons)	Nitrate Grade (% by weight)	Iodine Grade (Parts per million(ppm))	Cut-off grades ¹	Metallurgical recovery ²
Proven mineral reserves	0	—	—		
Probable mineral reserves	309	6.9	413	Iodine 300 ppm	50%-70%
Total mineral reserves	309	6.9	413		

- (1) Comparisons of values may not add due to rounding of numbers and the differences caused by use of averaging methods.
- (2) The units “Mt” and “ppm” refer to million tonnes and parts per million respectively. The average overall metallurgical recovery of the nitrate and iodine processes contained in the recovered material varies between 50% and 70%. Based on SQM’s operational experience and the laboratory and full-scale tests carried out, a progressive increase, over time, in heap leaching yield is expected, as irrigation application rates increase.
- (3) The Mineral Reserve estimate considers an iodine cut-off grade of 300 ppm, based on accumulated cut-off iodine grades and operational average grades, as well as the cost and medium- and long-term prices forecast of generating iodine.
- (4) Modifying factors of historical operational use in various of SQM’s mining facilities, are applied to iodine and nitrate grades, the factors applied to iodine and nitrate grades are 0.9 and 0.85, respectively.
- (5) Mineral Resources in the area without an environmental permit are estimated at 18 Mt.
- (6) Mineral Reserves are reported as in-situ ore.
- (7) Donald Hulse is the QP responsible for the Mineral Reserves.
- (8) The QP is not aware of any environmental, permitting, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that could materially affect the Mineral Reserve estimate that are not discussed in this TRS.

Pampa Orcoma—Summary of Mineral Resources Exclusive of Mineral Reserves at the End of The Fiscal Year Ended December 31, 2021^{1,2,3,4,5,6}

	Resources			Cut-off grades ^{1,2}
	Amount (Metric tons)	Nitrate Grade (% by weight)	Iodine Grade (Parts per million(ppm))	
Measured mineral resources	—	—	—	
Indicated mineral resources	18	7.4	457	Iodine 300 ppm
Measured + Indicated mineral resources	18	7.4	457	
Inferred mineral resources	—	—	—	

- (1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserves upon the application of modifying factors.
- (2) Mineral Resources are reported as in-situ and exclusive of Mineral Reserves, where the estimated Mineral Reserve without processing losses during the reported LOM was subtracted from the Mineral Resource inclusive of Mineral Reserves.
- (3) Comparisons of values may not add due to rounding of numbers and the differences caused by use of averaging methods.
- (4) The units “Mt” and “ppm” refers to million tonnes and parts per million respectively.
- (5) The Mineral Resource estimate considers an iodine cut-off grade of 300 ppm, based on accumulated cut-off iodine grades and operational average grades, as well as the cost and medium and long term prices forecast for prilled iodine production.
- (6) Donald Hulse is the QP responsible for the Mineral Resources.

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 81.4% 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. We did not carry out basic exploration on new properties in 2021. An advanced exploration program is already designed for 2022, aimed at covering an area of 12,475 hectares in Tente en el Aire, Pampa Orcoma, Franja Oeste and Sector V of Pampa Blanca. The reserves shown in these tables are calculated based on properties that are not involved in any legal disputes between SQM and other parties.

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.

The information presented in the table with respect to the Nueva Victoria, Coya Sur and Pampa Orcoma mines has been validated by Qualified Persons:

Mr. Álvaro Henríquez is a Geologist with more than 19 years of experience in the field of hydrogeological mining. He is currently working for WSP as Project Manager, and previously worked for SQM as Superintendent of Hydrogeology at the Salar Hydrogeology Management. Mr. Henríquez is a Qualified Person registered under N°226 in the Public Registry of Qualified Persons in Mining Resources and Reserves, following Law N°20.235 that regulates the role of Qualified Persons and creates the Qualifying Commission of Competences in Mining Resources and Reserves (“Law for Qualified Persons”) and its current regulation in Chile. As a hydrogeologist, he has evaluated multiple brine projects in Chile and abroad and has demonstrable experience in resource and reserve evaluation.

Mr. Donald Hulse is a Mining Engineer with over 38 years of experience in the mining industry, including technical and general management, permitting coordination, short- and long-term operational planning, economic pit limit analysis, pit and phase design, cost estimation and analysis, resource estimation, geostatistics, feasibility studies, and reserve audits. Project experience includes involvement with gold, silver, base metals, and industrial metals in design, analysis, planning and operational control. He has been responsible for coordinating the efforts of a management team through permitting, construction, and initiation of mine operation. He is a Qualified Person and an active member of several professional associations related to the mining industry (Colorado State Board of Professional Engineers and Land Surveyors, Canadian National Instrument 43-101; Society of Mining, Metallurgy, and Exploration; AIMMGM; Co-Chairman, SME Committee for Resource and Reserve Reporting). He is currently vice-president and senior consultant at Gustavson Associates.

Mr. Gino Slanzi is a Civil Engineer. He is currently the General Manager for Inprotec SPA and Business Development and Innovation Manager for Empirica. Mr. Slanzi is a Qualified Person registered under N°441 in the Public Registry of Qualified Persons in Mining Resources and Reserves, following Law N°20.235 that regulates the role of Qualified Persons and creates the Qualifying Commission of Competences in Mining Resources and Reserves ("Law for Qualified Persons") and its current regulation in Chile. He has worked for more than 31 years in the development of metallurgical mining projects, the optimization of production plants, and on management models. He visited the site in 2021.

Transportation and Storage

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 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, the Coya Sur facility or the alternative Port of Mejillones for its shipment. The product transported to Coya Sur is an intermediate product that is used as a raw material for the production of potassium nitrate. The product transported to the Port of Tocopilla or Mejillones is a final product that will be shipped or transported to the client or affiliate. The nitrate raw material 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 carbonate plant at the Carmen Lithium facility 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 packagings of distinct characteristics such as 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. Lithium carbonate can also be transported in packaged format both to Tocopilla and to an alternative port (Mejillones) to be shipped in break bulk format.

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 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. Drums and maxibags can also be transported on flat ramps to an alternative port (Mejillones) to be shipped in break bulk format.

We own and operate the port and storage facilities at the Port of Tocopilla terminal for the transportation and management of finished products and consumable materials. See *“Transportation and Storage Facilities in Chile.”*

Mining Concessions for the Exploration and Exploitation of Caliche Ore

We hold our mining rights for caliche ore 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; and
- (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, 2021, the surface area covered by Mining Exploitation Concessions that have been granted in relation to the caliche resources of our mining sites is approximately 558,500 hectares. In addition, as of December 31, 2021, the surface area covered by Mining Exploration Concessions in relation to the caliche resources of our mining sites is approximately 700 hectares. We have not requested additional mining rights.

Salar de Atacama, Chile

The operations of SQM in the Salar de Atacama are located in the Antofagasta Region of Chile, which covers the El Loa Province and the San Pedro de Atacama commune. The Salar de Atacama Project is currently in operation for the treatment of brines to obtain lithium and potassium salts, and as such it is in a production stage. The Salar de Atacama nucleus is owned by the Corporación de Fomento de la Producción (CORFO) of Chile, which grants special operating contracts or administrative leases to private companies for the extraction of brine. SQM and Albemarle have a lease agreement with Corfo to extract and produce lithium from brines stored in the Salar de Atacama deposit. Consequently, SQM must follow the terms of the agreement and also the conditions established in numerous RCA's in order to retain operations in the Salar de Atacama. Exploration is routinely carried out within the established areas.

SQM leases an area of about 1,400 square kilometers with permission to extract brines from an area of 820 square km with two core operations. It currently produces lithium at its southwest operation. The lease was signed in 1993 and expires on December 31, 2030.

The closest cities are Calama and Antofagasta, located 160 and 230 kilometers west of the site, respectively. From Calama, the road to the site is through Route R-23, and from Antofagasta, it is via Route B-385.

SQM's mineral resource in the Salar de Atacama is constituted by in-situ brine within a porous media, and the resource estimate depends on the brine concentration, aquifer geometry, and drainable interconnected pore volume. Within SQM's concessions, the lithium and potassium resources were estimated based on extensive exploration and many depth-specific samples from each unit.

The geology in the Salar de Atacama is characterized by Paleozoic to Holocene igneous and sedimentary rocks, as well as recent unconsolidated clastic deposits and evaporitic sequences. The salt flat itself resides in a tectonic basin of recent compressive-transpressive behavior and is bounded by high angle reverse and strike-slip faults. The Salar de Atacama surface is constituted by recent evaporitic deposits, where over time the process of evaporation has precipitated salts, and surficial clastic sediments are found mainly along the salt flat margins. The salt crust is mainly composed of halite, sulfates, and occasional organic matter, with alluvial facies in the peripheral zones. Evaporitic and clastic deposits within the salt flat host brine with depth and are delimited and cut by local fault systems; several structural blocks have been identified due to recent fault displacement.

The salar system of the Salar de Atacama basin is typical of a mature salar, with a nucleus constituted by a thick section of halite (>90%) with sulfate and a minor percentage of clastic sediments, as well as some interbedded clay sediments and sulfates over a surface area of 1,100 square kilometers and down to a depth of 900 meters. Within SQM's concessions, mineralization includes lithium and potassium-rich brine in porous media of distinct zones and depths of the Salar de Atacama nucleus.

Facilities

Our facilities at the Salar de Atacama are located 210 kilometers to the east of the city of Antofagasta and 190 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, and lithium chloride solutions, which are subsequently sent to our lithium carbonate plant at the Carmen Lithium facility for processing. The main production plants at this site include the solar evaporations ponds systems, the potassium chloride flotation plants (MOP-H I and II), the potassium carnallite plants (PC I and PC I extension), the potassium sulfate flotation plant (SOP-H), the potassium chloride drying plant (Dual Plant or MOP-S), the potassium chloride compacting plant (MOP-G3), the potassium sulfate drying plant (SOP-S) and the potassium sulfate compacting plant (SOP-G). The energy used consists primarily of solar energy, as well as electricity, fuel and gas sources.

The Carmen Lithium facility site is located approximately 20 kilometers east of Antofagasta. The production plants at this facility include the lithium carbonate plant, with a production capacity of 120,000 tons per year, and the lithium hydroxide plant, with a production capacity of 21,500 tons per year. During 2022, we expect to expand the production capacity to produce 180,000 tons and 30,000 tons of lithium carbonate and lithium hydroxide per year, respectively. Lithium chloride (LiCl) solution is concentrated and purified in the lithium chemical plants through stages of contaminant removal (specifically boron, magnesium and calcium content) and conversion reaction to produce: technical grade lithium carbonate; battery grade lithium carbonate; technical grade lithium hydroxide; and battery grade lithium hydroxide. Electricity and natural gas are the main sources of energy for the operations of our Carmen Lithium facility.

The following table provides a summary of our Salar de Atacama production facilities as of December 31, 2021:

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⁾
Salar de Atacama ⁽³⁾	Potassium chloride, potassium sulfate, lithium chloride, and boric acid production	35,911	Potassium chloride: 2,680 Potassium sulfate: 245 Boric acid: 15	13.2	1,592.9
Carmen Lithium facility, Antofagasta ⁽³⁾	Lithium carbonate and lithium hydroxide production	126	Lithium carbonate: 120 Lithium hydroxide: 21.5	7.3	504.9

(1) Approximate size considers both the production facilities and the mine for 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 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.

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 Salar de Atacama operations for 2021, 2020 and 2019:

<i>(in thousands, unless otherwise stated)</i>	2021	2020	2019
Salar de Atacama ⁽¹⁾			
Metric tons of lithium carbonate produced		108.4	72.2
Metric tons of potassium chloride and potassium sulfate and potassium salts produced	1,407	1,476	1,049

(1) Lithium carbonate is extracted at the Salar de Atacama and processed at our facilities at the Carmen Lithium facility near Antofagasta. Potassium salts include synthetic sylvinites produced in the plant and other harvested potassium salts (natural sylvinites, carnallites and harvests from plant ponds) that are sent to Coya Sur for the production of crystallized nitrates.

Reserves and Resources

The mineral reserve was estimated for potassium and lithium dissolved in brines of the Salar de Atacama considering modifying factors for converting mineral resources to mineral reserves, including the production wellfield design and efficiency, pumping scheme, and recovery factors for lithium and potassium. The projected future brine extraction was simulated using a groundwater flow and solute transport model. Numerical modeling was supported by a detailed calibration process and hydrogeological, geological, and hydrochemical data within the exploitation concessions. Based on the current SQM production wellfield, as of December 31, 2021, which corresponds to the effective date of mineral resource and reserve declaration that is most representative of 2021, we estimate that our proven and probable reserves of lithium and potassium are as follows:

	Brine Volume (Million cubic meters)	Amount (Million metric tons)	Grades/Qualities (wt.%)	Cut-off grades (wt.%)	Metallurgical recovery (%)
Lithium					
Proven mineral reserves (Years 1-5)	183	0.22	0.20	0.05	51
Probable mineral reserves (Years 6-10)	107	0.14	0.20	0.05	51
Total mineral reserves	290	0.36	0.20	0.05	51
Potassium					
Proven mineral reserves (Years 1-5)	183	3.91	2.29	1.0	74
Probable mineral reserves (Years 6-10)	107	2.12	2.13	1.0	74
Total mineral reserves	290	6.03	2.22	1.0	74

- (1) The process efficiency is based on the type of extracted brine at each well over the course of the simulation, the average process efficiency over the entire LoM is approximately 51% for lithium and approximately 74% for potassium.
- (2) The values in the "Amount" column correspond to contained metallic lithium (LME) and potassium.
- (3) The average lithium and potassium concentration is weighted by the simulated extraction rates in each well
- (4) Comparisons of values may not add due to rounding of numbers and the differences caused by averaging
- (5) The mineral resource and reserve estimate considers a 0.05% w/w cut-off grade for lithium based on the cost of generating lithium product, lithium carbonate sales, and the respective cost margin. Based on historical lithium prices from 2010 and the forecast to 2040, a projected lithium carbonate price of US\$11,000 per metric ton with the corresponding cost and profit margin is considered with a small increase to accommodate the evaporation area and use of additives. A similar analysis was undertaken for K where the cut-off grade of 1% w/w has been set by SQM based on respective costs, sales, and margin.
- (6) This reserve estimate differs from the in-situ *base reserve* previously reported by SQM in 2020 (SQM, 2020) and considers the modifying factors of converting mineral resources to mineral reserves, including the production wellfield design and efficiency, as well as environmental and process recovery factors. The reserve estimate also considers the expiry of the Lease Agreement in 2030 (end of LoM). The Qualified Persons for the Mineral Reserves are Alvaro Henriquez, Rodrigo Riquelme and Gino Slanzi.

Production well locations are based on the Measured and Indicated Resource zones. Due to the mixing of brines over time, hydrogeological processes, and pumping effects, the mineral reserve was classified based on time:

- Proven Reserves were specified for the first 5 years of the simulation given that the model is adequately calibrated to the 2015-2020 period, and the initial portion of the projected simulation has higher confidence due to less expected short-term changes in pumping, conceptual hydraulic parameters, and the water balance, among other factors.
- Probable Reserves were conservatively assigned for the last 5 years of the simulation considering that the numerical model will be continually improved and recalibrated in the future due to potential medium to long term changes in neighboring pumping, conceptual hydraulic parameters, and the water balance, among other factors.

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.

Complementing the reserve information, SQM has an environmental impact assessment (RCA 226/06) which defines a maximum brine extraction until the end of the Lease Agreement (December 31, 2030). Considering the authorized maximum net brine production rates under (RCA 226/06) and voluntary reduction plan announced by SQM, which is characterized by a reduction in future pumping from 1,280 L/s to 822 L/s during the 10-year LoM, a total of approximately 330 million cubic meters of brine will be extracted from the producing wells, corresponding to 0.81 million metric tons of lithium (without considering processing losses).

The lithium and potassium resource were classified into 3 categories (Measured, Indicated, Inferred) according to the amount of information from the hydrogeological units, as well as geostatistical criteria. Hydrogeological knowledge was prioritized as the first classification criterion based on exploration, monitoring, and historical production data, while geostatistical variables were used as a secondary criterion. We estimate that our lithium and potassium resources as of December 31, 2020, which we also consider as an adequate representation of December 31, 2021, are as follows:

Salar de Atacama—Summary of Mineral Resources, Exclusive of Mineral Reserves (Effective December 31, 2021) ^{(1),(2),(3),(4),(5),(6)}

	Brine Volume (Million metric cubes)	Amount (Million metric tons)	Grades/Qualities (wt.%)	Cut-off grades (wt.%)
Lithium				
Measured mineral resources	2,254	5.4	0.20	0.05
Indicated mineral resources	1,435	2.8	0.16	0.05
Measured + Indicated mineral resources	3,689	8.2	0.18	0.05
Inferred mineral resources	1,614	2.6	0.13	0.05
Potassium				
Measured mineral resources	2,254	49.8	1.80	1.0
Indicated mineral resources	1,435	30.0	1.70	1.0
Measured + Indicated mineral resources	3,689	79.8	1.77	1.0
Inferred mineral resources	1,614	34.9	1.77	1.0

- (1) Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves upon the application of modifying factors.
- (2) Mineral Resources are reported as in-situ and exclusive of Mineral Reserves, where the estimated Mineral Reserve without processing losses during the reported LoM (Chapter 12) and real declared extraction from 2021 were subtracted from the Mineral Resource inclusive of Mineral Reserves. A direct correlation between Proven Reserves and Measured Resources, as well as Probable Reserves and Indicated Resources was assumed.
- (3) Effective porosity was utilized to estimate the drainable brine volume based on the measurement techniques of the SQM porosity laboratory (Gas Displacement Pycnometer). The QP considers that the high frequency sampling of effective porosity, its large dataset, and general lack of material where specific retention can be dominant permits effective porosity to be a reasonable parameter for the resource estimate.
- (4) The values in the "Amount" column correspond to contained metallic lithium (LME) and potassium.
- (5) Comparison of values may not add due to the rounding of numbers and differences caused by averaging.
- (6) The mineral resource and reserve estimate considers a 0.05% w/w cut-off grade for lithium based on the cost of generating lithium product, lithium carbonate sales, and the respective cost margin. Based on historical lithium prices from 2010 and the forecast to 2040, a projected lithium carbonate price of US\$11,000 per metric ton with the corresponding cost and profit margin is considered with a small increase to accommodate the evaporation area and use of additives. A similar analysis was undertaken for potassium where the cut-off grade of 1% w/w has been set by SQM based on respective costs, sales, and margin.
- (7) Álvaro Henríquez is the QP responsible for the Mineral Resources.

In regard to the amount of Measured and Indicated resources extracted during the 10-year LoM, the total extracted reserve without processing losses represents only 8.9% of the total Measured + Indicated Resource, and for potassium, the total extracted reserve without processing losses represents only 10.5% of the total Measured + Indicated Resource; this is more than sufficient to satisfy the requirements of RCA 226/06 and the Voluntary Extraction Reduction Plan for the project until the end of the current LoM.

The information presented in the tables above for Salar de Atacama were validated by:

Mr. Álvaro Henríquez is a Geologist with more than 19 years of experience in the field of hydrogeological mining. He is currently working for WSP as Project Manager, and previously worked for SQM as Superintendent of Hydrogeology at the Salar Hydrogeology Management. Mr. Henríquez is a Qualified Person registered under N°226 in the Public Registry of Qualified Persons in Mining Resources and Reserves, following Law N°20.235 that regulates the role of Qualified Persons and creates the Qualifying Commission of Competences in Mining Resources and Reserves ("Law for Qualified Persons") and its current regulation in Chile. As a hydrogeologist, he has evaluated multiple brine projects in Chile and abroad, and has demonstrable experience in resource and reserve evaluation.

Mr. Rodrigo Riquelme Tapia is a Mining Engineer. He is currently partner and General Manager of GeoInnova, located at Antonio Bellet 444, Of. 1301, Providencia, Metropolitan Region, Chile. Mr. Riquelme is a Qualified Person registered under N°50 in the Public Registry of Qualified Persons in Mining Resources and Reserves, following Law N°20.235 that regulates the role of Qualified Persons and creates the Qualifying Commission of Competences in Mining Resources and Reserves ("Law for Qualified Persons") and its current regulation in Chile. He has worked as a mining engineer for more than 23 years after graduation, of which 16 have been focused on resource and reserve estimation topics. Mr. Riquelme has been an external consultant for SQM since 2018, and visited the site in 2019.

Mr. Gino Slanzi is a Civil Engineer. He is currently the General Manager for Inprotec SPA and Business Development and Innovation Manager for Empírica. Mr. Slanzi is a Qualified Person registered under N°441 in the Public Registry of Qualified Persons in Mining Resources and Reserves, following Law N°20.235 that regulates the role of Qualified Persons and creates the Qualifying Commission of Competences in Mining Resources and Reserves ("Law for Qualified Persons") and its current regulation in Chile. He has worked for more than 31 years in the development of metallurgical mining projects, the optimization of production plants, and on management models. He visited the site in 2021.

As of December 31, 2021, 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.

SQM Salar holds an additional 240,052 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 6,536 hectares in areas near the Salar de Atacama.

In addition, as of December 31, 2021, SQM Salar held Mining Exploration Concessions covering approximately 9,100 hectares and has not applied for additional Mining Exploration Concessions. 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 Chilean Commission on Nuclear Energy (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, 2021, only 9 years remain on the term of the Lease Agreement. See "Item 3.D. Risk Factors" and "Item 8.A.7 Legal Proceedings."

The environmental permit Resolución de Calificación Ambiental, RCA N° 226/2006, issued on October 19th, 2006, by COREMA (Comisión Regional del Medio Ambiente or Regional Environmental Commission) authorizes SQM to extract brines via pumping wells from two areas in the western and southwestern portions of the areas defined in the Lease Agreement. SQM refers to these brine extraction areas as AAE zones (Áreas Autorizadas para la Extracción or Authorized Areas of Extraction), and they are further divided based on the products historically generated in each sector: (i) The northern portion is denominated the AAE-SOP, where "SOP" signifies sulfato de potasio (potassium sulfate product), and it covers a surface area of 10,512 ha which is equivalent to 29.27% of the total AAE area; (ii) the southern portion is referred to as AAE-MOP, where "MOP" indicates muriato de potasio (potassium chloride product), covering a surface area of 25,399 ha that is equivalent to 70.73% of the total AAE area.

SQM routinely carries out exploration activities within the areas involved in the Lease Agreement and authorized by the Environmental Permits. These are aimed at maintaining the amount of wells needed for production.

The water that SQM uses for its mineral production in the Salar de Atacama is obtained from wells located in the alluvial aquifer on the eastern edge of the Salar, for which the company has rights to use groundwater as well as the corresponding environmental authorization (RCA 226/2006). As part of the voluntary sustainability commitment assumed by SQM in 2020, the company will reduce its water consumption by up to 50% in 2030.

SQM's operations are subject to certain risk factors that may affect the business, financial conditions, cash flow, or SQM's operational results, such as: the potential inability to extend or renew mineral exploitation rights in the Salar de Atacama beyond the defined expiration date (December 31st, 2030) in the CORFO-SQM lease agreement; risks related to being a company based in Chile; potential political risks as well as changes to the Chilean Constitution and legislation may affect development plans, production levels, and costs; and risks related to financial markets.

Mt. Holland Lithium Project, Australia

Facilities

The Mount Holland project is an integrated lithium project in Western Australia consisting of (i) an open pit mine and lithium concentrator operation, at Mount Holland, 120 km southeast of Southern Cross, and (ii) a lithium hydroxide (LiOH) refinery located in the Town of Kwinana, 26.5 km from the port of Fremantle, from where the LiOH will be shipped.

The project is an unincorporated joint venture in which SQM owns 50% and Wesfarmers Limited, through a wholly owned subsidiary, owns the remaining 50% and is managed by Covalent Lithium Pty Ltd, an entity owned 50% by SQM and 50% by Wesfarmers.

The project is accessed by land using the Parker Range Road and Marvel Loch-Forrestania road, which are an all-season gravel road. The Parker Range road is connected to the Great Eastern Highway which is a paved road with connectivity to Southern Cross, Kalgoorlie and Perth. Also, the project has access by air using an airstrip and associated infrastructure in the southern part of the mine.

On September 11, 2017, Kidman Resources Limited (Kidman) and SQM entered into an asset sale agreement, pursuant to which SQM acquired its interest in the tenements for a total investment of SQM of US\$110 million, consisting of an initial payment of US\$25 million and a deferred payment of US\$85 million, both payments subject to certain preceding conditions. All payments were completed by December 2018. In the asset sale agreement, the parties also agreed to form an unincorporated joint venture to mine and process spodumene ore into spodumene concentrate or lithium hydroxide. The Mt. Holland JV was established by the unincorporated joint venture agreement dated December 21, 2017, between SQM Australia and MH Gold, a then wholly owned subsidiary of Kidman Resources Limited (Kidman). Wesfarmers acquired Kidman Resources Limited in 2019, which resulted in Wesfarmers taking over Kidman Resources' interest in the Mt Holland JV on September 23, 2019.

SQM and Wesfarmers announced a positive investment decision in February 2021 following the completion of a feasibility study by Covalent. The Mt. Holland project is currently in development stage. Most construction contracts have been awarded and are underway, including the mining contract, the concentrator plant engineering, procurement and construction contract and the refinery construction contracts.

The Mt. Holland project is focused on the exploitation of the resource in the Earl Grey pegmatite group. The Earl Grey pegmatite group consists of a main tabular pegmatite body flanked by numerous narrower hanging wall and footwall apophyses. The pegmatite has a strike length of at least 1 km, and a dip extent of over 2 kilometers and a thickness of up to 100 meters. The pegmatites become progressively narrower and more branched to the south and the east of the main pegmatite until even the main body divides into several narrower dikes. Narrow blocks of enclosed wall rock rafts are present within some areas of the pegmatites.

The pegmatites intrude with an approximate strike of 210° to 220° and dip of 5° to 15° to the northwest. At their western margin, the pegmatites appear to be affected by gentle folding. The dip of the pegmatites is variable, with the pegmatite steepening from sub-horizontal in the south to 10° to 15° to the northwest north of the Earl Grey gold pit.

Extensive exploration supports the characterization of the Earl Grey Pegmatite, as the resource and reserve estimation, and it is comprised of surface mapping and extensive subsurface drilling carried out on the property in consideration that the pegmatite is not outcropping in the area. Exploration has predominantly been carried out by Kidman Resources since 2016, for the discovery and resource definition. Since 2020, Covalent has conducted additional diamond drilling for metallurgical sampling, grade control drilling campaigns and improvement definition of the Orebody geometry in the proposed starter pit area.

The majority of drillholes present at Earl Grey have been drilled using reverse circulation (RC) standard drilling techniques. Diamond drilling comprises drillholes with core diameters of 47.6mm, 50.5mm, 63.5mm and 85mm, which are drilled for geological, metallurgical, and geotechnical purposes. Recoveries for Reverse Circulation Drilling, pre-collar and Reverse Circulation drill holes range between 70-90% in this geological/geomorphological setting. Recoveries for the diamond drilling drill core are in the order of 95-100%. Recoveries decrease where shear zones or other structural disruptions have been intersected. The orientation of the drillholes is at relatively acute angles (less than 90°), and therefore the intersected length is not considered as a representation of the pegmatite true thickness; its real thickness is determined through geologic modelling.

Resource drilling was initially carried out on wide spacing to determine the extent of the mineralization. This was followed up by a drilling program on a 50 by 50 meter grid to support the resource estimate. Through the Project development in 2020, the proposed starter pit location was identified and the 2020 grade control drilling program was designed to provide in-fill drilling in this area at a higher density. This information will inform mine design during the initial start-up years and supports the current resource and reserve definition.

Reserves and Resources

Mt. Holland—Summary of Mineral Reserves at the End of the Fiscal Year Ended December 31, 2021⁽¹⁾

	Amount		Grades/Qualities		Cut-off grades		Metallurgical recovery
	Total Mton	SQM Attributable Mton	Li ₂ O%	Li ₂ O%	Li ₂ O%	Li ₂ O%	%
Proven mineral reserves	21.5	10.8	1.48	0.5	0.5	0.5	75% Concentrator: 85% Refinery
Probable mineral reserves	62.4	31.2	1.60	0.5	0.5	0.5	75% Concentrator: 85% Refinery
Total mineral reserves	83.9	42.0	1.57	0.5	0.5	0.5	75% Concentrator: 85% Refinery

(1) Mineral reserve tonnage and grade have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. Metallurgical processes are designed for a nominal 2Mpta ore feed. Process recovery to concentrate is estimated at 75% for lithium oxide for predominantly spodumene mineralization and 0% for other mineralization types. Refinery process recovery is estimated at 85%. Tantalum recovery is estimated at 0%. A total operating cost of US\$4,979 for LiOH production was considered in the reserve evaluation. The price, cost, and mass yield parameters, along with the internal constraints of the current operations, result in mineral reserves cut-off grade of 0.5% lithium oxide based on a selling lithium hydroxide price of US\$ 11,000 per ton. David Billington is responsible for the mineral reserves with an effective date: December 15, 2021. No material changes since the last reserve update.

Mt. Holland—Summary of Mineral Resources Exclusive of Mineral Reserves at the End of The Fiscal Year Ended December 31, 2021¹

	Amount		Resources	Cut-off	Metallurgical
	Total Mton	SQM Attributable Mton	Grades/Qualities Li ₂ O %	grades Li ₂ O %	recovery %
Measured Mineral Resources	27.0	13.5	1.58	0.5	75%
Indicated Mineral Resources	61.0	30.5	1.45	0.5	75%
Measured + Indicated Mineral Resources	88.0	44.0	1.49	0.5	75%
Inferred Mineral Resources	7.0	3.5	1.38	0.5	75%

(1) Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. Mineral resources are reported exclusive of mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Resources have been reported as in situ (hard rock within optimized pit shell). Pit optimization and economics for derivation of cut-off grade include mine gate pricing of US\$ 800 per ton of 6% Li₂O concentrate, A\$19 per bcm mining cost (LoM average cost-variable by depth), A\$65 processing cost per ton. Mining dilution set at 5% and recovery at 95%. Royalty fees 5%. The optimization considered for the concentrator is 75%. Costs estimated in Australian Dollars were converted to US Dollars based on an exchange rate of 0.75A\$:1.00US\$. These economics define a cut-off grade of 0.50% lithium oxide. Kerry Griffin is the QP responsible for the mineral resource estimate with an effective date: October 6, 2021. No material changes since the last update.

Mt. Holland—Summary of Mineral Resources Inclusive of Mineral Reserves at the End of The Fiscal Year Ended December 31, 2021¹

	Amount		Resources	Cut-off	Metallurgical
	Total Mton	SQM Attributable Mton	Grades/Qualities Li ₂ O%	grades Li ₂ O%	recovery %
Measured Mineral Resources	71.0	35.5	1.57	0.5	75%
Indicated Mineral Resources	107.0	53.5	1.51	0.5	75%
Measured + Indicated Mineral Resources	178.0	89.0	1.54	0.5	75%
Inferred Mineral Resources	8.0	4.0	1.44	0.5	75%

(1) Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. Mineral resources are reported inclusive of mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Resources have been reported as in situ (hard rock within optimized pit shell). Pit optimization and economics for derivation of cut-off grade include mine gate pricing of US\$ 800 per ton of 6% Li₂O concentrate, AU\$19 per bcm mining cost (LoM average cost-variable by depth), AU\$65 processing cost per ton. Mining dilution set at 5% and recovery at 95%. Royalty fees 5%. The optimization considered for the concentrator is 75%. Costs estimated in Australian Dollars were converted to US Dollars based on an exchange rate of 0.75AUS:1.00US\$. These economics define a cut-off grade of 0.50% Li₂O. Kerry Griffin is the QP responsible for the mineral resource estimate with an effective date: October 6, 2021. No material changes since last update.

Mining Rights

The Mt. Holland Lithium project development envelope for the Mine and Concentrator is spread across three core mining tenements (M77/1065, M77/1066 & M77/1080), as well as exploration licenses, general purpose licenses and miscellaneous licenses (Project Tenements), covering an approximate area of 4606 hectares.

Most of the Project Tenements are currently registered under MH Gold, an affiliate of Wesfarmers Limited, and SQM Australia, an affiliate of SQM, in equal interests. Any other tenements are held by MH Gold Pty Ltd or Montague Resources Australia Pty Ltd, both ultimately controlled by Wesfarmers Chemicals, Energy and Fertilizers (WesCEF). The project is managed by Covalent Lithium Pty Ltd ("Covalent"), a joint venture in which SQM owns 50% and Wesfarmers Limited owns the remaining 50%. Covalent and the joint venturers have entered into an access agreement with Montague and MH Gold that authorizes the Mt. Holland JV to access such tenements as required for the purpose of the Project. Covalent is not the registered holder or applicant of the Project Tenements under the Mining Act of 1978 (WA) (Mining Act).

The information presented in the following table (Mt. Holland project) has been validated by the following Qualified Persons:

Mr. David Billington is a mining engineer with a BE in Mining, he has over 35 years of experience in mine planning, mine operations and management and project evaluation and consulting, for different commodities (Li, Ta, Sn, Fe₂O₃, Au, Cu, REE). As a mining engineer, he has worked at pegmatite projects producing Lithium for 10 years and evaluated multiple lithium pegmatite projects. He is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM), 109676. He meets the experience criteria as competent person for Ore Reserves in style of mineralization as set out by the AUSIMM's Joint Ore Reserve Committee (JORC). He is a Qualified Person as defined by S-K 1300 regulations. Mr. Billington is an employee of Covalent Lithium a Joint Venture between SQM and Wesfarmers Ltd. He is responsible for the Reserve Estimation for the Mt. Holland Lithium Project.

Mr. Kerry Griffin is a qualified Geologist and has over 27 years of extensive hands-on experience in mine geology, mine development and management, designing and managing large scale exploration and resource drilling programs, resource modelling and estimation, the management and training of geological/technical teams in Australia, Africa, South/Central America, Central and SE Asia including more than 22 years in senior or management positions. His experience in lithium pegmatites includes exploration, resource development and mining in Australia, Southern Africa, and South America and as such, Mr. Griffin meets the experience criteria as a competent person for Ore Resources in this style of mineralization as set out by the AUSIMM's Joint Ore Reserve Committee (JORC). He is a Qualified Person as defined by S-K 1300 regulations. He is a current member of the Australian Institute of Geoscientists (3521) and the Society of Economic Geology. Kerry is currently employed by Mining Plus Ltd. He is responsible for the Resource Estimation for the Mt. Holland Lithium Project.

Mr. Andrés Fock is a Geologist and MSC in Geology, with 17 years of experience in project evaluation, resource estimation, exploration and geostatistics, for different commodities (Li, K, I, NO₃, Cu, REE). Since 2019, he is a Qualified Person registered with No. 0388 in the Public Registry of Qualified Persons in Mining Resources and Reserves, following Law N°20,235 that regulates the role of Qualified Persons and creates the Qualifying Commission of Competences in Mining Resources and Reserves ("Law for Qualified Persons") and its current regulation in Chile. As a geologist, he has evaluated multiple lithium brine and lithium bearing pegmatite projects. He is a Qualified Person as defined by S-K 1300 regulations. Mr. Fock acted as project manager during preparation of the Technical Report Summary for the Mt. Holland Project. Mr. Fock is an employee of SQM.

Transportation and Storage Facilities in Chile

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 Carmen Lithium facility. 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), nitrates and lithium carbonate.

The Port of Tocopilla terminal facilities cover approximately 22 hectares and 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 have a weighted average age of 13.22 years and a gross book value of approximately US\$167.9 million. The 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.

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/package nitrates produced at Coya Sur are certified by the third-party organization TÜV-Rheinland under the quality standard ISO 9001:2015.

Computer System

We have information systems and a management information system (Enterprise resource planning or ERP) to support the administrative business processes or support of the company: Finance, Accounting, Human Resources and Logistics (IT), this does not include production systems, plant operation, extraction and maintenance (OT). The ERP and main system is located in Chile; although each commercial office has its own ERP that is later consolidated in the central system in Chile.

The computer and information system is used mainly for finance, accounting, human resources, 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.

In relation to information security and cybersecurity, we are executing a plan in accordance with the strategic objectives of the business to safeguard the most important assets defined in the corporate risk meetings. This implies making our users aware of the best use of processes and computing (awareness) and working to comply with standards.

Internal Controls

The preparation of mineral reserve and resource estimates is completed in accordance with our prescribed internal control procedures, which are designed specifically to ensure the reliability of such estimates presented herein. Annually, QPs and other employees review the estimates of mineral reserves and mineral resources, the supporting documentation, and compliance with applicable internal controls. Such controls employ management systems, standardized procedures, workflow processes, multi-functional supervision and management approval, internal and external reviews, reconciliations, and data security covering record keeping, chain of custody and data storage.

The internal controls for reserve and resource estimates also cover exploration activities, sample preparation and analysis, data verification, processing, metallurgical testing, recovery estimation, mine design and sequencing, and reserve and resource evaluations, with environmental, social and regulatory considerations. The quality assurance and control protocols over the assaying of drill hole samples are performed by reputable commercial laboratories following certification and accreditation programs established by the American Society for Testing and Materials (ASTM) or Australian National Association of Testing Authorities (NATA).

The reserve and resource estimates have inherent risks due to data accuracy, uncertainty from geological interpretation, mine plan assumptions, uncontrolled rights for mineral and surface properties, environmental challenges, uncertainty for future market supply and demand, and changes in laws and regulations. Management and QPs are aware of those risks that might directly impact the assessment of mineral reserves and resources. The current mineral reserves and resources are estimated based on the best information available and are subject to re-assessment when conditions change. Refer to Item 4A. "Risk Factors" for discussion of risks associated with the estimates of our mineral reserves and resources.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The information in this Item 5 should be read in conjunction with the Company's Consolidated Financial Statements and the notes thereto included elsewhere in this Annual Report.

The Company's Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards as published by the International Accounting Standards Board (IASB).

5.A. Operating Results

Introduction

The following discussion should be read in conjunction with the Company's Consolidated Financial Statements. Certain calculations (including percentages) that appear herein have been rounded.

Our Consolidated Financial Statements are prepared in accordance with IFRS standards and prepared in U.S. dollars. The U.S. dollar is the primary currency in which we operate.

We operate as an independent corporation.

Overview of Our Results of Operations

We divide our operations into the following business lines:

- the production and sale of specialty plant nutrients;
- the production and sale of iodine and its derivatives;
- the production and sale of lithium and its derivatives;
- the production and sale of potassium, including potassium chloride and potassium sulfate;
- the production and sale of industrial chemicals, principally industrial nitrates and solar salts; and
- the purchase and sale of other commodity fertilizers for use primarily in Chile.

We sell our products through three primary channels: our own sales offices, a network of distributors and, in the case of our fertilizer products, through Yara International ASA's ("Yara") distribution network in countries where its presence and commercial infrastructure are larger than ours. Similarly, in those markets where our presence is larger, both our specialty plant nutrients and Yara's are marketed through our offices.

Factors Affecting Our Results of Operations

Our results of operations substantially depend on:

- trends in demand for and supply of our products, including global economic conditions, which impact prices and sales volumes;
- efficient operations of our facilities, particularly as some of them run at production capacity;

- our ability to accomplish our capital expenditures program in a timely manner;
- the levels of our inventories;
- trends in the exchange rate between the U.S. dollar and Chilean peso, as a significant portion of the cost of sales is in Chilean pesos, and trends in the exchange rate between the U.S. dollar and the euro, as a significant portion of our sales is denominated in euros; and
- energy, logistics, raw materials, labor and maintenance costs.

Impact of Foreign Exchange Rates

We transact a significant portion of our business in U.S. dollars, which is the currency of the primary economic environment in which we operate and is our functional and presentation currency for financial reporting purposes. A significant portion of our costs is related to the Chilean peso as most of our operations occur in Chile, and therefore an increase or decrease in the exchange rate between the Chilean peso and the U.S. dollar affects our costs of production. Additionally, as an international company operating in Chile and several other countries, we transact a portion of our business and have assets and liabilities in Chilean pesos and other non-U.S. dollar currencies, such as the euro, the South African rand and the Mexican peso. As a result, fluctuations in the exchange rate of such currencies to the U.S. dollar may affect our financial condition and results of operations. See Note 24 to our consolidated financial statements.

We monitor and attempt to balance our non-U.S. dollar assets and liabilities position, including through foreign exchange contracts and other hedging instruments, to minimize our exposure to foreign exchange rate risk. As of December 31, 2021, for hedging purposes we had open contracts to buy U.S. dollars and sell Chinese Yuan for approximately US\$207.6 million (CNY1,330.0 million), to sell Euros for approximately US\$61.0 million (EUR52.75 million), and to sell South African rand for approximately US\$35.8 million (ZAR 571.0 million), as well as forward exchange contracts to sell U.S. dollars and buy Chilean pesos for US\$85.3 million (Ch\$72,010 million). All of the US\$10.6 million outstanding bonds issued in the Chilean market were hedged with cross-currency swaps to the U.S. dollar for approximately US\$420 million as of December 31, 2021.

In addition, we had open forward exchange contracts to buy U.S. dollars and sell Chilean pesos to hedge our time deposits in Chilean pesos for approximately US\$263 million (Ch\$221,816 million).

The following table shows our revenues (in millions of US\$) and the percentage of revenues accounted for by each of our product lines for each of the periods indicated:

	2021		2020		2019	
	%	US\$	%	US\$	%	US\$
Specialty plant nutrition	32%	908.8	39%	701.7	37%	723.9
Iodine and derivatives	15%	437.9	18%	334.7	19%	371.0
Lithium and derivatives	33%	936.1	21%	383.4	26%	505.7
Potassium	15%	416.6	12%	209.3	11%	212.2
Industrial chemicals	5%	132.0	9%	160.6	5%	94.9
Other products and services	1%	30.8	2%	27.6	2%	36.0
Total	100	2,862.3	100	1,817.2	100	1,1943.7

The following table shows certain financial information of the Company (in millions of US\$) for each of the periods indicated, as a percentage of revenues:

(in millions of US\$)	Year Ended December 31,					
	2021		2020		2019	
	US\$	%	US\$	%	US\$	%
Revenues	2,862.3	100.0	1,817.2	100.0	1,943.7	100.0
Cost of sales ⁽¹⁾	(1,772.2)	61.9	(1,334.3)	73.4	(1,383.6)	71.2
Gross profit	1,090.1	38.1	482.9	26.6	560.1	28.8
Other income	19.6	0.7	26.9	1.5	18.2	0.9
Administrative expenses	(118.9)	4.2	(107.0)	5.9	(117.2)	6.0
Other expenses ⁽²⁾	(60.6)	2.1	(99.6)	5.5	(26.0)	1.3
Net impairment gains or reversal (losses) of financial assets	(0.2)	0.0	4.7	0.7	(1.1)	-
Other gains (losses)	(2.6)	0.1	0.5	0.3	0.4	0.5
Finance income	4.7	0.2	13.7	0.8	26.3	1.4
Finance expenses	(84.6)	3.0	(82.2)	4.5	(76.9)	4.0
Equity income of associates and joint ventures accounted for using the equity method	11.1	0.4	8.9	0.5	9.8	0.5
Foreign currency exchange differences	(17.2)	0.6	(4.4)	0.2	(2.2)	0.1
Income before income tax expense	841.2	29.4	238.5	13.1	390.6	20.1
Income tax expense	(249.0)	8.7	(70.2)	3.9	(110.0)	5.7
Profit attributable to:						
Controlling interests	585.5	20.5	164.5	9.1	278.1	14.3
Non-controlling interests	6.8	0.2	3.8	0.2	2.5	0.1
Profit for the year	592.2	20.7	168.4	9.3	280.6	14.4

- (1) Cost of sales includes the payment obligations under lease contract with Corfo, which includes quarterly lease payments based on product sales from leased mining properties and since 2018, 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. The expenses related to Corfo were US\$247.6 million in 2021, US\$74.4 million in 2020 and US\$143.9 million in 2019.
- (2) Other expenses for 2020 includes a settlement fee related to a class action lawsuit against the Company in the United States which had a one-time, before-tax effect of US\$62.5 million.

Results of Operations – 2021 compared to 2020

Revenues

Revenues increased by 57.5% to US\$2,862.3 million in 2021 from US\$1,817.2 million in 2020. The main factors that caused the increase in revenues and variations in different product lines are described below.

Lithium and Derivatives

Revenues from lithium and derivatives totaled US\$936.1 million during the year ended December 31, 2021, an increase of 144.2% compared to the US\$384.4 million for the year ended December 31, 2020. Set forth below are sales volume data for the specified years:

(in Th. MT)	2021	2020	% Change
Lithium and derivatives	101.1	64.6	56%

During 2021, we believe total lithium market demand surpassed 500,000 metric tons, an increase of approximately 55% when compared to 2020. The lithium market was mainly driven by growth in the electric vehicle market, which we believe grew over 100% when compared to 2020, led by China representing about 50% of global sales.

Our sales volumes in the lithium and derivatives business line surpassed 101,000 metric tons during 2021, an increase of approximately 57% when compared to the previous year. We sold approximately 31,100 metric tons during the fourth quarter of 2021, with an average price of US\$14,600.

Average prices in this business line increased 56.1% in 2021 compared to average prices during 2020, reaching approximately US\$9,300/MT compared to average prices of approximately US\$5,900/MT in 2020.

Specialty Plant Nutrition

Revenues from the specialty plant nutrition business line for the year ended December 31, 2021 totaled US\$908.8 million, an increase of 29.5% compared to US\$701.7 million reported for the year ended December 31, 2020.

Set forth below are sales volume data for the specified years by product category in this product line:

<i>(in Th. MT)</i>	2021	2020	% Change
Potassium nitrate and sodium potassium nitrate	643.6	575.2	12%
Specialty blends	304.0	271.3	12%
Other specialty plant nutrients (*)	174.9	164.4	6%
Sodium nitrate	32.1	25.6	25%

* Includes trading of other specialty fertilizers.

We believe demand growth in the agricultural potassium nitrate market increased approximately 4% when compared to 2020.

Our sales volumes during 2021 increased over 11% when compared to 2020, and average prices in this business lines increased over 16%. During the fourth quarter of 2021, prices surpassed US\$940 per ton, related mostly to higher prices in the potassium nitrate markets, which have followed the positive trend observed in global potassium chloride prices and been impacted by lower production by some competitors. We saw our average prices increase approximately 39% when compared to prices reported during the same period of 2020.

Average prices in the specialty plant nutrition business line were US\$466/MT in 2021, an increase of 61.9% compared to average prices of US\$288/MT reported in 2020.

Iodine and Derivatives

Revenues from sales of iodine and derivatives during the year ended December 31, 2021 were US\$437.9 million, an increase of 30.9% compared to US\$334.7 million generated for the year ended December 31, 2020.

Set forth below are sales volume data for the specified years:

<i>(in Th. MT)</i>	2021	2020	% Change
Iodine and derivatives	12.3	9.7	27%

Higher iodine revenues were the result of increased sales volumes during 2021 compared to 2020. Average prices in the business line increased slightly by 2.8%, reaching US\$36/kilogram in 2021 compared to US\$35/kilogram in 2020.

Potassium

Potassium chloride and potassium sulfate revenues for the year ended December 31, 2021 totaled US\$416.6 million, a 99.0% increase compared to the US\$209.3 million reported for the year ended December 31, 2020.

<i>(in Th. MT)</i>	2021	2020	% Change
Potassium chloride and potassium sulfate	893.2	726.7	23%

In 2021, we believe that the potassium chloride market reached approximately 71 million metric tons. Revenues in the potassium chloride and potassium sulfate business line during 2021 were impacted by higher average prices when compared to 2020 and higher sales volumes. Our sales volumes for potassium chloride and potassium sulfate reached approximately 893,000 metric tons. Average prices in the potassium chloride and potassium sulfate business line increased approximately 62% during 2021 when compared to 2020, reaching US\$466/MT.

Industrial Chemicals

Industrial chemicals revenues for the year ended December 31, 2021 reached US\$132.0 million, a 17.8% decrease compared to US\$160.6 million for the year ended December 31, 2020.

Set forth below are sales volume data for the specified years by product category:

<i>(in Th. MT)</i>	2021	2020	% Change
Industrial chemicals	174.5	225.1	-22%

Our lower revenues in industrial chemicals reflected lower sales volumes in the business line. We reported sales of approximately 99,000 metric tons of solar salts during year, lower than our original estimates as a result of delivery delays.

Other Products and Services

Revenues from sales of other commodity fertilizers and other income were US\$30.8 million in 2021, an increase of 11.9% compared to US\$27.6 million of revenues in 2020.

Cost of Sales

Our overall cost of sales increased 32.8% to US\$1,772.2 million in 2021, which represented 61.9% of revenues, from US\$1,334.3 million in 2020, which represented 71.2% of revenues. The main factors that caused the increase in cost of sales and variations in different product lines are described below.

Lithium and Derivatives

Lithium and derivatives cost of sales increased 66.6% to US\$494.8 million in 2021 from US\$297.0 million in 2020, primarily as a result of our increased sales volumes during 2021 compared to 2020.

Our costs of sales related to our lithium and derivatives business line fluctuate with our price of lithium as a result of our 2018 amendment of the lease agreement with Corfo. This agreement 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. For lithium carbonate, the former rate of 6.8% on FOB sales was changed to the following structure of progressive rates based on the final sale price (See Note 21.2 to our consolidated financial statements for the disclosure of lease payments made to Corfo for all periods presented.):

Price US\$/MT Li ₂ CO ₃	Lease payment rate
\$0 - \$4,000	6.8%
\$4,000 - \$5,000	8.0%
\$5,000 - \$6,000	10.0%
\$6,000 - \$7,000	17.0%
\$7,000 - \$10,000	25.0%
Over US\$10,000	40.0%

Specialty Plant Nutrition

Specialty plant nutrition cost of sales increased 20.3% to US\$646.9 million in 2021 from US\$537.8 million in 2020, as a result of higher costs per ton of potassium nitrate. The average cost of sales in the specialty plant nutrition business line was US\$560/MT in 2021, higher than US\$519/MT in 2020.

Iodine and Derivatives

Iodine and derivatives cost of sales increased 42.6% to US\$240.3 million in 2021 from US\$168.5 million in 2020. The average cost of sales in the iodine and derivatives business line was US\$19.6/kilogram in 2021, an increase of 12.1% from US\$17.5/kilogram in 2020.

Potassium

Potassium cost of sales increased 35.3% to US\$253.1 million in 2021 from US\$187.9 million in 2020, as a result of increased sales volumes. The average cost of sales in the potassium business line was US\$283/MT in 2021, an increase from US\$257/MT in 2020.

Industrial Chemicals

Industrial chemicals cost of sales decreased 8.4% to US\$109.1 million in 2021 from US\$119.1 million in 2020, as a result of decreased sales volumes in the business line. The average cost of sales in the industrial chemicals business line was US\$652/MT in 2021, an increase of 18.2% from US\$529/MT in 2020.

Gross Profit

Gross profit increased 125.8% to US\$1,090.1 million in 2021, which represented 38.1% of revenues, from US\$482.9 million in 2020, which represented 26.6% of revenues. As discussed above, this increase is attributable to the increase in revenues as a result of higher prices of lithium and derivatives, iodine and derivatives, specialty plant nutrients, industrial chemicals and potassium chloride and potassium sulphate and higher sales volumes of lithium and derivatives, iodine and derivatives, potassium chloride and potassium sulphate and specialty plant nutrients.

Other Income

Other income decreased 37.5% to US\$19.6 million in 2021, which represented 0.7% of revenues, from US\$26.9 million in 2020, which represented 1.5% of revenues.

Administrative Expenses

Administrative expenses increased 11.1% to US\$118.9 million in 2021, which represented 4.1% of revenues, from US\$107.0 million in 2020, which represented 5.9% of revenues.

Other Expenses

Other expenses decreased 39.2% to US\$60.6 million in 2021, which represented 2.1% of revenues, from US\$99.6 million in 2020, which represented 5.5% of revenues.

Other Gains (Losses)

Other losses were US\$2.6 million in 2021, compared to losses of US\$5.3 million in 2020.

Finance Income

Finance income decreased 67.0% to US\$4.7 million in 2021, which represented 0.2% of revenues, from US\$13.7 million in 2020, which represented 0.8% of revenues, due to lower interest rates earned on our investments.

Finance Expenses

Finance expenses increased 3.0% to US\$84.6 million in 2021, which represented 0.3% of revenues, from US\$82.2 million in 2020, which represented 4.5% of revenues, due to increased levels of debt that we had outstanding during 2021 compared to 2020.

Equity Income of Associates and Joint Ventures Accounted for Using the Equity Method

Equity income of associates and joint ventures accounted for using the equity method increased 24.5% to US\$11.1 million in 2021, which represented 0.4% of revenues, from US\$8.9 million in 2020, which represented 0.5% of revenues.

Foreign Currency Exchange Differences

Losses from foreign currency exchange differences amounted to US\$17.2 million in 2021, which represented 0.6% of revenues, compared with a loss of US\$4.4 million in 2020, which represented 0.2% of revenues. A significant portion of our costs is related to the Chilean peso as most of our operations occur in Chile. Because the U.S. dollar is our functional currency, we are subject to currency fluctuations. We seek to mitigate this impact through an active hedging program.

Profit Before Taxes

Profit before taxes increased by US\$602.7 million, or 253%, to US\$841.2 million in 2021 from US\$238.5 million in 2020. This increase was primarily attributable to increase in revenues by US\$1,045.1 million, partially offset by an increase in cost of sales by only US\$437.9 million and an increase in administrative expenses by only US\$11.9 million, as described above.

Income Tax Expense

Income tax expenses increased 254.8% to US\$249.0 million in 2021, representing an effective tax rate of 29.6%, compared to US\$70.2 million in 2020, representing an effective tax rate of 29.4%. The effective Chilean corporate tax rate was 27.0% during 2021 and 2020. Income tax increased as a result of higher taxable income reported in 2021 compared to 2020.

Profit for the Year

Profit for the year increased 251.8% to US\$592.2 million in 2021 from US\$168.4 million in 2020, primarily due to higher average prices in all of our business lines and higher sales volumes in the iodine, lithium and fertilizer business lines.

Results of Operations – 2020 compared to 2019

For a discussion of the comparison of our results of operations for the fiscal years 2020 and 2019, see “Part I, Item 5.A. Operating Results—Results of Operations – 2020 compared to 2019” of our Annual Report on Form 20-F for the fiscal year ended December 31, 2020 filed with the SEC on March 17, 2021.

5.B. Liquidity and Capital Resources

As of December 31, 2021, we had US\$2,434.1 million of cash and cash equivalents and time deposits. In addition, as of December 31, 2021, we had US\$498 million of unused uncommitted working capital credit lines.

Shareholders' equity increased to US\$3,216.0 million as of December 31, 2021 from US\$2,162.6 million as of December 31, 2020. Our ratio of total liabilities to total equity (including non-controlling interest) on a consolidated basis decreased to 1.19 as of December 31, 2021 from 1.21 as of December 31, 2020.

We evaluate from time to time our cash requirements to fund capital expenditures, dividend payouts and increases in working capital, but we believe our working capital is sufficient for our present requirements. As debt requirements also depend on the level of accounts receivable and inventories, we cannot accurately determine the amount of debt we will require nor are our requirements typically seasonal.

The table below shows our cash flows for 2021, 2020 and 2019:

<i>(in millions of US\$)</i>	2021	2020	2019
Net cash from operating activities	822.5	182.2	427.0
Net cash used in financing activities	1,206.5	(94.1)	105.9
Net cash from (used in) investing activities	(1,006.9)	(167.1)	(485.5)
Effects of exchange rate fluctuations on cash and cash equivalents	(16.1)	(0.4)	(14.9)
Net increase (decrease) in cash and cash equivalents	(1,005.9)	(79.4)	(32.5)

We operate a capital-intensive business that requires significant investments in revenue-generating assets. Our past growth strategies have included purchasing production facilities and equipment and the improvement and expansion of existing facilities. Funds for capital expenditures and working capital requirements have been obtained from net cash from operating activities, borrowing under credit facilities and issuing debt securities.

We believe that our capital expenditures for 2022 could reach approximately US\$900 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. See “Item 4.A. History and Development of the Company—Capital Expenditure Program.”

Our other major use of funds is for dividend distributions. In the consolidated statement of cash flows, we reported dividends paid of US\$572 million and US\$222 million during 2021 and 2020, respectively. For a disclosure of our 2021 dividend policy and payments, see "Item 8.A.8. Dividend Policy."

The proposed dividend policy for 2022 is expected to be announced at the Annual Shareholders' Meeting to be held on April 26, 2022.

As of December 31, 2021, we had US\$2,434.1 million of cash and cash equivalents and time deposits. In addition, as of December 31, 2021, we had US\$498 million of unused uncommitted working capital credit lines. Our Net Financial Debt to Adjusted EBITDA ratio was 0.2x as of December 31, 2021. Our next debt maturity that will require a significant cash payment is scheduled to occur in April 2023. We believe that our capital expenditures related to expansion and maintenance will require approximately US\$900 million during 2022. We believe that our capital expenditures related to maintenance will require approximately US\$120 million during 2022.

We have not entered into any transactions with unconsolidated entities whereby we have financial guarantees, retained or contingent interests in transferred assets, derivative instruments or other contingent arrangements that would expose us to material continuing risks, contingent liabilities, or any other obligations arising out of a variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to us or that engages in leasing, hedging or research and development services with us.

Our future cash position could be impacted by, among other things, an operational shutdown, unforeseen expenses, a decreased ability of our customers to pay us for products or services or lower average prices or sales volumes in our business lines. Demand growth, sales volumes and average prices in our business lines could continue to be impacted by the COVID-19 pandemic, and therefore could have an impact on our cash position which could lead to a material adverse effect on our business, financial condition and results of operations. See "Item 3.D. Risk Factors"

Financing Activities

Our current ratio, defined as current assets divided by current liabilities, decreased to 4.6 as of December 31, 2021 from 5.4 as of December 31, 2020. The following table shows key information about our outstanding long- and short-term debt as of December 31, 2021.

Debt Instrument ⁽¹⁾	Current Amount (ThUS\$)	Non-Current Amount (ThUS\$)	Interest Rate	Issue Date	Maturity Date	Amortization
Bilateral loan — US\$70 million	309	69,554	1.36%	May 29, 2019	May 30, 2023	Bullet
3.63% Notes due 2023 — US\$300 million	4,733	299,679	3.63%	Apr. 03, 2013	Apr. 03, 2023	Bullet
4.38% Notes due 2025 — US\$250 million	1,451	248,989	4.38%	Oct. 23, 2014	Jan. 28, 2025	Bullet
4.25% Notes due 2029—US\$450 million	6,918	445,488	4.25%	May 7, 2019	May 7, 2029	Bullet
4.25% Notes due 2050—US\$400 million	2,974	393,594	4.25%	Jan. 22, 2020	Jan. 22, 2050	Bullet
3.50% Notes due 2051—US\$700 million						
Green Bond	165	685,102	3.5%	Sep. 10, 2021	Sep. 10, 2051	Bullet
Series H Bond — UF 4 million.	14,613	99,822	4.90%	Jan. 13, 2009	Jan. 05, 2030	Semiannual, beginning in 2019
Series O Bond — UF 1.5 million	261	54,746	3.80%	Apr. 04, 2012	Feb. 01, 2033	Bullet
Series P Bond — UF 3 million	735	111,109	3.25%	Mar. 31, 2018	Jan. 15, 2028	Bullet
Series Q Bond — UF 3 million	1,236	110,842	3.45%	Nov. 8, 2018	Jun. 1, 2038	Bullet

(1) UF denominated bonds are fully hedged to U.S. dollars with cross-currency swaps. Nota 14.4 b y d

As of December 31, 2021, we had total financial debt of US\$2,588.7 million compared to US\$1,899.5 million as of December 31, 2020. The total short-term debt as of December 31, 2021 was US\$51.3million, and as of December 31, 2021 was US\$69.0 million.

As of December 31, 2021, all of our long-term debt, including the current portion, was denominated in U.S. dollars, and all our UF-denominated bonds were hedged with cross-currency swaps to the U.S. dollar. The financial covenants related to our debt instruments include: (i) limitations on the ratio of NFD to equity (including non-controlling interest) on a consolidated basis, and (ii) minimum production assets. We believe that the terms and conditions of our debt agreements are standard and customary.

The following table shows the maturities of our nominal long-term debt by year as of December 31, 2021 (in millions of US dollars):

Maturity ⁽¹⁾	Amount
2022	13.3
2023	383.3
2024	13.3
2025	263.3
2026 and thereafter	1,885.2
Total	2,558.6

(1) Only the principal amount has been included. For the UF-denominated local bonds, the amounts presented reflect the real U.S. dollar obligation as of December 31, 2021 not including the effects of the cross-currency swaps that hedge these bonds to the U.S. dollar and which had, as of December 31, 2021, a market value of US\$81.9 million against SQM.

On September 20, 2021, we issued and sold US\$700 million principal amount of senior secured notes to qualified institutional buyers in the United States under Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and to investors outside the United States under Regulation S under the Securities Act. These notes have an annual interest rate of 4.250% and mature in 2051.

Environmental and Occupational Safety and Health Projects

We spent US\$35.5 million on environmental, safety and health projects in 2021. We have budgeted approximately US\$30.4 million in 2022 for environmental, safety and health projects. This amount forms part of the capital expenditure program discussed above.

Non-IFRS Financial Measures

This annual report makes reference to certain non-IFRS financial measures, namely EBITDA and adjusted EBITDA. These non-IFRS financial measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

EBITDA represents Profit for the Year + Depreciation and Amortization Expenses + Finance Costs + Income Tax and Adjusted EBITDA is defined as EBITDA – Other income – Other gains (losses) - Share of Profit of associates and joint ventures accounted for using the equity method + Other expenses by function + Net impairment gains on reversal (losses) of financial assets – Finance income – Currency differences. We have included EBITDA and adjusted EBITDA to provide investors with a supplemental measure of our operating performance.

We believe EBITDA and adjusted EBITDA are important supplemental measures of operating performance because it eliminates items that have less bearing on our operating performance and thus highlights trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures.

EBITDA and adjusted EBITDA have important limitations as analytical tools. For example, EBITDA and adjusted EBITDA do not reflect (a) our cash expenditures, or future requirements for capital expenditures or contractual commitments; (b) changes in, or cash requirements for, our working capital needs; (c) the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; and (d) tax payments or distributions to our parent to make payments with respect to taxes attributable to us that represent a reduction in cash available to us. Although we consider the items excluded in the calculation of non-IFRS measures to be less relevant to evaluate our performance, some of these items may continue to take place and accordingly may reduce the cash available to us.

We believe that the presentation of the non-IFRS financial measures described above is appropriate. However, these non-IFRS measures have important limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under IFRS. Because of these limitations, we primarily rely on our results as reported in accordance with IFRS and use EBITDA and adjusted EBITDA only supplementally.

	For the years ended December 31,		
	2021 (ThUS\$)	2020 (ThUS\$)	2019 (ThUS\$)
Profit for the Year	592.2	168.4	280.6
(+) Depreciation and amortization expenses	214.2	203.9	201.2
(+) Finance costs	84.6	82.2	77.9
(+) Income tax	249.0	70.2	110.0
EBITDA	1,140.1	524.6	668.9
(-) Other income	19.6	26.9	18.2
(-) Other gains (losses)	(2.6)	(5.3)	(0.4)
(-) Share of Profit of associates and joint ventures accounted for using the equity method	11.1	8.9	9.8
(+) Other Expenses by Function	(60.6)	(99.6)	26.0
(+) Net impairment gains on reversal (losses) of financial assets	(0.2)	4.7	(1.1)
(-) Finance income	4.7	13.7	26.3
(-) Currency differences	(17.2)	(4.4)	(2.2)
Adjusted EBITDA	1,185.5	579.8	644.2

5.C. 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).

5.D. Trend Information

Our revenues increased 57.5% to US\$2,862.3 million in 2021 from US\$1,817.2 million in 2020. Gross profit reached US\$1,090.1 million (38.1% of revenues) in 2021, higher than US\$482.9 million (26.6% of revenues) recorded in 2020. Profit attributable to controlling interests increased 255.9% to US\$585.5 million in 2021 from US\$164.5 million in 2020.

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.

As a precaution, our management has implemented several additional 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. However, we did not see a material impact on our operations related to COVID-19 during 2021. 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.

Revenues from lithium and derivatives totaled US\$936.1 million during the twelve months ended December 31, 2021, an increase of 144.2% compared to the US\$383.4 million for the twelve months ended December 31, 2020. During 2021, Our sales volumes in the lithium and derivatives business line surpassed 101,000 metric tons, an increase of approximately 57% when compared to the previous year. Additionally, our average prices in the lithium and derivatives business line reached approximately US\$9,300, an increase of 56.1% when compared to 2020. We sold approximately 31,100 metric tons during the fourth quarter, with an average price of US\$14,600. Accordingly, we believe that sales volumes and average prices in this business line could be materially higher in 2022 when compared to 2021, reaching close to 140,000 metric tons and that our average prices could be materially higher.

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, respectively, during the first half of 2022. In addition, we recently announced that we will further increase our capacity to 210,000 and 40,000 metric tons of lithium carbonate and lithium hydroxide, respectively, in 2023.

Revenues from sales of iodine and derivatives during the twelve months ended December 31, 2021 were US\$437.9 million, an increase of 30.9% compared to US\$334.7 million generated for the twelve months ended December 31, 2020. During 2021, global demand for iodine had a significant recovery compared to 2020, even exceeding the demand levels seen before the COVID-19 pandemic. Main drivers of this increase were seen in the X-ray contrast media market, which demand grew by 14-15% compared to 2020, mainly due to worldwide growth in the healthcare industry spending during the year and increased accessibility to these types of treatments in emerging economies. This strong recovery led to a strong pricing environment during the year, with prices increasing over 11% in the fourth quarter 2021 when compared to the third quarter. As a result of tight supply/demand equilibrium, we are expecting the upward pricing trend to continue during 2022. We believe that demand growth in 2022 could be around 1%. We believe average prices in 2022 could be significantly higher.

Revenues from the SPN business line for the twelve months ended December 31, 2021 totaled US\$908.8 million, an increase of 29.5% compared to \$701.7 million reported for the twelve months ended December 31, 2020. The specialty plant nutrition business line remains an important segment within our diverse portfolio and we believe demand growth in the agricultural potassium nitrate market increased approximately 4% when compared to 2020. Our sales volumes during 2021 increased over 11% when compared to 2020, and average prices in this business lines increased over 16%. During the fourth quarter of 2021, prices surpassed US\$940 per ton, related mostly to higher prices in the potassium nitrate markets, which have followed the positive trend observed in global potassium chloride prices and been impacted by lower production by some competitors. We saw our average prices increase approximately 40% when compared to prices reported during the same period of 2020. We believe that prices could remain at this level or higher during the first half of 2022.

Potassium chloride and potassium sulfate revenues for 2021 totaled US\$416.6 million, a 99.0% increase compared to the US\$209.3 million reported for the twelve months ended December 31, 2020. We estimate that demand in 2021 reached approximately 71 million metric tons. During the first months of 2022, we have seen strong demand growth, however due to current macroeconomic factors it is difficult to estimate the overall potassium market growth this year. Global prices in the potassium chloride market increased significantly and rapidly throughout 2021, especially in the fourth quarter 2021 when our average prices during the fourth quarter reached almost US\$685 per metric ton. We believe that average prices during 2022 will be significantly higher than the average prices of US\$466 per metric ton reported during 2021.

5.E. Critical Accounting Estimates

For information on our critical accounting estimates, see Note 3.33 to our consolidated financial statements.

5.F. Safe Harbor

The information contained in Item 5.E contains statements that may constitute forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" in this Annual Report, for safe harbor provisions.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**6.A. Directors and Senior Management**

We are managed by our executive officers under the direction of our Board of Directors, which, in accordance with our By-laws, consists of eight directors, seven of whom are elected by holders of Series A common shares and one of whom is elected by holders of Series B common shares. The entire Board of Directors is regularly elected every three years at our Ordinary Shareholders' Meeting. Cumulative voting is allowed for the election of directors. 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 Ordinary Shareholders' Meeting. Our Chief Executive Officer is appointed by the Board of Directors and holds office at the discretion of the Board. The Chief Executive Officer appoints our executive officers. There are regularly scheduled meetings of the Board of Directors once a month. Extraordinary meetings may be called by the Chairman when requested by (i) the director elected by holders of the Series B common shares, (ii) any other director with the assent of the Chairman or (iii) an absolute majority of all directors. The Board of Directors has a Directors' Committee and its regulations are discussed below.

Each of the eight members of the current Board of Directors was elected for a three-year term at the Annual General Shareholders' Meeting that took place on April 25, 2019, with the exception of Mr. Ashley Ozols. On December 22, 2021, Mr. Robert Zatta resigned from the Board of Directors, and the Board of Directors agreed to appoint Mr. Ashley Ozols to fill Mr. Zatta's vacancy, effective the same day. As a result of the vacancy created by Mr. Zatta's resignation, an election of the entire Board of Directors will take place at the next Annual General Shareholders meeting to be held on April 26, 2022.

Our current directors are as follows:

Name	Position and relevant experience	Current position held since
Alberto Salas M.	Chairman of the Board and Director. Mr. Salas earned a degree in Mining Civil Engineering from the Universidad de Chile and holds a post-graduate degree in Corporate Finance from Adolfo Ibáñez University, Chile. He is a Board member of Cia. Minera Valle Central, ENAEX S. A. and Amerigo Resources Ltd. He is also president of the Mining Engineers-Foundation University of Chile, the Chilean Pacific Foundation, the Inter-American Mining Society and the Latin American Mining Organization. He is currently chairman of the National Institute of Professional Training (INACAP).	April 2018
Patricio Contesse F.	Vice Chairman of the Board and Director. Mr. Contesse is a lawyer with a degree from the Pontificia Universidad Católica de Chile. Previously, he was a Board member of SQM from 2013 until 2015. Since 2011, he has held senior executive positions in Pampa Group, where he is currently Vice Chairman of the Boards of Directors of the Pampa Group entities. Additionally, he is a member of the Board and Chairman of the Director's Committee of Invercap S.A.	April 2018

Name	Position and relevant experience	Current position held since
Georges de Bourguignon A.	<p>Director. Mr. de Bourguignon earned a degree in economics from the Pontificia Universidad Católica de Chile, where he later was a professor.</p> <p>He holds an MBA from the Harvard Business School. He is currently Chairman of Asset Chile S.A. and of Asset General Fund Administrator S.A., two Chilean corporate finance and asset management firms which he founded in 1995. He also serves as a Board member of Embotelladora Andina, a Latin American Coca-Cola bottler, and of Grupo Tanica, a Chilean real estate developer. In the last 12 years, he has been a Board member of several public and private Chilean companies with extensive international operations. He has served as: an independent board member of LATAM Airlines where he oversaw the merger of LAN and TAM Airlines; Vice Chairman of La Polar, heading its exit from bankruptcy proceedings; and a director of the Chilean salt producer Sal Lobos following its acquisition by the German Group K + S. Prior to co-founding Asset Chile, he was an executive at Citibank S.A. in Chile.</p>	April 2019
Hernán B✓chi B.	<p>Director. Mr. B✓chi earned a degree in Civil Engineering from the Universidad de Chile. He served on the SQM Board of Directors for several years until April 2016, before rejoining in 2017. He is currently a Board member of Quiñenco S.A. and S.A.C.I. Falabella, among others. He is also Chairman of the Board of Directors of the Universidad del Desarrollo.</p>	April 2017
Laurence Golborne R.	<p>Director. Mr. Golborne earned a degree in Industrial Civil Engineering from the Universidad Católica de Chile. He is a member of the Board of Ripley Corp. S.A., and Aventura S.A. (Perú) and Metalúrgica Arrigoni S.A., and President of Tavamay S.A. (Paraguay). Previously, Mr. Golborne was Chilean Minister of the State during 2010-2012, CEO of Cencosud S.A., and Corporate Director of Finance at Gener S.A., among other roles in various companies.</p>	April 2018
Gonzalo Guerrero Y.	<p>Director. Mr. Guerrero earned a law degree from the Universidad de Chile and a Masters of Business Law from the Universidad Adolfo Ibáñez. He was General Counsel and substitute Board member of Integramédica S.A. for more than seven years and was a Director of Inversiones Oro Blanco S.A., Asfaltos Chilenos S.A., VNT S.A. (Vantrust Capital Asset Management) and SMA Clínica Internacional S.A. (Perú), among others. Currently, he is an Executive Board member of Guerrero and Associates, Chairman of the Board of Sanasalud S.A., director of SQM Salar S.A. and Chairman of the Fundación para el Desarrollo Social y Patrimonial de María Elena. .</p>	April 2017

Name	Position and relevant experience	Current position held since
Ashley Ozols	Director. Mr. Ozols earned a commerce degree from the University of New South Wales Sydney and is also a CFA charterholder. He is based in Australia and has broad international business experience specializing in providing strategic advisory and financing solutions to American, Australian and Asian -based clients. Between 2003 and 2017, he worked at several investment banks, including Macquarie, Grant Samel, and CLSA. Between 2017 and beginning his role as board member at SQM, he worked at Tianqi Lithium as a senior executive focused on business development.	December 2021
Francisco Ugarte L.	Director. Mr. Ugarte is a lawyer with a degree from the Universidad Católica de Chile and LL.M. from the Faculty of Law of the University of Chicago. He is a partner at Carey y Cía Ltda, the largest law firm in Chile. Mr. Ugarte has vast experience working with international and Chilean financial companies and institutions in mergers and acquisitions, financing, capital and debt offerings and other corporate matters. Mr. Ugarte holds and has held management positions in several local companies, such as Bci Corredor de Bolsa, Votorantim Andina and Compañía Industrial El Volcán.	April 2019

Our current executive officers are as follows:

Name	Position and relevant experience	Current position held since
Ricardo Ramos R.	Chief Executive Officer. Mr. Ramos earned an industrial engineering degree from the Pontificia Universidad Católica de Chile. In 1989, he joined SQM as Finance Advisor and served as Chief Financial Officer and Vice President of Corporate Services from 1994 until 2018, before assuming his current role in January 2019.	January 2019
Gerardo Illanes G. ⁽¹⁾	Chief Financial Officer. Mr. Illanes earned an engineering degree from the Universidad Católica de Chile and a Master of Business Administration from Emory University's Goizueta Business School. In 2006, he joined SQM and has served in several positions within the finance area at our headquarters in Santiago, Chile and in subsidiaries around the world. Mr. Illanes is also a member of the Board of Soquimich Comercial. In May 2016, he became Vice President of Finance, and assumed his current role in October 2018.	October 2018

Name	Position and relevant experience	Current position held since
Gonzalo Aguirre T.	General Counsel. Mr. Aguirre earned a degree in law from the Universidad Católica de Chile and a Master of Laws (LL.M) degree from Georgetown University Law Center. He joined SQM in April 2016 and has served as Legal Vice President since September 2016. Prior to joining SQM, he worked at SunEdison as Head of Legal for Latin America and at AES Gener, where he served as a counsel on corporate and project matters. Prior to his in-house experience, he worked for Carey y Cia Ltda, Paul Hastings LLP (as an international legal consultant) and Vial and Palma, where his practice focused on corporate and financial matters. He is admitted to practice in Chile and in Washington, D.C., as a special legal consultant.	September 2016
Pablo Altimiras C.	Executive Vice President of Nitrates and Iodine Businesses. Mr. Altimiras earned an engineering degree and a Master of Business Administration from the Universidad Católica de Chile. In 2007, he joined SQM as Chief of Logistics Projects. In 2009, he was promoted to Regulatory Affairs Director. He was Business Development Vice Manager from 2010 to 2011 and Development and Planning Manager in 2012. In 2016, he became Vice President of Business Development and Planning. . In October 2018, he became Vice President of Lithium and Iodine Businesses and assumed his current role in the Company in December 2021.	December 2021
José Miguel Berguño C. ⁽²⁾	Vice President of Corporate Services. Mr. Berguño earned an engineering degree and Master of Business Administration from the Universidad Católica de Chile. In 1998, he joined SQM as Planning Engineer. In 2001, he served as Supply Chain Manager, and in 2006 he was Human Resources Manager. From 2010 to 2011, he was the National Director of Science under the Minister of Labor. In 2012, he was Human Resources Manager for Vitamina Work Life. In 2013, he resumed his role as Supply Chain Manager at SQM, and in 2016 took on the position of Vice President of Human Resources and Performance. In 2019, he became Vice President of Operations of Nitrates and Iodine and assumed his current role in December 2021.	December 2021

Name	Position and relevant experience	Current position held since
Carlos Diaz O.	Executive Vice President of Lithium. Mr. Diaz earned an engineering degree and a Master of Business Administration from the Pontificia Universidad Católica de Chile. In 1996, he joined SQM as Planning Engineer in the Sales Division. He was promoted to Planning Manager in 1998. In 2002, he assumed the position of Deputy Financial Manager of the Commercial Offices and in 2006, he became our Logistics Manager. In 2019 he became Vice President of Operations, Potassium and Lithium and assumed his current role in December 2021.	December 2021
Ana María Muñoz Blawciak	Risk, Compliance and Internal Audit Manager. Ms. Muñoz is a lawyer from Pontificia Universidad Católica de Chile with an LLM from Georgetown University and holds Diplomas in Corporate Governance, Free Competition, Fraud Prevention and Detection, among others. Prior to joining SQM she worked at Unilever from 2007 to 2009, ENAP from 2010 to 2015, Nissan from 2015 to 2019 and Stryker from 2020 to 2021, where she led Legal and Compliance areas, applying highly advanced methodologies for compliance, risks and internal audit, with national and international standards, especially the guidelines of the U.S. Department of Justice (DOJ), the U.S. Securities and Exchange Commission (SEC) in matters of compliance programs for companies related to anti-corruption under the U.S. Foreign Corrupt Practices Act (FCPA). She also participates in seminars and is invited to teach in courses about this related to these topics.	July 2021

- (1) As of December 31, 2021, Mr. Illanes beneficially owned 800 SQM shares.
(2) As of December 31, 2021, Mr. Berguño beneficially owned 380 SQM shares.

6.B. Compensation

At the Ordinary Shareholders' Meeting held on April 23, 2021, shareholders approved the compensation for the Audit and Financial Risk Committee, Corporate Governance Committee and the Safety, Health and Environmental Committee.

During 2021, directors were paid a monthly retainer fee, which was independent of attendance and the number of Board sessions. For the Chairman and the Vice Chairman, the fee amounted to UF 800 and UF 700 per month respectively. For the remaining six directors, the fee amounted to UF 600 per month. In addition, the directors received variable compensation (in Chilean pesos) based on a profit-sharing program approved by the shareholders. Both the Chairman and the Vice Chairman received the equivalent of 0.12% of the total net profit that the Company obtained during the 2021 fiscal year and each of the remaining six directors received the equivalent of 0.06% of the 2021 total net profit of the Company.

In addition, during 2021, members of the Directors' Committee were paid UF 200 per month, regardless of the number of sessions held by the Directors' Committee. The members of the Directors' Committee also received variable compensation (in Chilean pesos) based on a profit-sharing program approved by the shareholders. Each member of the Directors' Committee received an amount equal to 0.02% of the total net profit that the Company obtained in 2021 fiscal year.

During 2021, the members of the Safety, Health and Environmental and the Corporate Governance Committees received UF 100 per month, regardless of the number of sessions held.

During 2021, the compensation paid to each of our directors who served on the Board of Directors during the year was as follows (amounts in Chilean pesos):

	SQM Board Meeting (Ch\$)	SQM Directors' Committee (Ch\$)	SQM Health, Safety and Environment Committee (Ch\$)	Corporate Governance Committee (Ch\$)	Total (Ch\$)
Alberto Salas Muñoz	391,278,653	89,115,962	—	—	480,394,615
Patricio Contesse Fica	355,424,726	—	35,853,927	35,853,927	427,132,580
Georges de Bourguignon Arndt	267,347,181	—	35,853,927	—	303,201,108
Hernán Bachi Buc	267,347,181	89,115,961	—	—	356,463,142
Laurence Golborne Riveros	267,347,181	89,115,962	—	—	356,463,143
Gonzalo Guerrero Yamamoto	267,347,181	—	—	35,853,927	303,201,108
Francisco Ugarte Larrain	267,347,181	—	—	35,853,927	303,201,108
Robert J. Zatta	266,194,335	—	35,661,786	—	301,856,121
Total	2,349,633,619	267,347,885	107,369,640	107,561,781	2,831,912,925

Because he joined the Board in December 2021, Ashley Ozols did not receive any compensation for 2021.

For the year ended December 31, 2021, the aggregate compensation paid to our 127 members of management based in Chile was US\$31.6 million. We do not disclose to our shareholders or otherwise make available to the public information as to the compensation of our individual executive officers.

We maintain incentive programs for our employees based on individual performance, company performance and short-term indicators. We provide 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. SQM also operates a compensation plan designed to retain its executives by providing bonuses linked to the Company's share price.

As of December 31, 2021, we had a provision related to all of the incentive programs in the aggregate of US\$27.1 million.

We do not maintain any pension or retirement programs for the members of the Board of Directors or our executive officers in Chile.

6.C. Board Practices

Information regarding the period of time each of SQM's current Directors has served in his office is provided in the discussion of each member of the Board of Directors above in "Item 6.A. Directors and Senior Managers."

The date of expiration of the term of the current Board of Directors is April 2022. The contracts of our executive officers are indefinite. The current Board of Directors was elected at the previous Annual General Shareholders' Meeting held on April 25, 2019 for a three-year term expiring in April 2022, with the exception of Mr. Ashley Ozols. On December 21, 2021, Mr. Robert Zatta resigned from the Board of Directors, and the Board of Directors appointed Mr. Ozols to fill Mr. Zatta's vacancy, effective on December 22, 2021. As a result of the vacancy created by Mr. Zatta's resignation, an election of the entire Board of Directors will take place at the next Annual General Shareholders meeting to be held on April 26, 2022.

The members of the Board of Directors are remunerated in accordance with the information provided above in "Item 6.B. Compensation." There are no contracts between SQM, or any of its subsidiaries, and the members of the Board of Directors providing for benefits upon termination of their term.

Directors' Committee – Audit Committee

As required by Chilean Law, during 2021, we had a Directors' Committee (*Comité de Directores*) composed of three Directors, which performs the functions of an audit committee. Under the NYSE corporate governance rules, the audit committee of a U.S. company must perform the functions detailed in the NYSE Listed Company Manual Rules 303A.06 and 303A.07. Non-U.S. companies are required to comply with Rule 303A.06 but are not required to comply with Rule 303A.07.

Since April 25, 2019, our Directors' Committee has been comprised of three Directors: Messrs. Georges de Bourguignon Arndt, Laurence Golborne Riveros and Alberto Salas Muñoz. Each of the three members meets the NYSE independence and Chilean independence requirements for audit committee members. Mr. Salas holds the position of Chairman of the Directors' Committee.

During 2021, the Directors' Committee (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, 2021.

Regarding the above, the Committee:

- (a) Examined the information regarding the financial statements of SQM for the 2021 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 2021 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) examined the information presented by the External Auditors.

The Committee issued the Annual Management Report referred to in the Chilean Corporations Act.

During 2021, the Company did not enter into related party transactions which require to follow the requirements and procedures established in title XVI of the Corporations Act, 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, 2021, 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.

Comparative Summary of Differences in Corporate Governance Standards

The following table provides a comparative summary of differences in corporate governance practices followed by us under our home-country rules and those applicable to U.S. domestic issuers pursuant to Section 303A of the New York Stock Exchange (NYSE) Listed Company Manual.

Listed Companies that are foreign private issuers, such as SQM, are permitted to follow home country practices in lieu of the provisions of Section 303A, except such companies are required to comply with the requirements of Section 303A.06, 303A.11 and 303A.12(b) and (c).

Section	NYSE Standards	SQM practices pursuant to Chilean Stock Exchange regulations
303A.01	Listed companies must have a majority of independent directors.	There is no legal obligation to have a majority of independent directors on the Board but, according to Chilean law, the Company's directors cannot serve as executive officers.

Section	NYSE Standards	SQM practices pursuant to Chilean Stock Exchange regulations
303A.02	<p>No director qualifies as “independent” unless the Board of Directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company).</p> <p>In addition, a director is not independent if:</p> <p>(i) The director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer, of the listed company.</p> <p>(ii) The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).</p> <p>(iii) (A) The director is a current partner or employee of a firm that is the listed company’s internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the listed company’s audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the listed company’s audit within that time.</p> <p>(iv) The director or an immediate family member is, or has been with the last three years, employed as an executive officer of another company where any of the listed company’s present executive officers at the same time serves or served on that company’s compensation committee.</p> <p>(v) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues.</p>	<p>A director would not be considered independent if, at any time, within the last 18 months he or she:</p> <p>(i) Maintained any relationship of a relevant nature and amount with the company, with other companies of the same group, with its controlling shareholder or with the principal officers of any of them or has been a director, manager, administrator or officer of any of them;</p> <p>(ii) Maintained a family relationship with any of the members described in (i) above;</p> <p>(iii) Has been a director, manager, administrator or principal officer of non-profit organizations that have received contributions from (i) above;</p> <p>(iv) Has been a partner or a shareholder that has had or controlled, directly or indirectly, 10% or more of the capital stock or has been a director, manager, administrator or principal officer of an entity that has provided consulting or legal services for a relevant consideration or external audit services to the persons listed in (i) above;</p> <p>(v) Has been a partner or a shareholder that has had or controlled, directly or indirectly, 10% or more of the capital stock or has been a director, manager, administrator or principal officer of the principal competitor, supplier or clients.</p>
303A.03	<p>The non-management directors must meet at regularly scheduled executive sessions without management.</p>	<p>These meetings are not needed given that directors cannot serve as executive officers.</p>
303A.04	<p>(a) Listed companies must have a nominating/corporate governance committee composed entirely of independent directors.</p> <p>(b) The nominating/corporate governance committee must have a written charter that addresses:</p> <p>(i) the committee’s purpose and responsibilities – which, at minimum, must be to: identify individuals qualified to become board members, consistent with criteria approved by the board, and to select, or to recommend that the board select, the director nominees for the next annual meeting of shareholders; develop and recommend to the board a set of corporate governance guidelines applicable to the corporation; and oversee the evaluation of the board and management; and</p> <p>(ii) an annual performance evaluation of the committee.</p>	<p>This committee is not required as such in the Chilean regulations. However, pursuant to Chilean regulations SQM has a Directors’ Committee (see Board practices above).</p>

Section	NYSE Standards	SQM practices pursuant to Chilean Stock Exchange regulations
303A.05	Listed companies must have a compensation committee composed entirely of independent directors, and must have a written charter	This committee is not required as such in the Chilean regulations. Pursuant to Chilean regulations, SQM has a Directors' Committee (see Board practices above) that is responsible for reviewing management's compensation.
303A.06	Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended.	This committee is not required as such in the Chilean regulations. Pursuant to Chilean regulations, SQM has a Directors' Committee that performs the functions of an audit committee and that complies with the requirements of the NYSE corporate governance rules.
303A.07	The audit committee is subject to requirements that are in addition to Section 303A.06. This includes, among others, the following requirements: the audit committee must have a minimum of three members; all audit committee members must satisfy requirements of independence; the audit committee must have a written charter; each listed company must have an internal audit function to provide management with ongoing assistance of the company's risk management process and the system of internal controls.	Pursuant to Section 303A.00, SQM is not required to comply with requirements in 303A.07. Pursuant to Chilean Regulations SQM has a Directors' Committee (see Board practices above) that also performs the functions of an audit committee with certain requirements of independence.
303A.08	Shareholders must have the opportunity to vote on all equity-compensation plans and material revisions thereto.	SQM does not have equity compensation plans. However, as mentioned in Item 6.B. Compensation, SQM does have a long-term cash bonus compensation plan. Directors and executives may only acquire SQM shares by individual purchases. The purchaser must give notice of such purchases to the Company and the Financial Market Commission.
303A.09	Listed companies must adopt and disclose corporate governance guidelines.	Chilean law does not require that corporate governance guidelines be adopted. Directors' responsibilities and access to management and independent advisors are directly provided for by applicable law. Directors' compensation is approved at the annual meeting of shareholders, pursuant to applicable law.
303A.10	Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees and promptly disclose any waivers of the code for directors or executive officers.	Not required in the Chilean regulations. SQM has adopted and disclosed a Code of Business Conduct and Ethics, available at the Company's website, www.sqm.com .
303A.11	Listed foreign private issuers must disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under NYSE listed standards.	Pursuant to 303A.11, this table shows a comparative summary of differences in corporate governance practices followed by SQM under Chilean regulations and those applicable to U.S. domestic issuers pursuant to Section 303A.
303A.12	Each listed company CEO must (a) certify to the NYSE each year that he or she is not aware of any violation by the listed company of NYSE corporate governance listing standards; (b) promptly notify the NYSE in writing after any executive officer becomes aware of any non-compliance with any applicable provisions of Section 303A; and (c) submit an executed Written Affirmation annually to the NYSE. In addition, each listed company must submit an interim Written Affirmation as and when required by the interim Written Affirmation form specified by the NYSE. The annual and interim Written Affirmations must be in the form specified by the NYSE.	Not required in the Chilean regulations. The CEO must only comply with Section 303A.12 (b) and (c).

Section	NYSE Standards	SQM practices pursuant to Chilean Stock Exchange regulations
303A.13	The NYSE may issue a public reprimand letter to any listed company that violates a NYSE listing standard.	Not specified in the Chilean regulations.

6.D. Employees

As of December 31, 2021, we had 6,081 permanent employees, 410 of whom were employed outside of Chile. The average tenure of our permanent employees is approximately 6.6 years.

	2021	As of December 31, 2020	2019
Employees in Chile	5,671	5,080	5,274
Employees outside of Chile	410	427	467
Total employees	6,081	5,507	5,741

As of December 31, 2021, 66% of our permanent employees in Chile were represented by 20 labor unions, which represent their members in collective negotiations with us. Compensation for unionized personnel is established in accordance with the relevant collective bargaining agreements. The terms of such agreements currently in effect are three years, and expiration dates of such agreements vary from agreement to agreement. Under these agreements, employees receive a salary according to a scale that depends upon job function. Unionized employees also receive certain benefits provided by law and certain benefits provided under the applicable collective bargaining agreement, which vary depending upon the terms of the collective agreement, such as scholarships, holiday bonuses and additional health death and disability benefits, among others.

In addition, we own all of the equity of Institución de Salud Previsional Norte Grande Limitada (“Isapre Norte Grande”), which is a health care organization that provides medical services primarily to our employees, and of Sociedad Prestadora de Servicios de Salud Cruz de Norte S.A. (“Prestadora”), which is a hospital in María Elena. We make contributions to Isapre Norte Grande and to Prestadora in accordance with Chilean laws and the provisions of our various collective bargaining agreements, but we are not otherwise responsible for their liabilities.

Non-unionized employees receive individually negotiated salaries, benefits provided for by law and certain additional benefits which we provide.

We provide housing and other facilities and services for employees and their families at the María Elena site.

We do not maintain any pension or retirement programs for our Chilean employees. Most workers in Chile are subject to a national pension law, adopted in 1980, which establishes a system of independent pension plans that are administered by the corresponding Pension Fund Administrator (Sociedad Administradora de Fondos de Pensiones). We have no liability for the performance of any of these pension plans or any pension payments to be made to our employees. We do, however, sponsor staff severance indemnities plans for our employees and employees of our Chilean subsidiaries whereby we commit to provide a lump sum payment to each employee at the end of his/her employment, whether due to death, termination, or resignation.

Over 93% of our employees are employed in Chile, of which approximately 66% were represented by 20 labor unions as of December 31, 2021. As of December 31, 2021, all collective bargaining agreements had been renegotiated in advance. 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.

6.E. Share Ownership

We do not grant stock options or other arrangements involving the capital of SQM to directors, managers or employees. For more information on the shareholdings of current directors and executive officers, see “Item 6. Directors, Senior Management and Employees—Directors and Senior Management.”

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. Major Shareholders

The following table shows certain information concerning beneficial ownership of the Series A and Series B common shares of SQM as of March 1, 2022 with respect to each shareholder known by us to beneficially own more than 5% of the outstanding Series A or Series B common shares. The following information is derived from our records and reports filed by certain of the persons named below with the CMF and the Santiago Stock Exchange.

Shareholder	Number of Series A shares beneficially owned	% Series A shares	Number of Series B shares beneficially owned	% Series B shares	% total shares
The Bank of New York Mellon ADRs	—	—	68,082,814	47.67%	23.84%
Tianqi Lithium Corporation ⁽¹⁾	62,556,568	43.80%	3,521,079	2.47%	23.13%
Sociedad de Inversiones Pampa Calichera S.A. ^{(2) (3)}	44,989,231	31.50%	—	—	15.75%
Potasios de Chile S.A. ⁽³⁾	18,179,147	12.73%	—	—	6.36%
Banco de Chile por cuenta de State Street.	23,044	0.02%	9,064,067	6.35%	3.18%
Banco Santander por cuenta de Inversionistas por extranjeros	—	—	8,869,636	6.21%	3.11%
Inversiones Global Mining Chile Ltda. ⁽³⁾	8,798,539	6.16%	—	—	3.08%
Banco de Chile por cuenta de terceros no residentes	78,824	0.06%	7,682,806	5.38%	2.72%

(1) SQM has been informed that Tianqi Lithium Corporation (“Tianqi”) (i) owns 100% of the shares of Inversiones TLC SpA, and, accordingly, is the beneficial owner of 62,556,568 Series A shares held by Inversiones TLC SpA registered in the shareholder registry of the *Depósito Central de Valores S.A. (“DCV”)* as of March 1, 2022 and (ii) owns directly 3,521,079 Series B shares in the form of ADSs. Therefore, Tianqi beneficially owns 23.13%, of SQM’s total shares.

(2) Sociedad de Inversiones Pampa Calichera S.A. (“Pampa Calichera”) is a publicly held corporation whose shares are traded on the Santiago Stock Exchange. Originally, the shareholders of Pampa Calichera were employees of SQM. Pampa Calichera was formed to hold the capital stock of SQM contributed by such employees or later acquired in the open market.

(3) SQM has been informed that, as of March 1, 2022, Mr. Julio Ponce Lerou, and related persons control 100% of Inversiones SQYA Ltda. (“SQYA”) and 100% of Inversiones SQ Ltda. These two companies control indirectly 71,966,917 Series A shares representing 25.20% of all shares of SQM, as follows: (i) Inversiones SQ Ltda. controls 0.03% of Norte Grande S.A. (“Norte Grande”) and SQYA controls 73.78% of Norte Grande, 3.89% of the shares of Sociedad de Inversiones Oro Blanco S.A. and 7.44% of the shares of Nitratos de Chile S.A.; Norte Grande controls 76.85% of Sociedad de Inversiones Oro Blanco S.A., which controls 88.82% of Pampa Calichera, which controls 15.75% of SQM; (ii) Pampa Calichera controls 99.99% of Inversiones Global Mining (Chile) Limitada, which controls 3.08% of SQM and (iii) Norte Grande controls 80.01% of Nitratos de Chile S.A., which controls 99.02% of Potasios de Chile S.A., which controls 10.09% of Pampa Calichera and 6.36% of SQM. Therefore, 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”), beneficially own 25.20% of SQM’s total shares.

As of March 1, 2022, SQM did not have a Controller Group.

In August 2018, after an investigation by the FNE in connection with the proposed acquisition by Tianqi of 23.77% of the Company's then-outstanding total 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 director, executive or employee 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 six years.

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, including that (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. 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 www.sqm.com and is also available on the FNE's website at <http://www.fne.gob.cl>

In light of the Company's concerns regarding the limitations of the Extrajudicial Agreement measures, 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 and adopted a protocol for the presentation and use of Sensitive Information (as defined in the Extrajudicial Agreement) on September 30, 2019. See "Item 10.B. Memorandum and Articles of Association—Board Protocol for Presentation and Use of Sensitive Information" below.

The Company believes that approximately 51.64% of its Series A common shares and 28.94% of its Series B common shares were beneficially held in Chile as of March 1, 2022. Approximately 1,188 record holders were in Chile as of March 1, 2022.

Series A and Series B common shares have the same economic rights (i.e., both series are entitled to share equally in any dividends declared on the outstanding stock) and voting rights at any shareholders meeting, whether ordinary or extraordinary, with the exception of the election of the Board, in which the Series A shareholders elect seven members and the Series B shareholders elect one member.

Additionally, Series B common shares cannot exceed 50% of SQM's issued, subscribed and paid shares; shareholders of at least 5% of this Series may call an Ordinary or Extraordinary Shareholders' Meeting; and the director elected by this Series may request an extraordinary Board meeting without the authorization of the Chairman of the Board. These conditions will remain in effect until 2043. Under our By-laws, the maximum individual voting power personally and/or in representation of other shareholders per Series is limited to 37.5% of the subscribed shares of each Series with voting rights and 32% of the total subscribed shares with voting rights, with any excess being deducted from the number of shares such shareholder may vote. To calculate these percentages, shares that belong to the voting shareholder's related persons must be added. In addition, the director elected by the Series B shareholders cannot vote in the election of the Chairman of the Board if a tie vote has occurred in the prior voting process. As of March 1, 2022, there were 142,819,552 Series A common shares and 142,818,904 Series B common shares outstanding.

7.B. Related Party Transactions

Title XVI of the Chilean Corporations Act regulates transactions with related parties for publicly held corporations and its related parties.

Articles 146 to 149 of the Chilean Corporations Act requires that our transactions with related parties (i) have as their purpose to contribute to SQM's interests (ii) be on price, terms and conditions similar to those customarily prevailing in the market at the time of their approval and (iii) satisfy the requirements and procedures established by the Chilean Corporations Act. Violation of such articles may also result in administrative or criminal sanctions and civil liability may be sought by SQM, shareholders or interested third parties that suffer losses as a result of such violations.

In addition, article 89 of the Chilean Corporations Act requires that transactions between affiliates, subsidiaries or related parties of a closed-stock company, such as some of SQM's main affiliates and subsidiaries, shall also be on terms similar to those customarily prevailing in the market. Directors and executive officers of companies that violate article 89 are liable for losses resulting from such violations.

With respect to SQM, transactions with related parties include negotiations, proceedings, contracts or transactions involving SQM and its directors, managers and officers, and their spouses and relatives, and other companies and persons connected to the abovementioned parties or mentioned in the By-laws or by the Directors' Committee. Such transactions may only be carried out if (i) their objective is to contribute to SQM's interests and if their price, terms and conditions conform to prevailing market prices, terms and conditions at the time of their approval and (ii) they satisfy the requirements and procedures established by the Chilean Corporations Act. Such requirements include, among others:

- that the transaction be informed to the Directors' Committee and to the Board of Directors prior to its execution;
- that the Board of Directors, excluding any Directors involved in the transaction, approves the transaction with an absolute majority of its members, or, if an absolute majority is not feasible, with a unanimous vote by the Directors not involved in the transaction, or, if neither of these options is available, that an Extraordinary Shareholders' Meeting be held and that shareholders representing 2/3 of the outstanding shares with voting rights approve the transaction. In the latter case, prior to the meeting, the shareholders must be provided with a report by an independent evaluator and with statements by the directors as to whether or not such transaction is in SQM's interest;

- that the grounds for the decision and for the exclusion be recorded in the respective minutes of the Board meeting; and
- that the agreement and the names of the directors who approved the same be reported at the next shareholders' meeting. Infractions will not affect the validity of the transaction but they will grant SQM or its shareholders the right to demand that the related party committing such infraction refund the amount equivalent to the benefits received by such party in the transaction to SQM, and that such party indemnify for any corresponding damages.

However, the Board of Directors has authorized the following transactions with related parties to be carried out without following such requirements and procedures, as long as such authorization is obtained in advance: (a) transactions wherein the amount of the transaction is not significant or (b) transactions that, according to the policy on customary transactions with related parties, are considered normal based on SQM's business activities or (c) transactions carried out between legal entities wherein SQM holds at least a 95% ownership interest in the counterpart.

Accounts receivable from and payable to related companies are stated in U.S. dollars and accrue no interest. Other than the above, transactions are made under terms and conditions that are similar to those offered to unrelated third parties. We further believe that we could obtain from third parties all raw materials now being provided by related parties that are not our affiliates. The provision of such raw materials by new suppliers could initially entail additional expenses.

In each case, terms and conditions vary depending on the transaction pursuant to which it was generated.

In March 2022, the Company adopted a Conflict of Interest Policy which is applicable to all directors, executives and employees of the Company. Under the policy, conflicts of interest may arise where there are family relationships, ownership relationships, management relationships or other situations where the director, executive or employee's impartiality may be diminished or whose decisions may be contrary to the duty of probity that governs their actions. The policy provides procedure for the resolution of the conflict of interest. For directors, the procedures involve the Company's compliance officer agreeing with the Directors' Committee to propose a resolution for approval by the Board of Directors. In the event that a director has an interest or participates in a transaction with related parties that constitutes a conflict of interest under the policy, the related party transaction procedures under the Chilean Corporations Act described above would apply in lieu of the policy. Directors are required to present a declaration of conflict of interest within a month following their appointment as a director and each time a new conflict of interest not previously declared is identified.

The Company regularly enters into business arrangements with related parties, principally its joint ventures and associates, which are described in Note 8 to our Consolidated Financial Statements.

7.C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. Consolidated Statements and Other Financial Information

8.A.1 See "Item 18. Financial Statements."

8.A.2 See "Item 18. Financial Statements."

8.A.3 See "Item 19. Exhibits—Index to Financial Statements—Report of Independent Registered Public Accounting Firm."

8.A.4 Not applicable.

8.A.5 Not applicable.

8.A.6 Export Sales

We derive most of our revenues from sales outside of Chile. The distribution of sales presented below reflects the location of the Company's subsidiaries making such sales and does not necessarily reflect the final destination of the products sold.

The following is the composition of the consolidated sales for the periods ending on December 31, 2021, 2020 and 2019:

<i>Th. US\$</i>	2021	2020	2019
Foreign sales	2,642,672g	1,663,446	1,731,798
Total sales	2,862,320	1,817,919	1,943,655
Foreign sales %	92.3%	91.5%	89.1%

8.A.7 Legal Proceedings

Class Actions

In October 2015, a consolidated class action lawsuit was brought against the Company in the United States District Court for the Southern District of New York, alleging violations of the U.S. securities laws in connection with the subject matter of the investigations of the payments described above. The complaint alleged that certain statements made by the Company, principally in the Company's SEC filings and press releases, were materially false and/or misleading in violation of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. Specifically, the complaint challenges certain of the Company's statements concerning its compliance with applicable laws and regulations; the effectiveness of its internal controls; its adoption of a code of ethics consistent with SEC requirements; its revenues and taxes owed; and its compliance with applicable accounting standards. The complaint also alleged that the Company made inadequate disclosures concerning the status of the Corfo litigation described below. The lead plaintiff sought damages of an undetermined amount to recover the economic losses allegedly suffered by the class as a result of the challenged statements.

On January 10, 2018, the lead plaintiff filed a motion to certify a class consisting of all persons who purchased SQM ADSs between June 30, 2010 and March 18, 2015.

On December 11, 2020, the Company and the lead plaintiff, the Council of the Borough of South Tyneside, acting in its capacity as the Administering Authority of the Tyne and Wear Pension Fund, filed before the United States District Court of the Southern District of New York a Stipulation of Settlement of the class action litigation. The class action settlement resolves 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 Stipulation of Settlement, SQM paid US\$62.5 million. On April 26, 2021, the final settlement was approved by the District Court.

SQMNA Litigation

In October 2010, the City of Pomona, California, named SQM North America Corporation ("SQMNA") and SQM as defendants in an action filed in the California Superior Court for Los Angeles County (the "Pomona Case"). In this matter, the plaintiff seeks damages for alleged groundwater contamination from the use of defendants' fertilizer products. The plaintiff subsequently withdrew its lawsuit against SQM. The case was removed to the U.S. District Court for the Central District of California and on June 10, 2015, the jury rejected the lawsuit against SQMNA, and the plaintiff filed an appeal which was granted by the Ninth Circuit Court of Appeals. The matter was then remanded to the District Court for a complete retrial. On May 17, 2018, after a new trial in the District Court, a jury ruled in favor of SQMNA. On September 8, 2021, a jury found in favor of Pomona and against SQMNA on a single cause of action for strict products liability under California law. The jury found that Pomona's damages were US\$48,128,378. On January 27, 2022, the District Court entered judgment for Pomona in the amount of US\$48,128,378. On February 24, 2022, SQMNA filed a motion for new trial, which was refiled to address a purported procedural issue on February 25, 2022; the District Court has not ruled on the merits of the motion. On February 25, 2022, SQMNA filed a notice of appeal of the District Court judgment to the Ninth Circuit Court of Appeals.

In October 2010, the City of Lindsay, California, named SQM and SQMNA as defendants in an action filed in the California Superior Court for Tulare County. In this matter, the plaintiff seeks damages for alleged groundwater contamination from the use of defendants' fertilizer products. This case was removed to the U.S. District Court for the Eastern District of California and is pending in the trial court. The proceeding has been suspended, pending the outcome of the Pomona Case. SQMNA and SQM intend to vigorously defend this action.

Deferred Prosecution Agreement

On January 13, 2017, the Company and the DOJ reached agreement on the terms of a DPA that would resolve the DOJ's inquiry based on alleged violations of the books and records and internal controls provisions of the Foreign Corrupt Practices Act in connection with certain payments made by SQM between the tax years 2009 to 2015 for services that may not have been properly supported or that may not have been necessarily to generate corporate income. Among other terms, the DPA called for the Company to pay a monetary penalty of US\$15,487,500 and engage a compliance monitor for a term of two (2) years. On January 19, 2021, after successful completion of the three (3) year term of the DPA and the DOJ's motion to dismiss, all charges against the Company were dismissed.

Other Matters

In addition, various lawsuits, claims and proceedings, other than those specifically disclosed above, have been or may be instituted or asserted against the Company, relating to the conduct of the company's business, including those pertaining to mining, civil, tort, commercial, labor and regulatory matters, among others. Although the outcome of other litigation cannot be predicted with certainty, and some lawsuits, claims or proceedings may be disposed of unfavorably to the Company, our management believes the disposition of such other pending matters will not have a material effect on the company's business, financial condition, results of operations or cash flows.

8.4.8. Dividend Policy

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 General 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 General Shareholders' Meeting for approval. As required by the Chilean Corporations 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.

On March 30, 2021, the Board of Directors, agreed to recommend to the shareholders the payment of a final dividend representing 30% of the 2020 net income. The dividend payment was presented for consideration at the Annual General Shareholders' Meeting held on April 23, 2021. The amount of the final dividend approved by shareholders at the Annual General Shareholders' Meeting held on April 23, 2021 was US\$0.18752 per share; the amount of US\$0.17092 per share was deducted from the definitive dividend as it had been already paid in a form of an interim dividend during 2020. The balance, in the amount of US\$0.01660 per share, was paid and distributed to Company's shareholders on May 7, 2021.

SQM's dividend policy for 2021, reported at the Shareholders' Meeting held on April 23, 2021 and modified as a result of the approval of the distribution and payment of a special dividend equivalent to US\$1.40037 per share charged to the retained earnings of the Company (the "Special Dividend") by the Extraordinary Shareholders' Meeting held on December 22, 2021, 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 2021 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 0.85 times.
 - (ii) 80% of the 2021 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 0.95 times.

(iii) 60% of the 2021 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 1.05 times.

(iv) If none of the foregoing financial parameters are met, the Company shall distribute and pay 50% of the 2021 net income in favor of the respective shareholders as a final dividend.

- (b) Distribute and pay only two interim dividends during 2021, 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, 2021 and as of June 30, 2021, respectively, the percentage distributed shall be determined per the financial parameters expressed in paragraph (a) above.

On May 19, 2021 and August 18, 2021, the Company's Board of Directors agreed to distribute and pay an interim dividends equivalent to US\$0.23797 per share and US\$0.31439 per share, respectively, both charged to the Company's 2021 retained earnings. These amounts were paid in their equivalent in Chilean pesos according to the official exchange rate on May 28, 2021 and on September 1, 2021, respectively (the "Interim Dividends").

- (c) The Board of Directors will not approve the payment of other interim dividends charged against the 2021 net income.
- (d) At the ordinary general shareholders' meeting that will be held in 2022, the Board of Directors will propose a final dividend pursuant to the percentages in financial parameters described in in paragraph (a) above after deducting the Special Dividend and Interim Dividends previously paid. If the amount is equal to or less than the amount of the sum of the Special Dividend and the Interim Dividends, then no additional amount will be distributed and the Interim Dividends 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 2021, 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.

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 (*hecho esencial*).

On December 22, 2021, the Extraordinary Shareholders' Meeting approved the payment of a special dividend equivalent to US\$1.40037 per share, charged to the retained earnings of the Company. This amount was paid on December 30, 2021 in its equivalent in Chilean pesos according to the official exchange rate on December 28, 2021.

The dividend policy proposal for 2022 is expected to be announced at the Annual General Shareholders' Meeting to be held on April 26, 2022.

We generally declare dividends in U.S. dollars (but may declare dividends in Chilean pesos) and pay such dividends in Chilean pesos. When a dividend is declared in U.S. dollars, the exchange rate to be used to convert the dividend into Chilean pesos is decided by the shareholders at the meeting that approves the dividend, which has usually been the Observed Exchange Rate on the date the dividend is declared. In the case of interim dividends, the exchange rate to be used is the Observed Exchange Rate published a minimum of five business days before the payment date.

The amount and timing for payment of dividends is subject to revision from time to time, depending upon our then current level of sales, costs, cash flow and capital requirements, as well as market conditions. Accordingly, there can be no assurance as to the amount or timing of declaration or payment of dividends in the future. Any change in dividend policy would ordinarily be effective for dividends declared in the year following adoption of the change, and a notice as to any such change of policy must be filed with Chilean regulatory authorities and would be publicly available information.

Dividends

Each Series A common share and Series B common share is entitled to share equally in any dividends declared on the outstanding capital stock of SQM.

The following table shows the U.S. dollar equivalent of dividends per share and per ADS paid in each of the years indicated, based on the Observed Exchange Rate for the date on which the dividend was declared.

Dividends Declared for the fiscal year	Paid in	Per Share Ch\$	Per ADS US\$
2017 (interim)	2017	264.87	0.39222
2017 (interim)	2017	241.49	0.38432
2017 (interim)	2017	275.46	0.42879
2017	2018	253.19	0.41968
n/a (eventual)	2018	229.22	0.37994
2018 (interim)	2018	271.73	0.43247
2018 (interim)	2018	343.53	0.50864
2018 (interim)	2018	212.38	0.31726
2018	2019	277.70	0.41274
2019 (interim)	2019	215.25	0.30598
2019 (interim)	2019	192.19	0.26669
2019 (interim)	2019	190.39	0.22987
2019	2020	217.67	0.25414
2020 (interim)	2020	138.91	0.17092
n/a (eventual)	2020	297.95	0.37994
2020	2021	10.79	0.01530
2021 (interim)	2021	173.82	0.23797
2021 (interim)	2021	243.70	0.31439
n/a (eventual)	2021	1,202.34	1.40037

Dividends payable to holders of ADSs will be paid net of conversion expenses of the Depositary and will be subject to Chilean withholding tax, currently imposed at the rate of 35% (subject to credits in certain cases).

As a general requirement, a shareholder who is not a resident of Chile must register as a foreign investor under one of the foreign investment regimes contemplated by Chilean law to have dividends, sale proceeds or other amounts with respect to its shares remitted outside Chile through the Formal Exchange Market. Under the Foreign Investment Contract, the Depositary, on behalf of ADR holders, will be granted access to the Formal Exchange Market to convert cash dividends from Chilean Pesos to U.S. dollars and to pay such U.S. dollars to ADS holders outside Chile net of taxes, and no separate registration of ADS holders is required.

8.B. Significant Changes

No significant change has occurred since the date of the financial statements set forth in Item 18.

ITEM 9. THE OFFER AND LISTING

9.A. Offer and Listing Details

Our Series A shares and Series B shares are currently traded on the Santiago Stock Exchange, and the Bolsa Electrónica de Chile Bolsa de Valores S.A., (the Electronic Stock Exchange) under the trading symbols “SQM-A” and “SQM-B”, respectively. ADSs, each representing one share of our Series B shares are also traded on the New York Stock Exchange under the trading symbol “SQM”.

9.B Plan of Distribution

Not Applicable.

9.C Markets

Our Series A shares and Series B shares have traded on the Santiago Stock Exchange and the Electronic Stock Exchange. The ADSs representing Series B shares have traded on the NYSE since September 20, 1993. The depositary bank for these ADSs is The Bank of New York Mellon.

9.D Selling Shareholders

Not applicable.

9.E Dilution

Not applicable.

9.F Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A. Share Capital

Not applicable.

10.B. Memorandum and Articles of Association

Sociedad Química y Minera de Chile S.A., headquartered at El Trovador No. 4285, 6th Floor, Santiago, Chile, is an open stock corporation organized 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, Notary Public 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.

Corporate purposes

Our main purposes, which appear in article 4 of our By-laws, are to: (a) perform all kinds of chemical or mining activities and businesses and, among others, those related to researching, prospecting, extracting, producing, working, processing, purchasing, disposing of, and marketing properties, as applicable, of all metallic and non-metallic and fossil mining substances and elements of any type or nature, to be obtained from them or from one or more concessions or mining deposits, and in their natural or converted state, or transformed into different raw materials or manufactured or partially manufactured products, and of all rights and properties thereon; (b) manufacture, produce, work, purchase, transfer ownership, import, export, distribute, transport, and market in any way, all kinds of fertilizers, components, raw materials, chemical, mining, agricultural, and industrial products, and their by-products; (c) generate, produce, distribute, purchase, transfer ownership, and market, in any way, all kinds of electrical, thermal, geothermic or other type of power, and hydric resources or water rights in general; (d) request, manifest, claim, constitute, explore, work, lease, transfer ownership, and purchase, in any way, all kinds of mining concessions; (e) purchase, transfer ownership, and administer, in any way, any kind of telecommunications, railroads, ships, ports, and any means of transport, and represent and manage shipping companies, common carriers by water, airlines, and carries in general; (f) manufacture, produce, market, maintain, repair, assemble, construct, disassemble, purchase and transfer ownership, and in any way, any kind of electromechanical structure, and substructure in general, components, parts, spares, or parts of equipment, and machines, and execute, develop, advice, and market, any kind of electromechanical or smelting activities; (g) purchase, transfer ownership, lease, and market any kind of agro industrial and farm forestry activities, in any way (h) purchase, transfer ownership, lease, and market, in any way, any kind of urban or rural real estate; (i) render any kind of health services and manage hospitals, private clinics, or similar facilities; (j) construct, maintain, purchase, transfer ownership, and manage, in any way, any kind of roads, tunnels, bridges, water supply systems, and other required infrastructure works, without any limitation, regardless of whether they may be public or private, among others, to participate in bids and enter into any kind of contracts, and to be the legal owner of the applicable concessions; and (k) purchase, transfer ownership, and market, in any way, any kind of intangible properties such as stocks, bonds, debentures, financial assets, commercial papers, shares or rights in corporations, and any kind of bearer securities or instruments, and to administer such investments, acting always within the Investment and Financing Policies approved by the applicable General Shareholders Meeting. We may comply with the foregoing by acting ourselves or through or with other different legal entities or natural persons, within the country or abroad, with properties of our own or owned by third parties, and additionally, in the ways and territories, and with the aforementioned properties and purposes, we may also construct and operate industrial or agricultural facilities or installations; constitute, administer, purchase, transfer ownership, dissolve, liquidate, transform, modify, or form part of partnerships, institutions, foundations, corporations, or associations of any kind or nature; perform all actions, enter into all contracts, and incur in all obligations convenient or necessary for the foregoing; perform any business or activity related to our properties, assets, or patrimony, or with that of our affiliates, associated companies, or related companies; and render financial, commercial, technical, legal, auditing, administrative, advisory, and other pertinent services.

Directors

As stated in article 9 of the Company's By-laws, the Company has eight Directors. One of the directors must be "independent" as such term is defined in article 50 bis of the Chilean Corporations Act. Moreover, the possession of shares is not a condition necessary to become a director of the Company.

As stated in article 10 of the Company's By-laws, the term of the directors is of three years and they can be reelected indefinitely; thus, there is no age limit for their retirement.

The Company's By-laws, in articles 16 and 16 bis, essentially establish that the transactions in which a director has a material interest must comply with the provisions set forth in articles 136 and 146 to 149 of the Chilean Corporations Act and the applicable regulations of the Chilean Corporations Act.

The Board of Directors duties are remunerated, as stated in article 17 of the Company's By-laws, and the amount of that compensation is fixed yearly by the Ordinary Shareholders' Meeting. Therefore, directors can neither determine nor modify their compensation.

Directors cannot authorize Company loans on their behalf.

The Board of Directors must provide shareholders and the public with sufficient, reliable and timely information pertaining to the Company's legal, economic and financial situation, as required by the Law or the CMF. The Board of Directors must adopt the appropriate measures in order to avoid the disclosure of such information to persons other than those persons who should possess such information as a result of their title, position or activity within the Company before such information is disclosed to shareholders and the public. The Board of Directors must treat business dealings and other information about the Company as confidential until such information is officially disclosed. No Director may take advantage of the knowledge about commercial opportunities that he has obtained through his position as Director.

Independent Directors and Directors Committee

According to Chilean Law, SQM must appoint at least one Independent Director and a Directors' Committee, due to the fact that (a) the Company has a market capitalization greater than or equal to UF 1,500,000 and (b) at least 12.5% of the Company's shares with voting rights are held by shareholders who, on an individual basis, control or possess less than 10% of such shares.

Persons who have not been involved in any of the circumstances described in the Law at any time during the preceding 18 months are considered independent. Candidates for the position of Independent Director must be proposed by shareholders representing 1% or more of the Company's shares, at least 10 days prior to the date of the shareholders' meeting that has been called in order to elect the Directors. No less than two days prior to the respective shareholders' meeting, the candidate must provide the Chief Executive Officer with a sworn statement indicating that he: (a) accepts his candidacy for the position of Independent Director; (b) does not meet any of the conditions that would prevent him from being the Independent Director; (c) is not related to the Company, the other companies of the group to which the Company belongs, the controller of the Company, or any of the Company's officers in such a way that would deprive a sensible person of a reasonable degree of autonomy, interfere with his ability to perform his duties objectively and effectively, generate a potential conflict of interest, or interfere with his independent judgment; and (d) assumes the commitment to remain independent as long as he holds the position of Director.

The Directors' Committee shall have the following powers and duties: (a) to examine the reports of the external auditors, the balance sheet and other financial statements presented by the Company's managers or liquidators to its shareholders and issue an opinion about the same prior to their submission for the approval of the shareholders; (b) to propose to the Board of Directors the external auditors and risk rating agencies to be proposed to the shareholders at the respective shareholders' meeting. In the event that an agreement cannot be reached, the Board of Directors shall formulate its own suggestion, and both options shall be submitted for shareholder consideration at such shareholders' meeting; (c) to examine the information relating to operations referred to in articles 146 to 149 of the Chilean Corporations Act and to prepare a report about such operations. A copy of such report shall be sent to the Board of Directors, and such report must be read at the Board Meeting called for the purpose of approving or rejecting the respective operation or operations; (d) to examine the remuneration system and compensation plans for the Company's management, officers and employees; (e) to prepare an annual report on its activities, including its main recommendations to the shareholders; (f) to inform the Board of Directors about whether or not it is advisable to hire the external audit firm to provide non-audit services where the audit firm is not prohibited from providing such services because the nature of the same could pose a threat to the audit firm's independence; and (g) any other issues indicated in the Company's By-laws or authorized by a shareholders' meeting or the Board of Directors.

The Directors' Committee shall be comprised of three members, with at least one independent member. In the event that more than three Directors have the right to form part of the Committee, these same Directors shall unanimously determine who shall make up the Committee. In the event that an agreement cannot be reached, the Directors who were elected with a greater percentage of votes by shareholders controlling or possessing less than 10% of the Company's shares shall be given priority. If there is only one Independent Director, this Director shall name the other members of the Committee among the other Directors who are not independent. Such other members of the Committee shall have all of the rights associated with such position. The members of the Committee shall be compensated for their role. The amount of their remuneration shall be set annually at the General Shareholders' Meeting, and it may not be less than the remuneration set for the Company Directors, plus an additional 1/3 of that amount. The General Shareholders' Meeting shall determine a budget for the expenses of the Committee and its advisors. Such budget may not be less than the sum of the annual remunerations of the Committee members. The Committee may need to hire professional advisory services in order to carry out its duties in accordance with the abovementioned budget. The proposals made by the Committee to the Board of Directors that are not accepted by the latter must be reported to the shareholders' meeting prior to the vote by shareholders on the corresponding matter or matters. In addition to the responsibilities that are associated with the position of Director, the members of the Committee are jointly and severally liable for any damages they cause in performing their duties as such to the shareholders and to the Company.

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 lapses, but Chilean regulations establish that after five years, unclaimed dividends are to be donated to the fire department.

Article 5 of the Company's By-laws establishes that Series B shares may in no case exceed 50% of SQM's issued, outstanding and paid stock. 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 issued shares request so and 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. However, subject to the second transitory article of the Company's By-Laws, 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, with any excess being deducted from the number of shares such shareholder may 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 the Chilean Corporations Act, a company subject to the supervision of the CMF may be liquidated in the following cases:

- (a) Expiration of the duration term, if any, as established in its By-laws;
- (b) All the shares end up in the possession of one individual for more than ten continuous days;
- (c) By agreement of an Extraordinary Shareholders Meeting;
- (d) By abolition, pursuant to applicable laws, of the decree that authorized its existence;
- (e) 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 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.

Shareholders' Meetings

Article 29 of the Company's By-laws states that the call to a shareholders' meeting, either Ordinary or Extraordinary, will be by means of a highlighted public notice that will be published at least three times, and on different days, in the newspaper of the legal address determined by the shareholders' meeting, and in the way and under the conditions indicated by the regulations. Additionally, a notice will be sent by mail to each shareholder at least fifteen days prior to the date of the Meeting, which shall include a reference of the matters to be addressed at the meeting. However, those meetings with the full attendance of the shares with right to vote may be legally held, even if the foregoing formal notice requirements are not met. Notice of any shareholders' meeting shall be delivered to the CMF at least fifteen days in advance of such meeting.

Any holder of Series A and/or Series B shares registered in the Company's shareholder registry on the fifth business day prior to the date of the meeting will have a right to participate at that meeting

Article 67 of the Chilean Corporations Act provides that decisions made at Extraordinary Shareholders' Meeting on the following matters require the approval of 2/3 of the outstanding shares with voting rights: (1) transformation or division of the Company and its merger with another company; (2) modification of the Company's term of duration, if any; (3) early dissolution of the Company; (4) change of the corporate domicile; (5) capital decrease; (6) approval of contributions and estimation of non-cash assets; (7) modification of powers reserved for Shareholders Meetings or limitations on powers of the Board of Directors; (8) reduction in the number of members of the Board of Directors; (9) disposal of 50% or more of the Company's assets; formulation or modification of any business plan exceeding the above percentage; disposal of 50% or more of an asset belonging to a subsidiary that represents at least 20% of the Company's assets and disposal of shares of the referred subsidiary such that the parent company would lose its position as controller of the same; (10) method in which profits are distributed; (11) granting of real or personal guarantees as sureties for third-party obligations that exceed 50% of the Company assets, except for subsidiaries, in which case approval of the Board of Directors shall suffice; (12) acquisition of own shares as set forth in articles 27A and 27B of the said law; (13) other matters indicated in the By-laws; (14) amendment of the Company By-laws as a result of errors in the constitution process and amendments in the By-laws involving one or more of the matters stated in the preceding numbers; (15) forced sale of shares carried out by the controller who would acquire more than 95% of the Company's shares in a tender offer, and (16) approval or ratification of proceedings or contracts with related parties in accordance with the provisions of articles 44 and 147 of the Chilean Corporations Act.

Amendments to the By-laws that are intended to create, modify, defer or suspend preferential rights shall be approved by 2/3 of the shares of the affected Series.

The transformation of the Company, the merger of the same, the disposal of assets referred to in number (9) above, the constitution of guarantees set forth in number (11) above, the constitution of preferences or the increase, postponement or decrease of the existing preferences, the reparation of formal nullities incurred in the By-laws and the possession of more than 95% of the Company's shares and other matters contemplated in the Law or in the By-laws, confer "withdrawal rights."

Shareholders Restrictions

There are no restrictions on ownership or share concentration, or limiting the exercise of the related right to vote, by local or foreign shareholders other than those discussed under "—Shares"

Change in Control

The Company By-laws provide that no shareholder may hold more than 32% of the Company's shares, unless the By-laws are modified at an Extraordinary Shareholders' Meeting. Moreover, on December 12, 2000, the Chilean Government published the *Ley de Oferta Pública de Acciones* ("Public Share Offering Law") or (OPA law) that seeks to protect the interests of minority shareholders of open stock corporations in transactions involving a change in control, by requiring that the potential new controller purchase the shares owned by the remaining shareholders either in total or pro rata. The law applies to those transactions in which the controlling party would receive a material premium price compared with the price that would be received by the minority shareholders.

There are three conditions that would make it mandatory to operate under the OPA law:

- 1) When an investor wants to take control of a company's stock.
- 2) When a controlling shareholder holds two-thirds of the company's stock. If such shareholder buys one more share, it will be mandatory to offer to acquire the rest of the outstanding stock within 30 days of surpassing that threshold.
- 3) When an investor wants to take control of a corporation, which, in turn, controls an open stock corporation that represents 75% or more of the consolidated assets of the former corporation.

Parties interested in taking control of a company must (i) notify the company of such intention in writing, and notify its controllers, the companies controlled by it, the CMF and the markets where its stocks are traded and (ii) publish a highlighted public notice in two newspapers of national circulation at least 10 business days prior to the date of materialization of the OPA.

Board Protocol for Presentation and Use of Sensitive Information

On December 5, 2018, Inversiones TLC SpA, a subsidiary of Tianqi, acquired 62,556,568 Series A shares of the Company, representing approximately 23.77% of the total shares issued by SQM. In connection with the acquisition, Tianqi entered into and Extrajudicial Agreement with the FNE with respect to the implementation of certain measures to maintain competitive market conditions and mitigate any risks identified in the transaction, having as a fundamental principle the limitation of access to commercially sensitive information of SQM by Tianqi. For a description of the Extrajudicial Agreement, see "Item 7.A. Major Shareholders — Tianqi Extrajudicial Agreement with the FNE." Before this acquisition, and after the approval of this transaction by the Chilean Antitrust Court, 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 (as defined in the Extrajudicial Agreement), which was amended on April 15, 2019 in response to comments received from the CMF. The amendment was subsequently approved by the Board on September 30, 2019.

10.C Material Contracts

The Company, during the normal course of business, has entered into different contracts, some of which have been described herein, related to its production, commercial and legal operations. We believe all of these contracts are standard for this type of industry, and none of them is expected to have a material effect on the Company's results of operations. For a description of the Lease Agreement and Project Agreement with Corfo providing for our rights to exploit mineral resources in the Salar de Atacama, see "Item 3.D. Risk Factors, "Our inability to extend it 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." and "Item 4.D. Property, Plant and Equipment."

10.E Exchange Controls

The Central Bank of Chile is responsible for, among other things, monetary policies and exchange controls in Chile. Appropriate registration of a foreign investment in Chile permits the investor access to the Formal Exchange Market. Foreign investments can be registered with the Foreign Investment Committee under Decree Law No. 600 of 1974, as amended, or can be registered with the Central Bank of Chile under the Central Bank Act, Law No 18,840 of October 1989. The Central Bank Act is an organic constitutional law requiring a "special majority" vote of the Chilean Congress to be modified. Effective January 1, 2016, Decree Law No. 600 was repealed by Article 9 of the 2014 Tax Reform. Therefore, foreign investments made on or after January 1, 2016 cannot be registered with the Foreign Investment Committee.

Our 1993, 1995, 1998 and 2021 capital increases were carried out under and subject to the then current legal regulations, whose summary is hereafter included:

A *Convención Capítulo XXVI del Título 1 del Compendio de Normas de Cambios Internacionales* or Compendium of Foreign Exchange Regulations of the Central Bank of Chile the "Foreign Investment Contract", was entered into and among the Central Bank of Chile, our Company and the Depository pursuant to Article 47 of the Central Bank Act and to Chapter XXVI of the Compendium of Foreign Exchange Regulations of the Central Bank of Chile, "Chapter XXVI," which addresses the issuance of ADSs by a Chilean company. Absent the Foreign Investment Contract, under applicable Chilean exchange controls, investors would not be granted access to the Formal Exchange Market for the purposes of converting from Chilean pesos to U.S. dollars and repatriating from Chile amounts received in respect to deposited Series B shares, or Series B shares withdrawn from deposit on surrender of ADSs (including amounts received as cash dividends and proceeds from the sale in Chile of the underlying Series B shares and any rights arising therefrom). The following is a summary of the material provisions contained in the Foreign Investment Contract. This summary does not purport to be complete and is qualified in its entirety by reference to Chapter XXVI and the Foreign Investment Contract.

Under Chapter XXVI and the Foreign Investment Contract, the Central Bank of Chile has agreed to grant to the Depository, on behalf of ADS holders, and to any investor not residing or not domiciled in Chile who withdraws Series B shares upon delivery of ADSs (such Series B shares being referred to herein as "Withdrawn Shares") access to the Formal Exchange Market to convert Chilean pesos to U.S. dollars (and remit such U.S. dollars outside of Chile) in respect of the Withdrawn Shares, including amounts received as (a) cash dividends, (b) proceeds from the sale in Chile of Withdrawn Shares, or from shares distributed because of the liquidation, merger or consolidation of the Company, subject to receipt by the Central Bank of Chile of a certificate from the holder of such shares (or from an institution authorized by the Central Bank of Chile) that such holder's residence and domicile are outside Chile and a certificate from a Chilean stock exchange (or from a brokerage or securities firm established in Chile) that such shares were sold on a Chilean Exchange, (c) proceeds from the sale in Chile of preemptive rights to subscribe for additional Series A and Series B shares, (d) proceeds from the liquidation, merger or consolidation of the Company and (e) other distributions, including without limitation those resulting from any recapitalization, as a result of holding Withdrawn Shares. Transferees of Withdrawn Shares will not be entitled to any of the foregoing rights under Chapter XXVI unless the Withdrawn Shares are redeposited with the Depository. Investors receiving Withdrawn Shares in exchange for ADSs will have the right to redeposit such shares in exchange for ADSs, provided that the conditions to redeposit described hereunder are satisfied.

Chapter XXVI provided that access to the Formal Exchange Market in connection with dividend payments will be conditioned upon certification by the Company to the Central Bank of Chile that a dividend payment has been made and any applicable tax has been withheld. Chapter XXVI also provided that access to the Formal Exchange Market in connection with the sale of Withdrawn Shares or distributions thereon will be conditioned upon receipt by the Central Bank of Chile of certification by the Depository that such shares have been withdrawn in exchange for ADSs and receipt of a waiver of the benefit of the Foreign Investment Contract with respect thereto until such Withdrawn Shares are redeposited.

Chapter XXVI and the Foreign Investment Contract provide that a person who brings certain types of foreign currency into Chile, including U.S. dollars, to purchase Series B shares with the benefit of the Foreign Investment Contract must convert it into Chilean pesos on the same date and has 5 banking business days within which to invest in Series B shares in order to receive the benefits of the Foreign Investment Contract. If such person decides within such period not to acquire Series B shares, he can access the Formal Exchange Market to reacquire foreign currency, provided that the applicable request is presented to the Central Bank within 7 banking business days of the initial conversion into Chilean pesos. Series B shares acquired as described above may be deposited for ADSs and receive the benefits of the Foreign Investment Contract, subject to receipt by the Central Bank of Chile of a certificate from the Depository that such deposit has been effected and that the related ADSs have been issued and receipt by the Custodian of a declaration from the person making such deposit waiving the benefits of the Foreign Investment Contract with respect to the deposited Series B shares.

Access to the Formal Exchange Market under any of the circumstances described above is not automatic. Pursuant to Chapter XXVI, such access requires approval of the Central Bank of Chile based on a request presented through a banking institution established in Chile. The Foreign Investment Contract will provide that if the Central Bank of Chile has not acted on such request within seven banking days, the request will be deemed approved.

Under current Chilean law, foreign investments abiding by the Foreign Investment Contract cannot be changed unilaterally by the Central Bank of Chile. No assurance can be given, however, that additional Chilean restrictions applicable to the holders of ADSs, the disposition of underlying Series B shares or the repatriation of the proceeds from such disposition could not be imposed in the future, nor can there be any assessment of the duration or impact of such restrictions if imposed.

As of April 19, 2001, Chapter XXVI of Title I of the *Compendio de Normas de Cambios Internacionales* of the Central Bank of Chile was eliminated and new investments in ADSs by non-residents of Chile, are now governed by Chapter XIV of the *Compendio de Normas de Cambios Internacionales* of the Central Bank of Chile. This was made with the purpose of simplifying and facilitating the flow of capital to and from Chile. According to the new regulations, such investments must be carried out through Chile's Formal Exchange Market and only reported to the Central Bank of Chile.

The Central Bank is also responsible for controlling incurrence of loan obligations to be paid from Chile and by a Chilean borrower to banks and certain other financial institutions outside Chile. Chapter XIV establishes what type of loans, investments, capital increases and foreign currency transactions are subject to the current Chapter XIV framework. Foreign currency transactions related to foreign loans must be performed through the Formal Exchange Market, and such transactions and the subsequent modifications of original loans must be properly informed to the Central Bank. Transactions prior to April 19, 2001, will continue to be regulated by the previous legal framework, except in cases where an express request has been presented to the Central Bank resigning previous rights to be regulated by the provisions of Chapter XIV. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of Chapter XIV.

As of December 31, 2021, we had five series of bonds issued in the international markets under Rule 144A/Regulation S in the principal amounts of US\$250 million, US\$250 million, US\$300 million US\$450 million and US\$700 million.

Any purchases of U.S. dollars in connection with payments on these loans will occur with the Formal Exchange Market. There can be no assurance, however, that restrictions applicable to payments in respect to the loans could not be imposed in the future, nor can there be any assessment of the duration or impact of such restrictions if imposed.

10. ETaxation

Material Chilean Tax Considerations

The following describes the material Chilean income tax consequences of an investment in SQM ADSs by an individual who is not domiciled or resident in Chile or any legal entity that is not organized under the laws of Chile and does not have a permanent establishment located in Chile, a ("foreign holder"). This discussion is based upon Chilean income tax laws presently in force, including Ruling No. 324 (1990) of the Chilean Internal Revenue Service and other applicable regulations and rulings. The discussion is not intended as tax advice to any particular investor, which can be rendered only in light of that investor's particular tax situation.

Under Chilean law, provisions contained in statutes such as tax rates applicable to foreign holders, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may only be amended by another statute. In addition, the Chilean tax authorities issue rulings and regulations of either general or specific application and interpret the provisions of Chilean tax law. Chilean tax may not be assessed retroactively against taxpayers who act in good faith relying on such rulings, regulations and interpretations, but Chilean tax authorities may change said rulings, regulations and interpretations prospectively.

Cash Dividends and Other Distributions

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 like SQM are subject to the partially integrated shareholder income tax regime. The corporate tax rate applicable to us increased to a rate of 27% in 2018 and remains the same today.

Under the partially integrated system, the tax burden for dividends distributed by companies to their final shareholders (*i.e.*, taxpayers of the Additional Tax (non-residents) or the Complementary Global Tax (resident natural persons)) allows only a portion of the Chilean corporate income tax paid by the company to be applied as a credit against the tax payable on dividends, unless the shareholder is resident in a country that has a treaty to prevent double taxation with Chile in effect or such treaty was signed before January 1, 2020, even if not yet in effect. In such case, 100% of the Chilean corporate income tax paid by the company may be applied as a credit against the shareholder's taxes payable on dividends.

As a result of the foregoing, foreign shareholders who are residents of a jurisdiction without a tax treaty will be subject to a higher effective tax rate on dividends than residents of jurisdictions with tax treaties.

In the case of U.S. investors, a tax treaty between the United States and Chile was signed prior to January 1, 2020, such that shareholders resident in the United States can allocate 100% of the Chilean corporate tax paid by the Company against the Additional Tax levied on dividends.

Cash dividends paid by the Company with respect to the shares, including shares represented by ADSs held by a U.S. Holder (as defined below), will be subject to a 35% Chilean withholding tax, which is withheld and paid by the Company (the "Withholding Tax"). The effective rate of Withholding Tax imposed on dividends attributed to 2021 earnings of the Company and distributed during the same period was 23.90412%.

Capital Gains

Gains from the sale or other disposition by a foreign holder of ADSs outside Chile will not be subject to Chilean taxation. The deposit and withdrawal of the shares in exchange for ADRs will not be subject to any Chilean taxes.

The tax basis of the shares received in exchange for ADSs (repatriation) will be the acquisition value of the shares. The Series B shares exchanged for ADSs are valued at the highest price at which they trade on the Chilean Stock Exchange on the date of the exchange or on either of the two business days preceding the exchange. Consequently, the conversion of ADSs into the shares and the immediate sale of such shares at a price equal to or less than the highest price for Series B shares on the Chilean Stock Exchange on such dates will not generate a gain subject to Chilean taxation.

The general tax regime for the higher value or gain recognized in a transfer of shares (as opposed to sales or exchanges of ADSs that represent those shares) in force as of this date, is subject to both the First Category Tax and the Additional Tax. The amount of the First Category Tax may be credited against the amount of the Additional Tax.

However, the profit obtained from the disposal in the stock exchange or in a public offer governed by the Securities Law of shares of open corporations with a high presence in the stock market is not subject to income tax in Chile. Law No. 20,448 establishes that the shares must also have been acquired after April 19, 2001, in a local stock exchange authorized by the CMF, within the process known as the public offering of ordinary shares governed by the Chilean Securities Market Law, in an initial public offering of common shares resulting from the formation of a corporation or a capital increase thereof, in an exchange of convertible securities subject to public offering, or in the redemption of shares of mutual funds. According to Ruling No. 224 (2008) of the Chilean Internal Revenue Service, the shares received by exchange of ADRs are also considered as "acquired in a stock exchange" if the respective ADRs have been acquired in a stock exchange authorized by the CMF (for example, the London Stock Exchange, the New York Stock Exchange or the Madrid Stock Exchange). Common shares are considered to have a high presence in the stock market when: (a) they are registered in the Security Registry, (b) they are registered in the Chilean Stock Exchange, and (c) they have an adjusted stock market presence equal to or higher than 25%.

As of June 19, 2001, the highest value obtained in the disposal of shares listed on a stock exchange are also exempt from income tax in Chile, when the disposal is carried out by "foreign institutional investors", such as mutual funds and pension funds, provided that the sale is made in a local stock exchange authorized by the CMF, or in accordance with the provisions of the Securities Market Law (Law No. 18,045). To qualify as foreign institutional investors, the aforementioned entities must be formed outside of Chile, not have a domicile in Chile, and must be an "investment fund" under Chilean tax law.

On February 2, 2022, Law No. 21,420 was published, which, among other matters, introduced modifications to the tax regime applicable to the sale on the stock exchange or in a process of public offering of shares of corporations with stock market presence, established in article 107 of the Chilean Income Tax Law. Pursuant to this amendment, the highest value or gain obtained will be subject to a single 10% tax. This tax must be withheld by the intervening purchaser or stockbroker, at a rate of 10% calculated on the highest value, if the latter is known on the date of payment of the price, remittance, credit to account or provision, or , with a rate of 1% on the total price, without any deduction, if the highest value is not known on that same date.

For purposes of determining the highest value subject to the tax at a rate of 10%, the amendment introduced by Law No. 21,420 provides that taxpayers with domicile or residence in Chile may consider as acquisition and/or contribution value, at their option:

a) The official closing price of the respective securities, as of December 31 of the year of acquisition, considering first the oldest securities according to their date of acquisition, which may be proposed by the Chilean tax authority in the income statement of the corresponding tax year by virtue of the information that said authority has at its disposal. Said proposal will not release the taxpayer from supplementing or adjusting the corresponding information in accordance with the general rules; or

b) The value of acquisition and/or contribution in accordance with the general regulations established in the Income Tax Law.

Regarding taxpayers without domicile or residence in Chile, for purposes of determining the highest value subject to the single tax with a rate of 10%, they must consider the value of acquisition and/or contribution in accordance with letter b) above."

This modification will take effect on September 1, 2022 and will apply to disposals made after that date.

Other Chilean Taxes

No Chilean inheritance, gift or succession taxes apply to the transfer or disposition of the ADSs by a foreign holder, but such taxes generally will apply to the transfer at death or by gift of the shares by a foreign holder. No Chilean stamp, issue, registration or similar taxes or duties apply to foreign holders of ADSs or shares.

Withholding Tax Certificates

Upon request, the Company will provide to foreign holders appropriate documentation evidencing the payment of Chilean withholding taxes.

Material U.S. Federal Income Tax Considerations

The following discussion summarizes the material U.S. federal income tax consequences to U.S. Holders (defined below) arising from ownership and disposition of the Series A shares and the Series B common shares, together the "shares", and the ADSs. The discussion which follows is based on the U.S. Internal Revenue Code of 1986, as amended, the "Code," the Treasury regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect and available on the date hereof. These authorities are subject to change, possibly with retroactive effect, which could affect the continued validity of this summary. In addition, the summary assumes that the depositary's activities are clearly and appropriately defined so as to ensure that the U.S. federal income tax treatment of ADSs will be identical to the U.S. federal income tax treatment of the underlying shares.

The discussion that follows is not intended as tax advice to any particular investor and is limited to investors who will hold the shares or ADSs as "capital assets" within the meaning of Section 1221 of the Code and whose functional currency is the U.S. dollar. The summary does not address the tax treatment of holders that may be subject to special U.S. federal income tax rules, such as insurance companies, tax-exempt organizations, financial institutions, persons who are subject to the alternative minimum tax, persons who are broker-dealers in securities or foreign currency or dealers and traders in securities who use a mark-to-market method of tax accounting, persons who hold the shares or ADSs as a hedge against currency risks, as a position in a "straddle" for tax purposes, or as part of a conversion or other integrated transaction, persons holding our shares or ADSs in connection with a trade or business conducted outside of the U.S., partnerships or other entities classified as partnerships or other pass-through entities for U.S. federal income tax purposes or partners in such partnerships or entities, or persons who own (directly, indirectly or by attribution) 10% or more of the combined voting power of all classes of equity in the Company or 10% or more of the combined value of all classes of equity in the Company. PERSONS OR ENTITIES DESCRIBED ABOVE, INCLUDING PARTNERSHIPS HOLDING SHARES OR ADSs OR PARTNERS IN SUCH PARTNERSHIPS, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES OF HOLDING AND DISPOSING OF SHARES OR ADSs.

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of shares or ADSs that is, for U.S. federal income tax purposes, (a) an individual who is a U.S. citizen or resident, (b) a corporation or other entity taxable as a corporation created or organized under the laws of the U.S. or any political subdivision thereof, (c) an estate, the income of which is subject to U.S. federal income tax regardless of the source, or (d) a trust (i) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes or (ii) if (A) a court within the U.S. is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds shares or ADSs, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the tax treatment of the partnership. Such a partner or partnership should consult its own tax advisor as to its consequences.

As of this date, there is currently no applicable income tax treaty in effect between the United States and Chile. However, in 2010, the U.S. and Chile signed an income tax treaty that will enter into force once the treaty is ratified by both countries. There can be no assurance that the treaty will be ratified by either country. The following summary assumes that there is no applicable income tax treaty in effect between the U.S. and Chile.

The discussion below does not address the effect of any U.S. state, local, estate or gift tax law or non-U.S. tax law or tax considerations that arise from rules of general application to all taxpayers on a U.S. Holder of the shares or ADSs. U.S. HOLDERS OF SHARES OR ADSs SHOULD CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR CONSEQUENCES UNDER ANY SUCH LAW OF OWNING OR DISPOSING THE SHARES OR ADSs.

For purposes of applying U.S. federal income tax law, any U.S. Holder of an ADS generally will be treated as the owner of the underlying shares represented thereby. The U.S. Treasury has expressed concerns that parties to whom ADSs are released before shares are delivered to the depository (pre-release) or intermediaries in the chain of ownership between beneficial owners and the issuer of the security underlying the ADSs may be taking actions that are inconsistent with the claiming of foreign tax credits for beneficial owners of depository shares. Such actions would also be inconsistent with the claiming of the reduced tax rate, described below, applicable to dividends received by certain non-corporate beneficial owners. Accordingly, the analysis of the creditability of Chilean taxes, and the availability of the reduced tax rate for dividends received by certain non-corporate holders, each described below, could be affected by actions taken by such parties or intermediaries.

Cash Dividends and Other Distributions

The following discussion of cash dividends and other distributions is subject to the discussion below under “Passive Foreign Investment Company Rules.” Distributions received by a U.S. Holder on shares or ADSs, including the amount of any Chilean taxes withheld, other than certain pro rata distributions of shares to all shareholders, will constitute foreign-source income to the extent paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. The amount of dividend income paid in Chilean pesos that a U.S. Holder will be required to include in income will equal the U.S. dollar value of the distributed Chilean peso, calculated by reference to the exchange rate in effect on the date the payment is received, regardless of whether the payment is converted into U.S. dollars on the date of receipt. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder will generally not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of its receipt, which would be ordinary income or loss and would be treated as income from U.S. sources for foreign tax credit purposes. Dividends will be included in a U.S. Holder’s income on the date of the U.S. Holder’s, or in the case of ADSs, the depository’s, receipt of the dividend. Corporate U.S. Holders will not be entitled to claim the dividends-received deduction with respect to dividends paid by us.

Subject to certain exceptions for short-term and hedged positions, the discussion above regarding concerns expressed by the U.S. Treasury and the discussion below regarding rules intended to be promulgated by the U.S. Treasury, the U.S. dollar amount of dividends received by a noncorporate U.S. Holder in respect of our shares or ADSs generally will be subject to taxation at preferential rates if the dividends are “qualified dividends.” Dividends paid on our ADSs generally will be treated as qualified dividends if (i) our ADSs are readily tradable on an established securities market in the U.S. (ii) SQM was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (“PFIC”) and (iii) the holder thereof has satisfied certain holding period requirements. Our ADSs are listed on the New York Stock Exchange and generally will qualify as readily tradable on an established securities market in the U.S. so long as they are so listed. We do not believe that we were a PFIC for U.S. federal income tax purposes with respect to our 2020 taxable year. In addition, based on our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not anticipate becoming a PFIC for our 2021 taxable year. However, because PFIC status depends upon the composition of a company’s income and assets and the market value of its assets from time to time, and because it is unclear whether certain types of our income constitute passive income for PFIC purposes, there can be no assurance that we will not be considered a PFIC for any current, prior or future taxable year. Based on existing guidance, it is not entirely clear whether dividends received with respect to our shares will be treated as qualified dividends, because our shares are not themselves listed on a U.S. exchange. In addition, the U.S. Treasury has announced its intention to promulgate rules pursuant to which holders of ADSs and intermediaries through whom such securities are held will be permitted to rely on certifications from issuers to establish that dividends are treated as qualified dividends. Because such procedures have not yet been issued, it is not clear whether we will be able to comply with them. A U.S. HOLDER SHOULD CONSULT ITS TAX ADVISORS TO DETERMINE WHETHER THE FAVORABLE RATE WILL APPLY TO DIVIDENDS IT RECEIVES AND WHETHER IT IS SUBJECT TO ANY SPECIAL RULES THAT LIMIT ITS ABILITY TO BE TAXED AT THIS FAVORABLE RATE.

The amount of a dividend generally will be treated as foreign-source dividend income to a U.S. Holder for foreign tax credit purposes. As discussed in more detail below under “—Foreign Tax Credits,” it is not free from doubt whether Chilean withholding taxes imposed on distributions on our shares or ADSs will be treated as income taxes eligible for a foreign tax credit for U.S. federal income tax purposes. If a Chilean withholding tax is treated as an eligible foreign income tax, subject to generally applicable limitations, you may claim a credit against your U.S. federal income tax liability for the eligible Chilean taxes withheld from distributions on our shares or ADSs. If the dividends are taxed as qualified dividend income (as discussed above), special rules will apply in determining the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation. THE RULES RELATING TO FOREIGN TAX CREDITS ARE COMPLEX. YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISORS REGARDING THE TREATMENT OF CHILEAN WITHHOLDING TAXES IMPOSED ON DISTRIBUTIONS ON OUR SHARES OR ADSs.

Sale or Other Disposition of our Shares or ADSs

For U.S. federal income tax purposes, the gain or loss a U.S. Holder realizes on the sale or other disposition of our shares or ADSs generally will be U.S.-source capital gain or loss for foreign tax credit purposes, and generally will be a long-term capital gain or loss if the U.S. Holder has held our shares or ADSs for more than one year. The amount of a U.S. Holder’s gain or loss will equal the difference between the U.S. Holder’s tax basis in our shares or ADSs disposed of and the amount realized on the disposition (including any amount withheld in respect of Chilean withholding taxes), in each case as determined in U.S. dollars.

In certain circumstances, Chilean taxes may be imposed upon the sale of shares. See “—Material Chilean Tax Considerations—Capital Gains” above. As discussed in more detail below under “—Foreign Tax Credits,” subject to generally applicable limitations and substantiation requirements, a U.S. Holder may be eligible to claim a credit against its U.S. federal income tax liability for the eligible Chilean taxes withheld pursuant to a sale or other disposition of our shares or ADSs. U.S. HOLDERS ARE URGED TO CONSULT THEIR OWN U.S. TAX ADVISORS WITH RESPECT TO THE PARTICULAR CONSEQUENCES TO THEM OF OWNING OR DISPOSING OF OUR SHARES OR ADSs.

Foreign Tax Credits

Subject to applicable limitations that may vary depending upon a U.S. Holder’s circumstances and subject to the discussion above regarding concerns expressed by the U.S. Treasury, you may be eligible to claim a credit against your U.S. tax liability for Chilean income taxes (or taxes imposed in lieu of an income tax) imposed in connection with distributions on and proceeds from the sale or other disposition of our shares or ADSs. Chilean dividend withholding taxes generally are expected to be income taxes eligible for the foreign tax credit. The Chilean capital gains tax is likely to be treated as an income tax (or a tax paid in lieu of an income tax) and thus eligible for the foreign tax credit; however, you generally may claim a foreign tax credit only after taking into account any available opportunity to reduce the Chilean capital gains tax, such as the reduction for the credit for Chilean corporate income tax that is taken into account when calculating Chilean withholding tax. If a Chilean tax is imposed on the sale or disposition of our shares or ADSs, and a U.S. Holder does not receive significant foreign source income from other sources, such U.S. Holder may not be able to credit such Chilean tax against its U.S. federal income tax liability. If a Chilean tax is not treated as an income tax (or a tax paid in lieu of an income tax) for U.S. federal income tax purposes, a U.S. Holder would be unable to claim a foreign tax credit for any such Chilean tax withheld; however, a U.S. Holder may be able to deduct such tax in computing its U.S. federal income tax liability, subject to applicable limitations. In addition, instead of claiming a credit, a U.S. Holder may, at the U.S. Holder’s election, deduct such Chilean taxes in computing the U.S. Holder’s taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all taxes paid or accrued in the taxable year to foreign countries and possessions of the U.S. THE CALCULATION OF FOREIGN TAX CREDITS AND, IN THE CASE OF A U.S. HOLDER THAT ELECTS TO DEDUCT FOREIGN INCOME TAXES, THE AVAILABILITY OF DEDUCTIONS, INVOLVES THE APPLICATION OF COMPLEX RULES THAT DEPEND ON YOUR PARTICULAR CIRCUMSTANCES. U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE AVAILABILITY OF FOREIGN TAX CREDITS IN THEIR PARTICULAR CIRCUMSTANCES.

Passive Foreign Investment Company Rules

We do not expect to be a PFIC for U.S. federal income tax purposes for our 2020 taxable year and do not anticipate being a PFIC for our 2021 taxable year. However, because PFIC status depends upon the composition of a company's income and assets and the market value of its assets from time to time, and because it is unclear whether certain types of our income constitute passive income for PFIC purposes, there can be no assurance that we will not be considered a PFIC for any current, prior or future taxable year. If we were a PFIC for any taxable year during which a U.S. Holder held our shares or ADSs, certain adverse consequences could apply to the U.S. Holder, including the imposition of higher amounts of tax than would otherwise apply, and additional filing requirements. In addition, if we were treated as a PFIC in a taxable year in which we pay a dividend or in the prior taxable year, the favorable dividend rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply (see "—Cash Dividends and Other Distributions" above). A U.S. Holder should consult its tax advisors regarding the consequences to it if we were a PFIC, as well as the availability and advisability of making any election that might mitigate the adverse consequences of PFIC status.

Information Reporting and Backup Withholding

Required Disclosure with Respect to Foreign Financial Assets

Certain U.S. Holders are required to report information relating to an interest in our shares or ADSs, subject to certain exceptions (including an exception for our shares or ADSs held in accounts maintained by certain financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in our shares or ADSs. U.S. HOLDERS ARE URGED TO CONSULT THEIR OWN U.S. TAX ADVISORS REGARDING INFORMATION REPORTING REQUIREMENTS RELATING TO THEIR OWNERSHIP OF OUR SHARES OR ADSs.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the U.S. or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (i) the U.S. Holder is an exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the U.S. Internal Revenue Service.

Medicare Contribution Tax

Legislation enacted in 2010 generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from dividends and net gain attributable to the disposition of certain property, like our shares or ADSs, less certain deductions. A U.S. Holder should consult the U.S. Holder's tax advisor regarding the possible application of this legislation in the U.S. Holder's particular circumstances.

10.F.Dividends and Paying Agents

Not applicable.

10.G.Statement by Experts

Not applicable.

10.H.Documents on Display

We are subject to the information requirements of the Exchange Act, except that as a foreign issuer, we are not subject to the SEC proxy rules (other than general anti-fraud rules) or the short-swing profit disclosure rules of the Exchange Act. In accordance with these statutory requirements, we file or furnish reports and other information with the SEC. Reports, information statements and other information we filed with or furnish to the SEC are available electronically on the SEC's website <http://www.sec.gov>, and on our website www.sqm.com.

Subsidiary Information

See "Item 4.C. Organizational Structure."

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See "Cautionary Statement Regarding Forward-Looking Statements" in this Annual Report, for safe harbor provisions. For information regarding quantitative and qualitative information about market risk, see Note 4 to our Consolidated Financial Statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

ITEM 12.A. DEBT SECURITIES

Not applicable.

ITEM 12.B. WARRANTS AND RIGHTS

Not applicable.

ITEM 12.C. OTHER SECURITIES

Not applicable.

ITEM 12.D. AMERICAN DEPOSITARY RECEIPTS

Depository Fees and Charges

The Company's American Depositary Shares ("ADS") program is administered by The Bank of New York Mellon (240 Greenwich Street, 8 Fl. W., New York, NY 10286), as Depositary. Under the terms of the Deposit Agreement, an ADS holder may have to pay the following service fees to the Depositary:

Service Fees

Execution and delivery of ADSs and the surrender of ADRs

Fees

Up to US\$0.05 per share

Depository Payments Fiscal Year 2021

The Depository has agreed to reimburse certain expenses related to the Company's ADS program and incurred by the Company in connection with the program. In 2020, the Depository reimbursed expenses related to investor relations for a total amount of US\$202,979.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Control and Procedures

SQM management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer and other members of the Company's executive management, evaluated the effectiveness of our disclosure controls and procedures, pursuant to Rule 13a-15(b) promulgated under the Exchange Act, as of the end of the period covered by this Annual Report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective in providing reasonable assurance that material information is made known to management and that financial and non-financial information is properly recorded, processed, summarized and reported as of December 31, 2021.

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management of the Company, with the participation of its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. However, through the same design and evaluation period of the disclosure controls and procedures, the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, recognized that there are inherent limitations to the effectiveness of any control system regardless of how well designed and operated. In such a way they can provide only reasonable assurance of achieving the desired control objectives, and no evaluation can provide absolute assurance that all control issues or instances of fraud, if any, within the Company have been detected.

(b) Management's Annual Report on Internal Control Over Financial Reporting

SQM management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not necessarily prevent or detect some misstatements. It can only provide reasonable assurance regarding financial statement preparation and presentation. Also, projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate over time.

Management assessed the effectiveness of its internal control over financial reporting as of December 31, 2021. The assessment was based on criteria established in the framework "Internal Controls — Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the assessment, SQM management has concluded that as of December 31, 2021, the Company's internal control over financial reporting was effective.

(c) Attestation Report of the Registered Public Accounting Firm

For the report of PricewaterhouseCoopers Consultores Auditores SpA, independent registered public accounting firm on the effectiveness of our internal control over financial reporting as of December 31, 2021, see page F-1 of our Audited Consolidated Financial Statements.

(d) Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the period covered by this Annual Report that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

ITEM 16. [Reserved]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors has determined that the Company does not have an audit committee financial expert within the meaning of the regulations adopted under the Sarbanes-Oxley Act of 2002.

Pursuant to Chilean regulations, the Company has a Directors' Committee whose main duties are similar to those of an audit committee. Each of the members of the Directors' Committee is a member of the audit committee. See "Item 6.C. Board Practices."

Our Board believes that the members of the Directors' Committee have the necessary expertise and experience to perform the functions of the Directors' Committee pursuant to Chilean regulations.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct that applies to the Chief Executive Officer, the Chief Financial Officer, the Internal Auditor as well as all our officers and employees. Our Code adheres to the definition set forth in Item 16B. of Form 20-F under the Exchange Act.

No waivers have been granted therefrom to the officers mentioned above.

The full text of the Code is available on our website at <http://www.sqm.com> in the Investor Relations section under "Corporate Governance."

Amendments to, or waivers from, one or more provisions of the Code will be disclosed on our website.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The table shows the amount of fees billed to SQM by our independent auditors, PwC for the 2021 and 2020 fiscal years, in relation to audit, tax and other assurance services provided to us (in thousands of US\$):

	<u>2021</u>	<u>2020</u>
Audit fees	1,361	1,343
Tax fees	157	255
All other fees	18	70
Total fees	<u>1,536</u>	<u>1,668</u>

Audit fees in the above table are the fees approved by the Directors' Committee for PwC in 2021 and 2020 in connection with the audits of our annual consolidated financial statements

Tax fees and all other fees in the above table are aggregate fees approved by the Directors' Committee for PwC in 2021 and 2020 in connection with services such as transfer pricing and other assurance services that were not related to the audit. These fees were pre-approved by the Directors' Committee in accordance with our pre-approval policies and procedures.

Directors' Committee Pre-Approval Policies and Procedures.

Chilean law states that public companies are subject to "pre-approval" requirements under which all audit and non-audit services provided by the independent auditor must be pre-approved by the Directors' Committee. Our Directors' Committee approves all audits, audit related, tax and other services provided by our auditors.

Any services provided by our auditors that are not specifically included within the scope of the audit must be pre-approved by the Directors' Committee prior to any engagement.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

For a summary of the significant differences between our corporate governance practices and the NYSE corporate governance standards, see "Item 6.C. Board Practices."

ITEM 16H. MINE SAFETY AND DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

See “Item 18. Financial Statements.”

ITEM 18. FINANCIAL STATEMENTS

For a list of all financial statements filed as part of this Form 20-F Annual Report, see “Item 19. Exhibits.”

ITEM 19. EXHIBITS

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*All other schedules have been omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or notes thereto.

(b) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
1.1	By-laws (Estatutos) of the Company, as amended effective as of January 22, 2021, filed as Exhibit 1.1 to the Company's Annual Report on Form 20-F for the year ended December 31, 2020, is incorporated herein by reference.
2.1	Description of the Company's Securities Registered Under Section 12 of the Securities Exchange Act of 1934, as amended.
8.1	Significant subsidiaries of the Company
12.1	Section 302 Chief Executive Officer Certification
12.2	Section 302 Chief Financial Officer Certification
13.1	Section 906 Chief Executive Officer Certification
13.2	Section 906 Chief Financial Officer Certification
23.1	Consent of PricewaterhouseCoopers Consultores Auditores SpA, independent registered public accounting firm
23.2.	Consent of Alvaro Henriquez, WSP Ambiental S.A., regarding the Nueva Victoria property Technical Report Summary filed as Exhibit 23.1 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.3	Consent of Alvaro Henriquez, WSP Ambiental S.A., regarding the Salar de Atacama property Technical Report Summary filed as Exhibit 23.2 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.4	Consent of Alvaro Henriquez, WSP Ambiental S.A., regarding the Pampa Orcoma property Technical Report Summary filed as Exhibit 23.3 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.5	Consent of Rodrigo Riquelme Tapia, Geoinnova, regarding the Salar de Atacama property Technical Report Summary, filed as Exhibit 23.4 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.6	Consent of Gino Slanzi, WSP Ambiental S.A., regarding the Salar de Atacama property Technical Report Summary filed as Exhibit 23.5 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.7	Consent of Gino Slanzi, WSP Ambiental S.A., regarding the Pampa Orcoma property Technical Report Summary filed as Exhibit 23.6 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.8	Consent of Gino Slanzi, WSP Ambiental S.A., regarding the Nueva Victoria property Technical Report Summary filed as Exhibit 23.7 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.9	Consent of Donald Hulse, WSP Ambiental S.A., regarding the Pampa Orcoma property Technical Report Summary filed as Exhibit 23.8 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.10	Consent of David Billington, Covalent Lithium, regarding the Mt. Holland Lithium Project Technical Report Summary, filed as Exhibit 23.9 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.11	Consent of Kerry Griffin, Mining Plus Ltd., regarding the Mt. Holland Lithium Project Technical Report Summary, filed as Exhibit 23.10 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.12	Consent of Andrés Fock, SQM, regarding the Mt. Holland Lithium Project Technical Report Summary, filed as Exhibit 23.11 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
23.13	Consent of Donald Hulse, WSP Ambiental S.A., regarding the Nueva Victoria property Technical Report Summary filed as Exhibit 23.12 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
96.1	Technical Report Summary regarding the Salar de Atacama property, prepared by WSP Ambiental S.A., dated April 25, 2022, filed as Exhibit 96.1 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
96.2	Technical Report Summary regarding the Mt. Holland Lithium Project, prepared by SQM., dated April 25, 2022, filed as Exhibit 96.2 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
96.3	Technical Report Summary regarding the Pampa Orcoma property, prepared by WSP Ambiental S.A., dated April 25, 2022, filed as Exhibit 96.3 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
96.4	Technical Report Summary regarding the Nueva Victoria property, prepared by WSP Ambiental S.A., dated April 25, 2022, filed as Exhibit 96.4 to the Company's Report on Form 6-K on April 25, 2022, is incorporated herein by reference.
99.1	Corporate Governance Agreement, filed as Exhibit 99.4 to the Company's Annual Report on Form 20-F for the year ended December 31, 2016, is incorporated herein by reference.

[99.2](#) [Pampa Group Agreement, filed as Exhibit 99.5 to the Company's Annual Report on Form 20-F for the year ended December 31, 2017, is incorporated herein by reference.](#)

101.INS	Inline XBRL Instance Document - The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DER	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Inline Cover Page Interactive Data File – The Cover Page

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.
(CHEMICAL AND MINING COMPANY OF CHILE INC.)**

/s/ Gerardo Illanes

**Gerardo Illanes G.
Chief Financial Officer**

Date: April 25, 2022



CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021

Sociedad Química y Minera de Chile S.A. and Subsidiaries
In Thousands of United States Dollars

This document includes:

- Report of Independent Registered Public Accounting Firm
- Consolidated Statements of Financial Position
- Consolidated Statements of Income
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Cash Flows
- Consolidated Statements of Changes in Equity
- Notes to the Consolidated Financial Statements

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SOCIEDAD QUIMICA Y MINERA DE CHILE S.A. AND SUBSIDIARIES

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Ch\$	- Chilean pesos
ThCh\$	- Thousands of Chilean pesos
US\$	- United States dollars
ThUS\$	- Thousands of United States dollars
UF	- The UF is an inflation-indexed, Chilean peso-denominated monetary unit. The UF rate is set daily in advance, based on the change in the Consumer Price Index of the previous month

Report of Independent Registered Public Accounting Firm

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

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Sociedad Química y Minera de Chile S.A. and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of income, comprehensive income, changes in equity and, cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Bulk Inventories Volume

As described in Notes 3.14, 3.33 and 10 to the consolidated financial statements, the Company's consolidated products in progress and finished products inventories balances at December 31, 2021 amounted to US\$527 million and US\$603 million, respectively, which included bulk inventories amounting to US\$ 111 million and US\$100 million, respectively. The accounting process the Company uses to record products in progress and finished products bulk inventories volume relies on significant estimates primarily relating to topography measures and product density. To assist in validating the reasonableness of these estimates, management periodically reviews product density and performs cyclical physical inventory during the year and an annual physical inventory.

The principal considerations for our determination that performing procedures relating to the bulk inventories volume is a critical matter are (i) the significant judgment by management in determining the products in progress and finished products bulk inventories volume; (ii) a high degree of auditor judgment, subjectivity, and effort in performing our audit procedures and in evaluating audit evidence related to the estimates made by management; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the estimation of inventories volumes, including controls over management's physical inventory process and the determination of the product density. These procedures also included, among others, observing management's physical inventory and assessing rollforward activity between the time of the inventory and year-end. Professionals with specialized skill and knowledge were used to assist in the evaluation of management's topography measures, assess the reasonableness of management's determination of the product density and observe management's annual physical inventory.

Litigation - Environmental, Tax and Legal Contingencies

As described in Notes 3.26, 3.33, and 20 to the consolidated financial statements, provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the obligation amount can be made. No provision for an estimated loss is recorded in the consolidated financial statements for unfavorable outcomes when, after assessing the information available, (i) management concludes that it is not probable that a loss has been incurred in any of the pending litigation; or (ii) management is unable to reliably estimate the loss for any of the pending matters. The Company also discloses the contingency in circumstances where management concludes no loss is probable or reliably estimable, but it is reasonably possible that a loss may be incurred.

The principal considerations for our determination that performing procedures relating to the environmental, tax and legal contingencies is a critical audit matter are the significant judgment by management when assessing the likelihood of a loss being incurred and when determining whether a reliable estimate of the loss can be made, which in turn led to a high degree of auditor judgment and effort in evaluating management's assessment of the loss contingencies associated with environmental, tax and legal matters.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's evaluation of the environmental, tax and legal contingencies, including controls over determining whether a loss is probable and whether the amount of loss can be reliably estimated, as well as consolidated financial statement disclosures. These procedures also included, among others, obtaining and evaluating the letters of audit inquiry with internal and external legal counsels, evaluating the reasonableness of management's assessment regarding unfavorable outcomes, and evaluating the sufficiency of the Company's litigation contingency disclosures.

/s/ PricewaterhouseCoopers Consultores Auditores SpA
Santiago – Chile
April 25, 2022

We have served as the Company's auditor since 2011.

Consolidated Statements of Financial Position

ASSETS	Note N°	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Current Assets			
Cash and cash equivalents	9.1	1,515,051	509,102
Other current financial assets	12.1	919,049	348,069
Other current non-financial assets	16	69,870	57,399
Trade and other receivables, current	12.2	654,073	365,206
Trade receivables due from related parties, current	11.5	86,152	62,601
Current inventories	10	1,183,776	1,093,028
Current tax assets	25.1	157,542	132,224
Total current assets other than those classified as held for sale or disposal		4,585,513	2,567,629
Non-current assets or groups of assets classified as held for sale		582	1,629
Total non-current assets held for sale		582	1,629
Total current assets		4,586,095	2,569,258
Non-current assets			
Other non-current financial assets	12.1	9,268	51,925
Other non-current non-financial assets	16	33,487	22,042
Non-current trade receivables,	12.2	6,172	11,165
Investments classified using the equity method of accounting	7.1-8.1	39,824	85,993
Intangible assets other than goodwill	14.1	179,658	178,407
Goodwill	14.1	34,596	41,966
Property, plant and equipment net	15.1	2,012,225	1,737,319
Right-of-use assets	13.1	52,608	30,024
Non-current tax assets	25.1	90,364	90,364
Total non-current assets		2,458,202	2,249,205
Total assets		7,044,297	4,818,463

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

Consolidated Statements of Financial Position

Liabilities and Equity	Note N°	As of	As of
		December 31, 2021	December 31, 2020
		ThUS\$	ThUS\$
Current liabilities			
Other current financial liabilities	12.4	51,305	68,955
Lease liabilities, current	13.2	7,704	5,528
Trade and other payables, current	1325	279,650	203,933
Trade payables due to related parties, current	11.6	-	606
Other current provisions	18.1	317,666	104,166
Current tax liabilities	25.2	166,935	22,643
Provisions for employee benefits, current	17.1	26,775	9,096
Other current non-financial liabilities	18.3	141,674	60,955
Total current liabilities		991,709	475,882
Non-current liabilities			
Other non-current financial liabilities	12.4	2,587,732	1,899,513
Non-current lease liabilities	13.2	46,519	25,546
Non-current trade and other payables	12.5	3,813	4,027
Other non-current provisions	18.1	61,038	62,617
Deferred tax liabilities	26.3	110,416	156,101
Non-current provisions for employee benefits	17.1	27,099	32,199
Total non-current liabilities		2,836,617	2,180,003
Total liabilities		3,828,326	2,655,885
Equity			
Equity attributable to owners of the Parent	19		
Share capital		1,577,643	477,386
Retained earnings		1,648,032	1,638,267
Other reserves		(44,155)	7,432
Equity attributable to owners of the Parent		3,181,520	2,123,085
Non-controlling interests		34,451	39,493
Total equity		3,215,971	2,162,578
Total liabilities and equity		7,044,297	4,818,463

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		
		2021	2020	2019
		ThUS\$	ThUS\$	ThUS\$
Revenue	21.1	2,862,315	1,817,191	1,943,655
Cost of sales	21.2	(1,772,208)	(1,334,321)	(1,383,603)
Gross profit		1,090,107	482,870	560,052
Other income	21.3	19,552	26,893	18,218
Administrative expenses	21.4	(118,893)	(107,017)	(117,180)
Other expenses	21.5	(60,605)	(99,612)	(25,995)
Impairment of financial assets and reversal of impairment losses	21.7	(235)	4,684	(1,057)
Other losses	21.6	(2,638)	(5,313)	(383)
Profit from operating activities		927,288	302,505	433,655
Finance income	21.10	4,668	13,715	26,289
Finance costs	15-21.9	(84,626)	(82,199)	(76,939)
Share of profit of associates and joint ventures accounted for using the equity method	7.1-8.1	11,132	8,940	9,786
Foreign currency translation differences	23	(17,241)	(4,423)	(2,169)
Profit before taxes		841,221	238,538	390,622
Income tax expense	25.3	(249,016)	(70,179)	(110,019)
Net profit		592,205	168,359	280,603
Profit attributable to:				
Profit attributable to Owners of the Parent		585,454	164,518	278,115
Profit attributable to Non-controlling interests		6,751	3,841	2,488
		592,205	168,359	280,603
Basic earnings per share (US\$ per share)		0.6251	1.0567	1.6711
Diluted earnings per share (US\$ per share)		0.6251	1.0567	1.6711

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		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Net profit	592,205	168,359	280,603
Items of other comprehensive income that will not be reclassified to profit for the year, before taxes			
Gains from measurements of defined benefit plans	4,679	974	(3,310)
(Losses) gains from financial assets measured irrevocably at fair value through other comprehensive income	(12,072)	9,784	1,152
Total other comprehensive income that will not be reclassified to profit for the year, before taxes	(7,393)	10,758	(2,158)
Items of other comprehensive income that will be reclassified to profit for the year, before taxes			
Foreign currency exchange gains	4,240	14,000	787
(Losses) gains from cash flow hedges	(52,762)	(3,706)	1,908
Total other comprehensive income that will be reclassified to profit for the year	(48,522)	10,294	2,695
Other items of other comprehensive income, before taxes	(55,915)	21,052	537
Income taxes related to items of other comprehensive income that will not be reclassified to profit for the year			
Income (tax) benefit relating to measurement of defined benefit pension plans through other comprehensive income	(142)	(145)	702
Income benefit (tax) relating to (losses) gains on financial assets measured irrevocably at fair value through other comprehensive income	3,818	(2,642)	(311)
Total income tax relating to components of other comprehensive income that will be reclassified to profit for the year	3,676	(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	14,246	1,001	(2,683)
Total income tax relating to components of other comprehensive income that will be reclassified to profit for the year	14,246	1,001	(2,683)
Total other comprehensive income	(37,993)	19,266	(1,755)
Total comprehensive income	554,212	187,625	278,848
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	546,846	183,941	276,137
Comprehensive income attributable to non-controlling interest	7,366	3,684	2,711
	554,212	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		
		2021	2020	2019
		ThUS\$	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		2,705,250	1,940,720	2,044,746
Cash receipts from premiums and benefits, annuities and other benefits from policies entered		1,902	14,763	2,925
Cash receipts derived from sub-leases		443	188	361
Classes of Payments				
Cash payments to suppliers for the provision of goods and services		(1,713,922)	(1,520,209)	(1,479,986)
Cash payments relating to variable leases		(1,313)	(1,117)	(1,037)
Other payments related to operating activities		(16,726)	(87,278)	(25,218)
Net cash generated from operating activities		975,634	347,067	541,791
Dividends received		11,663	5,387	14,449
Interest paid		(82,816)	(81,567)	(70,963)
Interest paid on lease liabilities		(1,587)	(1,133)	(1,537)
Interest received		2,747	17,046	25,809
Income taxes paid		(142,730)	(200,624)	(173,319)
Other cash inflows (1)		59,609	96,058	90,741
Net cash generated from operating activities		822,520	182,234	426,971
Cash flows from (used in) investing activities				
Proceeds from the sale of equity instruments		16,413	-	-
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		672	1,680	487
Other payments to acquire interest in joint ventures		-	(16,949)	(2,600)
Proceeds from the sale of joint ventures		13,085	-	-
Acquisition of property, plant and equipment		(464,718)	(322,242)	(321,324)
Proceeds from sales of intangible assets		14,773	8,203	28,126
Proceeds (payments) related to futures, forward options and swap contracts		2,328	(6,902)	1,403
Purchases of intangible assets		-	(579)	(2,492)
Loans from / to related parties		13,086	(15,000)	-
Purchase of other long-term assets		(8,071)	-	-
Other cash (outflows) inflows (2)		(594,511)	163,702	(190,065)
Cash flow used in investing activities		(1,006,943)	(167,091)	(485,471)

(1) Other inflows (outflows) 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		
		2021	2020	2019
		ThUS\$	ThUS\$	ThUS\$
Cash flows generated from (used in) financing activities				
Repayment of lease liabilities		(7,960)	(8,015)	(7,221)
Proceeds from long-term loans		700,000	400,000	450,000
Payment of borrowings		(14,110)	(264,122)	(7,096)
Paid dividends		(571,702)	(221,995)	(329,787)
Capital stock increase		1,100,257	-	-
Net cash generated from financing activities		1,206,485	(94,132)	105,896
Net Increase in cash and cash equivalents before the effect of changes in the exchange rate		1,022,062	(78,989)	47,396
Effects of exchange rate fluctuations on cash and cash equivalents		(16,113)	(439)	(14,932)
Increase in cash and cash equivalents		1,005,949	(79,428)	32,464
Cash and cash equivalents at beginning of year		509,102	588,530	556,066
Cash and cash equivalents at end of year	9	1,515,051	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, 2021	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
Net profit	-	-	-	-	-	-	-	585,454	585,454	6,751	592,205
Other comprehensive income	-	3,656	(38,516)	(8,254)	4,506	-	(38,608)	-	(38,608)	615	(37,993)
Comprehensive income	-	3,656	(38,516)	(8,254)	4,506	-	(38,608)	585,454	546,846	7,366	554,212
Sale of equity instruments irrevocably recognized in OCI	-	-	-	(9,764)	-	-	(9,764)	9,764	-	-	-
Dividends (1)	-	-	-	-	-	-	-	(585,453)	(585,453)	(12,408)	(597,861)
Capital stock increase (2)	1,100,257	-	-	-	-	-	-	-	1,100,257	-	1,100,257
Other decreases in equity	-	-	-	-	-	(3,215)	(3,215)	-	(3,215)	-	(3,215)
Total changes in equity	1,100,257	3,656	(38,516)	(18,018)	4,506	(3,215)	(51,587)	9,765	1,058,435	(5,042)	1,053,393
Equity as of December 31, 2021	1,577,643	(7,913)	(34,025)	(11,146)	(4,174)	13,103	(44,155)	1,648,032	3,181,520	34,451	3,215,971

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

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

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 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 19.7

(2) See Note 1.7

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

Glossary

The Following capitalized terms in these financial statements (including their 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;

“**CINIF**” 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;

“**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;

“**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 - Maria 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, Level 1, 225 Dt Georges Tee Perth WA 6000, Australia.

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, and it is an important ingredient in the manufacture of gunpowder, 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 of 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 oil drilling, and to produce carrageenan.

(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, 2021, and 2020, the workforce was as follows:

Employees	As of December 31, 2021			As of December 31, 2020		
	SQM S.A.	Other subsidiaries	Total	SQM S.A.	Other subsidiaries	Total
Executives	33	103	136	33	93	126
Professionals	117	1,639	1,756	108	1,696	1,804
Technicians and operators	275	3,914	4,189	267	3,310	3,577
Overall total	425	5,656	6,081	408	5,099	5,507

Place of work	As of December 31, 2021			As of December 31, 2020		
	SQM S.A.	Other subsidiaries	Total	SQM S.A.	Other subsidiaries	Total
In Chile	425	5,246	5,671	408	4,672	5,080
Outside Chile	-	410	410	-	427	427
Overall total	425	5,656	6,081	408	5,099	5,507

(b) Main shareholders

As of December 31, 2021, there were 1,500 shareholders.

The following table shows information about the main shareholders of the Company's Series A or Series B shares in circulation as of December 31, 2021 and 2020, 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, 2021	No. of Series A	% of Series A shares	No. of Series B	% of Series B shares	% of total shares
The Bank of New York Mellon, ADRs	-	-	67,603,420	47.34%	23.67%
Inversiones TLC SpA (1)	62,556,568	43.80%	-	-	21.90%
Sociedad de Inversiones Pampa Calichera S.A. (2)	44,989,231	31.50%	-	-	15.75%
Potasios de Chile S.A.	18,179,147	12.73%	-	-	6.36%
Banco de Chile via State Street	23,428	0.02%	9,178,379	6.43%	3.22%
Banco Santander via foreign investor accounts	-	-	8,856,091	6.20%	3.10%
Inv. Global Mining (Chile) Ltda.	8,798,539	6.16%	-	-	3.08%
Banco de Chile non-resident third party accounts	445	-	7,939,865	5.56%	2.78%
Banco de Chile via Citi NA New York Clients	67,463	0.05%	4,795,310	3.36%	1.70%
Inversiones la Esperanza de Chile Limitada	4,246,226	2.97%	-	-	1.49%
Larrain Vial S.A. Corredora de Bolsa	125,726	0.09%	3,653,614	2.56%	1.32%
AFP Habitat S.A. for Pension Fund C	-	-	2,914,292	2.04%	1.02%

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%

(1) As reported by DCV, which records the Company's shareholders' register as of December 31, 2021 and 2020, Inversiones TLC SpA, a subsidiary wholly owned by Tianqi Lithium Corporation, is the direct owner of 62,556,568 Series A shares of the Company equivalent to 21.90% of SQM's total outstanding shares. As reported by Inversiones TLC SpA, Tianqi Lithium Corporation also owned 5,275,318 Series B shares in the form of ADRs (which are reflected in the Series B shares, held by The Bank of New York Mellon, as depositary of the ADRs). Therefore, as of December 31, 2021, Tianqi Lithium Corporation directly and indirectly held 23.75% of all SQM Series A shares and Series B shares outstanding. As of December 31, 2020, Tianqi Lithium Corporation holds directly and indirectly held 25.86% of all SQM Series A shares and Series B shares outstanding.

(2) As of December 31, 2021, Sociedad de Inversiones Pampa Calichera S.A. has 47,480,196 Series A and B shares; 2,490,965 Series B shares are held by different brokers. As of December 31, 2020, Sociedad de Inversiones Pampa Calichera S.A. has 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.

The Company reports on the following 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) We hereby inform that we do not currently have any other information that management believes is relevant to provide.

1.7 Capital stock increase

On April 28, 2021, the Company completed a US\$1.1 billion capital stock increase. The capital stock increase was approved at an extraordinary shareholders' meeting held by the Company on January 22, 2021. It included a mandatory 30-day pre-emptive rights offering, under Chilean law, to existing holders of the Company's Series B common stock and a corresponding pre-emptive rights offering to existing holders of American Depositary Shares (ADSs). Existing shareholders received transferable share rights to subscribe for shares of Series B common stock at a subscription price of US\$50 per share and the share rights were traded in Chile on the Santiago Stock Exchange and the Electronic Stock Exchange. Existing ADS holders received transferable ADS rights to subscribe for ADSs at a subscription price of US\$50 per ADS and the ADS rights were traded in the U.S. on the New York Stock Exchange. The pre-emptive rights offerings ended on April 24, 2021 with respect to the share rights in Chile and on April 19, 2021 with respect to the ADS rights in the U.S. Of the 22,441,932 new Series B shares offered in the pre-emptive rights offerings, a total of 21,687,549 Series B shares (including shares in the form of ADSs), i.e. almost 97% of the Serie B shares offered, were subscribed in the preemptive rights offerings. The remaining 754,383 Series B shares that were not subscribed for in the pre-emptive rights offerings were offered and placed in auctions conducted through the Santiago Stock Exchange to investors in Chile and outside Chile (including in the United States) on April 28, 2021, at an average price of approximately US\$54 per share.

As of December 31, 2021, contributed capital is US\$ 1.1 billion net of expenses for ThUS 24,503.

1.8 Approval of investment in Mount Holland

On February 17, 2021, the Board of Directors approved the investment in the Mount Holland lithium project in Western Australia. SQM's share of the project investment is expected to be approximately US\$700 million, between 2021 and 2025. The feasibility study confirms an expected initial production capacity of 50,000 metric tons of lithium hydroxide during the second half of 2024. See Note 8.5.

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, 2021 and 2020.
- (b) Consolidated Statements of Income from January 1 to December 31, 2021, 2020 and 2019.
- (c) Consolidated Statements of Comprehensive Income from January 1 to December 31, 2021, 2020 and 2019.
- (d) Consolidated Statements of Changes in Equity for the years ended December 31, 2021, 2020 and 2019.
- (e) Consolidated Statements of Cash Flows for the years ended December 31, 2021, 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, issued by the International Accounting Standards Board.

These consolidated financial statements fairly present the Company's financial position, as of December 31, 2021 and 2020, the comprehensive results of operations, changes in equity and cash flows occurring for the three years ended December 31, 2021, 2020 and 2019.

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 financial statements comply with each IFRS in force at their date of presentation.

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, 2021:

Amendments and improvements	Description	Mandatory for annual periods beginning on or after
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Reform to the referential interest rate (IBOR)- Phase 2" Published in August 2020.	These amendments provide certain simplifications in relation to the reform to the referential interest rates, including the replacement of a reference rate by an alternative.	01-01-2021
Amendment to IFRS 16 "Lease Concessions" - Published in March 2021.	This amendment extends by one year the period of application of the practical case of IFRS 16 Leases (contained in the amendment to that standard published in May 2020), with the purpose of assisting lessees in accounting for COVID-19 related rental concessions. The amendment is effective for annual periods beginning on or after April 1, 2021. However, early adoption is permitted even for financial statements not authorized for issue as of March 31, 2021.	01-01-2021

Management determined 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, 2021 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 amendments 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.	01-01-2023
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 without changing the requirements of business combinations.	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
Annual improvements to IFRS standards, 2018-2020 cycle. The following improvements were finalized in May 2020:		
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
Amendments to IAS 1: "Presentation of the Financial Statements" and IAS 8 "Accounting policies, changes in accounting estimates and errors".	The amendments are intended to improve disclosures of accounting policies and to help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies.	01-01-2023
Amendment to IAS 12 - Deferred taxes related to assets and liabilities that arise from a single transaction.	These amendments require companies to recognize deferred taxes on transactions that result in equal amounts in taxable and deductible temporary differences in the initial recognition.	01-01-2023
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 acquiree.

The following tables lists the principal subsidiaries controlled by the Group as of December 31, 2021:

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	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 North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	Dollar	40.0000	60.0000	100.0000
RS Agro Chemical Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	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 Barueri, CEP 06455-020, Sao Paulo	Brazil	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
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 Barueri, CEP 06455-020, Sao Paulo	Brazil	Dollar	0.7100	99.2900	100.0000
SQMC Holding Corporation.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States of America	Dollar	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	Foreign	From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokyo	Japan	Dollar	0.1597	99.8403	100.0000

(1) SQM controls Soquimich Comercial, which in turn controls Comercial Agrorama Ltda, SQM has management control over Comercial Agrorama Ltda.

Subsidiaries	TAX ID No.	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
SQM Europe N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	Dollar	0.5800	99.4200	100.0000
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	United States of America	Dollar	-	100.0000	100.0000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	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	United States of America	Dollar	-	100.0000	100.0000
Comercial Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer ZAC des Pommiers 27930, FAUVILLE	Panama	Dollar	-	100.0000	100.0000
SQM France S.A.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol CP 45050, Zapopan, Jalisco México	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
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 Waterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg Level 9, 50 Park Street, Sydney NSW 2000, Sydney	South Africa	Dollar	-	100.0000	100.0000
SQM Oceania Pty Ltd.	Foreign	Room 1001C, CBD International Mansion N 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R.	Australia	Dollar	-	100.0000	100.0000
SQM Beijing Commercial Co. Ltd.	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klontogy Bangkok	China	Dollar	-	100.0000	100.0000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klontogy 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 Australia PTY	Foreign	Level 16, 201 Elizabeth Street Sydney	Australia	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	Foreign	Suite 22, Kyobo Building, 15th Floor, 1 Jongno Jongno-gu, Seoul, 03154 South Korea	Korea	Dollar	-	100.0000	100.0000
SQM Holland B.V.	Foreign	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Holland	Dollar	-	100.0000	100.0000

2.6 Investments in associates and 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.

(a) 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.

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 ("foreign currency translation reserve"). 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, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Brazilian real	5.57	5.18	5.66	5.14
New Peruvian sol	3.99	3.62	4.04	3.60
Japanese yen	115.18	103.30	113.87	103.81
Euro	0.88	0.81	0.88	0.82
Mexican peso	20.54	19.93	20.90	19.97
Australian dollar	1.38	1.30	1.40	1.33
Pound Sterling	0.74	0.74	0.75	0.74
South African rand	15.94	14.61	15.88	14.88
Chilean peso	844.69	710.95	849.46	731.92
Chinese yuan	6.38	6.51	6.37	6.53
Indian rupee	74.42	73.30	75.40	73.65
Thai Baht	33.32	29.94	33.55	30.08
Turkish lira	13.28	7.36	13.54	7.70
UF (*)	36.69	40.89	36.48	39.73

(*) 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 period, determined using the direct method.

3.5 Financial assets accounting policy

Management determines the classification of its financial assets 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.

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.
 - (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. Amounts presented in other comprehensive income will not be subsequently transferred to profit or loss.

3.6 Financial assets 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 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 contract 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 expectations and 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 21.7. The subsequent recovery of previously canceled amounts are credited to the same line.

3.7 Financial liabilities

Management determines the classification of its financial liabilities at fair value or at amortized cost. The classification depends on the business model of the entity to manage the financial liabilities 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.

Amortized cost is based 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.

3.8 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.

3.9 Financial instruments 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.

3.10 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 12.3. 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.

3.11 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, 2021, and 2020, the Company does not have any embedded derivatives.

3.12 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.

3.13 Leases

(a) 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.

(b) 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.

(c) 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 to leases less than the limit specified in the respective accounting standard. 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.

3.14 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:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.

3.15 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.

3.16 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.

3.17 Property, plant and equipment

Property, plant and equipment 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.

3.18 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 and depreciated over their expected useful lives. Useful lives are reviewed on an annual basis.

Fixed assets located in the 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	10	7
Energy generating assets	3	16	9
Buildings	3	25	14
Supplies and accessories	2	10	7
Office equipment	5	10	9
Transport equipment	5	9	7
Network and communication equipment	4	10	5
IT equipment	4	11	7
Machinery, plant and equipment	2	25	13
Other fixed assets	3	20	10

3.19 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.

3.20 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. The Company separates water rights into:

- i) Finite rights with amortization using the straight-line method, and
- ii) Indefinite rights, which are not amortized, given that these assets represent rights granted in perpetuity to the Company, which are subject to an annual impairment assessment.

(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

The finite useful life of mining properties is calculated using the productive unit method, except for the mining properties owned by Corfo, which have been leased to the Company and grant it the right to exclusively exploit them until December 31, 2030.

The estimated useful life for software which they are amortized corresponds to the periods defined by the contracts or rights from which they originate.

f) 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	5 years	Indefinite
Rights of way	Indefinite	Indefinite
Corfo Mining properties (1)	9 years	9 years
Mining rights		Unit-production method
Intellectual property	9 years	9 years
IT programs	2 years	8 years

(1) Mining properties owned by CORFO and leased to the Company, which grant it the exclusive right to exploit them until December 31, 2030.

3.21 Research and development expenses

Research and development expenses are charged to profit or loss in the period in which the expenditure was incurred.

3.22 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:

Once the rights have been obtained, the Company records the disbursements directly associated with the exploration and evaluation of the deposit in execution as property, plant and equipment (construction in progress) at its cost. 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.

(a) Limestone and metallic exploration

These assets are included in Other Non-Current Non-Financial Assets, and the portion related to the area to be exploited in the year are reclassified to Current Inventory, if applicable. Costs 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.

(b) Exploration in Salar de Atacama

Exploration expenses in Salar de Atacama are included in non-current assets under Property, Plant and Equipment and are mainly bore holes that can also be used to exploit the deposit or monitoring, which are amortized over 9 years.

(c) Exploration and evaluation at the Mt. Holland Project

Mount Holland exploration and evaluation expenditure is included in Property, plant and equipment, specifically in Construction in Progress. See Note 1. 8.

3.23 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.

For assets other than goodwill, 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, 2021, the WACC rate was 9.90%.

3.24 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 19.5).

3.25 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.

3.26 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 17.4).

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.

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 17.4).

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 17.6).

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 of 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. The Company periodically assesses the positions taken in the determination of taxes with respect to situations in which the applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances based on the most likely amount or expected value, depending on which method provides a better prediction of the resolution of uncertainty.

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.

Income tax and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in income or equity, 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.

The Company does not recognize deferred tax liabilities in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associates, or with joint ventures, because based on the standard, the two following conditions both apply:

- (i) the parent company, investor or shareholder is capable of controlling the moment of the reversal of temporary differences; and
- (ii) it is probable that the temporary difference will not be reversed in the foreseeable future.

Moreover, the Company does not recognize deferred tax assets for all the deductible temporary differences that originate from investments in subsidiaries, branches and associates, or from joint ventures, because it is unlikely that they meet the following requirements:

- (i) temporary differences are reversed in the foreseeable future; and
- (ii) there is taxable profit available against which temporary differences can be used.

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 annual accounts, 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 the Company and its subsidiaries, management has made significant 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 3.20, 14 and 15).
- 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 fair value or 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 14 and 15).
- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments (See Note 17).
- 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 Note 20). If the Company is unable to rationally estimate the obligation or concluded no loss is probable but it is reasonably possible that a loss may be incurred, no provision is recorded but disclosed in the notes to the consolidated financial statements.
- Volume determination for certain in-process and finished products is based on topographical measurements and technical studies that cover the different variables (density for bulk inventories and density and porosity for the remaining stock, 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 10).

Even though 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.

Note 4 Financial risk management

4.1 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.

4.2 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 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. The credit risk associated with receivables is analyzed in Note 12.2 b) and the related accounting policy can be found in Note 3.6.

Bank Notes: These are negotiable promissory notes issued by a bank payable at maturity. They are accepted based on the credit quality of the issuing banks.

No significant modifications have been made during the period to risk models or parameters used in comparison to December 31, 2020, 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, 2021
		Moody's	S&P	Fitch	ThUS\$
Banco crédito e Inversiones	Time deposits	P-1	A-2	F2-	9,752
Banco Itaú Corpbanca	Time deposits	P-2	A-2	-	8,001
Banco Santander – Santiago	Time deposits	P-1	A-2	-	9,052
Scotiabank Sud Americano	Time deposits	P-1	A-1	F1+	10,750
Other banks	Time deposits	-	-	F1+	200,100
JP Morgan US dollar Liquidity Fund Institutional	Investment fund	Aaa-mf	AAAm	AAAmmf	381,297
Legg Mason - Western Asset Institutional cash reserves	Investment fund	-	AAAm	AAAmmf	233,648
Total					852,600

As of
December
31, 2021

Financial institution	Financial assets	Rating			ThUS\$
		Moody's	S&P	Fitch	
BancoCrédito e Inversiones	Time deposits	P-1	A-2	-	34,325
Banco Itaú Corpbanca	Time deposits	P-2	A-2	-	195,471
Banco Santander – Santiago	Time deposits	P-1	A-2	-	65,899
Scotiabank Sud Americano	Time deposits	P-1	A-1	F1+	289,421
Sumitomo Mitsui Banking	Time deposits	P-1	-	F1	320,054
Total					905,170

Financial institution	Financial assets	Rating			ThUS\$
		Moody's	S&P	Fitch	
Banco 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 Itaú 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	AAAam	AAAmmf	102,753
Legg Mason - Western Asset Institutional cash reserves	Investment fund	-	AAAam	AAAmmf	107,625
Other banks with lower balances	Time deposits	-	-	-	86
Total					261,973

Financial institution	Financial assets	Rating			ThUS\$
		Moody's	S&P	Fitch	
Banco de crédito e Inversiones	Time deposits	P-1	A-1	-	185,589
Banco Itaú Corpbanca	Time deposits	P-2	A-2	-	49,006
Banco Santander – Santiago	Time deposits	P-1	A-1	-	45,168
Banco Scotiabank Sud Americano	Time deposits	-	-	F1+	31,668
JP Morgan Asset Management	Investment fund	P-1	A-1	N1+	34,028
Total					345,459

Financial institution	Financial assets	Rating			As of
		Moody's	S&P	Fitch	December 31, 2021
					ThUS\$
Agricultural Bank of China	Bank notes	+	-	-	860
Bank of China Limited	Bank notes	+	-	-	4,167
Bank of Communications	Bank notes	+	-	-	7,422
China CITIC Bank Corp Ltd	Bank notes	++	-	-	2,623
China Construction Bank Corporation	Bank notes	+	-	-	7,122
China Everbright Bank Co. Ltd	Bank notes	++	-	-	6,569
China Merchants Bank	Bank notes	+	-	-	22,628
China Minsheng Bank Corporation	Bank notes	-	-	++	784
Industrial & Commercial Bank of China Limited	Bank notes	+	-	-	353
Industrial Bank	Bank notes	+	-	-	6,615
Ping An Bank	Bank notes	++	-	-	8,391
Shanghai Pudong Development Bank Co. Ltd	Bank notes	++	-	-	7,905
China Development Bank	Bank notes	-	-	+	16,807
Postal Savings Bank of China	Bank notes	-	+	-	4,718
KEB Hana Bank (China)	Bank notes	+	-	-	1,121
Total					98,085

(+) Good credit rating
(++) Satisfactory credit rating

(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 will provoke a respective decrease or increase to these accounting costs, which would be reflected in the Company's profit and loss. By the fourth quarter of 2021, approximately US\$ 530 million accumulated in expenses are associated with the Peso.

As of December 31, 2021, 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 a liability at fair value of US\$ 81.85 million, this significant variation is explained primarily by the USD/CLP exchange rate observed at the end of the period. As of December 31, 2020, an asset was recognized amounting to US\$ 18.41 million.

Furthermore, on of December 31, 2021, 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\$ 12.61 million in assets. On December 31, 2020, a liability was recognized for an amount of US\$ 21 million.

The Company had the following derivative contracts as of December 31, 2021 (at the absolute value of the sum of their notional values), to hedge the difference between its assets and liabilities: US\$ 85.25 CLP/US dollar derivative contracts, US\$ 60.98 Euro/US dollar derivative contracts, US\$ 37.07 million in South African rand/US dollar derivative contracts, US\$ 207.64 million in Chinese renminbi/US dollar derivative contracts, US\$ 57.51 million in Australian dollar/US dollar derivative contracts and US\$ 11.95 million in other currencies.

These derivative contracts are held with domestic and foreign banks, which have the following credit ratings.

Financial institution	Financial assets	Rating		
		Moody's	S&P	Fitch
Banco Estado	Derivative	P-1	A-1	-
Merrill Lynch International	Derivative	-	A+	AA
Banco Itaú-Corpbanca	Derivative	P-2	A-2	-
JP Morgan	Derivative	Aa2	A+	AA
Morgan Stanley	Derivative	A+	BBB+	A
The Bank of Nova Scotia	Derivative	A	A-	AA-

(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, 2021, the Company has 2.7% 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. (As of December 31, 2021 this was 4.76 and 5.40 for December 31, 2020).

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 The Company'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, 2021, the Company had unused, available revolving credit facilities with banks, for a total of US\$ 489 million.

The position in other cash and cash equivalents are invested in highly liquid mutual funds with an AAA risk rating.

¹ All current assets divided by all current liabilities.

As of December 31, 2021 (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	1.05	70.64	-	71.69
Unsecured obligations	2,518.64	108.06	924.03	2,980.91	4,013.00
Sub total	2,588.72	109.11	994.67	2,980.91	4,084.69
Hedging liabilities	85.25	12.38	31.58	39.70	83.66
Derivative financial instruments	1.67	1.67	-	-	1.67
Sub total	86.92	14.05	31.58	39.70	85.33
Current and non-current lease liabilities	54.22	8.88	30.97	29.08	68.93
Trade accounts payable and other accounts payable	279.65	279.65	-	-	279.65
Total	3,009.51	411.69	1,057.22	3,049.69	4,518.60

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	1,872.09	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, 2021, the nominal value of the agreed cash flows in US dollars of the CCS contracts were ThUS\$ 549,239 (ThUS\$ 565,295 as of December 31, 2020).

4.3 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 12.8.

Note 5 Separate information on the main office, parent entity and joint action agreements

5.1 Parent's stand-alone assets and liabilities

Parent's stand-alone assets and liabilities	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Assets	5,988,757	4,171,768
Liabilities	(2,807,237)	(2,048,683)
Equity	3,181,520	2,123,085

5.2 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 6 Board of Directors, Senior Management and Key management personnel

6.1 Remuneration of the Board of Directors and Senior Management

(a) Board of directors

SQM S.A. is managed by a Board of Directors which is composed of 8 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, 2021, 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 Ashley Ozols¹.

¹ Ashley Ozols was appointed a Director on December 22, 2021 to replace Mr Robert Zatta who renounced his position with effect from December 21, 2021

- Corporate Governance Committee: This committee is comprised of Hernán B✓chi 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. Except for a consulting contract between the Company and the Director Gonzalo Guerrero as disclosed in Note 11. There were no others transactions conducted between the Company, its directors or members of Senior Management.

(b) Board of Directors' Compensation

Directors' compensation differs according to the period during the corresponding year. Thus, from April 22, 2020 to April 23, 2021 (Period 2020), Directors' compensation was determined by the annual general shareholders' meeting held on April 22, 2020. While for the following period (Period 2021), Directors' compensation was determined by the annual general shareholders' meeting held on April 23, 2021. For each of these periods, Directors' compensation is detailed as follows:

Period 2020:

- (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 earned by the Company in 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 earned by the Company in 2020.

Period 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 0.12% of the net liquid income that the Company effectively obtains during the 2021;
- (iii) A variable gross amount payable in local currency to each Company director, excluding the Chairman and Vice President of the Company, equivalent to 0.06% of the net liquid income that the Company effectively obtains during the 2021.

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, 2021 amounted to ThUS\$ 3,749 and as of December 31, 2020 to ThUS\$ 4,553.

(c) Directors' Committee compensation

Directors' Committee compensation differs according to the period during the corresponding year. Thus, for the Period 2020, Directors' Committee compensation was determined by the annual general shareholders' meeting held on April 22, 2020. While for the Period 2021, Directors' Committee compensation was determined by the annual general shareholders' meeting held on April 23, 2021. For each of these periods the compensation of the Directors Committee comprises:

Period 2020:

- (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.

Period 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 0.02% of total net profit that the Company effectively obtains during the 2021 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 Superintendencia of Banks and Financial Institutions) the Chilean Central Bank or any other relevant institution that replaces them.

- (d) Health, Safety and Environmental Matters Committee:

The remuneration of this committee for the 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 2021 period, this remuneration remains unchanged.

- (e) Corporate Governance Committee

The remuneration for this committee for the 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 2021 period, this remuneration remains unchanged.

- (f) Guarantees constituted in favor of the directors

No guarantees have been constituted in favor of the directors.

- (g) Senior management compensation:

- (i) This includes monthly fixed salary and variable performance bonuses. (See Note 6.2)
- (ii) 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.
- (iii) In addition, there are retention bonuses for its executives (see Note 17.6)

- (h) Guarantees pledged in favor of the Company's management

No guarantees have been pledged in favor of the Company's management.

- (i) 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, 2021 and 2020 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.

6.2 Key management personnel compensation

As of December 31, 2021, and 2020, the number of the key management personnel is 127 and 126, respectively.

Key management personnel compensation	For the year ended December 31, 2021 ThUS\$	For the year ended December 31, 2020 ThUS\$	For the year ended December 31, 2019 ThUS\$
Key management personnel compensation	31,560	23,770	22,598

Please also see the description of the compensation plan for executives in Note 17.6.

Note 7 Equity-accounted investees

7.1 Investments in associates recognized according to the equity method of accounting

Associate	Equity-accounted investees			Share in profit (loss) of associates accounted for using the equity method			Share in other comprehensive income of associates accounted for using the equity method			Share in total comprehensive income of associates accounted for using the equity method		
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	Fort the year ended December 31, 2021	Fort the year ended December 31, 2020	Fort the year ended December 31, 2019	Fort the year ended December 31, 2021	Fort the year ended December 31, 2020	Fort the year ended December 31, 2019	Fort the year ended December 31, 2021	Fort the year ended December 31, 2020	Fort the year ended December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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	15,899	14,468	14,669	2,802	2,191	2,871	-	-	-	2,802	2,191	2,871
Ajay Europe SARL	8,213	7,875	7,451	1,852	1,029	1,165	360	756	(179)	2,212	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	24,112	60,023	85,092	4,654	7,118	8,402	360	382	(571)	5,014	7,500	7,831

(*) These investments were disposed of in 2020

(**) For more details, see Note 7.3 (a).

Associate	Description of the nature of the relationship	Address	Country of incorporation	Share of ownership in associates	Dividends received for the year ending		
					December 31, 2021	December 31, 2020	December 31, 2019
					ThUS\$	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%	9,438	-	-
Ajay North America	Production and distribution of iodine and iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States of North America	49%	1,233	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%	992	1,197	1,055
Kore Potash Ltd	Prospecting, exploration and mining development	L 3 88 William ST Perth, was 6000	United Kingdom	14.65%	-	-	-
Doktor Tarsa Tarim Sanayi AS	Distribution and commercialization of specialty plant nutrients in the Turkey.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-	-
SQM Eastmed Turkey	Production and trading of specialty products.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-	-
Total					11,663	3,164	3,851

7.2 Assets, liabilities, revenue and expenses of associates

Associate	As of December 31, 2021				For the year ended as of December 31, 2021			
	Assets		Liabilities		Revenue	Net gain (loss)	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Ajay North America	21,771	15,096	4,421	-	47,375	5,718	-	5,718
Ajay Europe SARL	25,927	1,241	10,742	-	48,409	3,705	(34)	3,671
Total	47,698	16,337	15,163	-	95,784	9,423	(34)	9,389

Associate	As of December 31, 2020				For the year ended as of December 31, 2020			
	Assets		Liabilities		Revenue	Net 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	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 year ended as of December 31, 2019			
	Assets		Liabilities		Revenue	Net 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

7.3 Disclosures regarding interests in associates

(a) Transactions for the year ended December 31, 2021:

- During the first quarter 2021, Kore Potash PLC made a share payment to its non-executive board members (remuneration shares) plus certain employees and former employees (performance shares) which resulted in a 0.05% share reduction for the company, leaving it with 20.15%. During the second quarter of 2021, Kore Potash PLC approved a capital stock increase of ThUS\$ 13,931 through the issuance of common shares, which resulted in a dilution of 5.5% of SQM shares in the company, with an impact of ThUS\$ (5,778) on other losses. As a result of the dilution, the Company considers that there has been a loss of significant influence on the investment, discontinued the measurement through the equity method, and recognized an amount of ThUS\$ 3,739 under other gains (losses) as items in other comprehensive income associated with this investment. See Note 12.1 for more details.
- As of December 31, 2021, the Company has received dividends from Abu Dhabi Fertilizer Industries WWL of ThUS\$ 9,438 and recognized dividends receivable amounting ThUS\$ 2,099.
- On June 30, 2021, the Company made an assessment of the recovery of the investment in Abu Dhabi Fertilizer Industries WWL and recognized an impairment of ThUS\$ 2,800 in other losses. This impairment was reversed during the second half of the year due to the recoverable amount of the investment subsequently increased.

(b) Transactions for the year ended December 31, 2020:

- Kore Potash PLC made a share payment to its non-executive board members, which resulted in a 0.60% share reduction for the company, finalizing with a share percentage of 19.07% at the close of the second quarter of 2020. This resulted in a transfer in equity of non-controlling interest to other reserves in an amount of ThUS\$ 754.
- In 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.
- In the third quarter of 2020, shares held 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.
- In 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, SQM Holland (subsidiary) acquired the business of WSNPK from Plantacote N.V. (subsidiary of Doktor Tarsa Tarim Sanayi AS) for ThUS\$ 16,757, which generated goodwill of ThUS\$ 7,380. See Note 14.
- 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.

(c) Transactions for the year ended December 31, 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 8 Joint Ventures

8.1 Investment in joint ventures accounted for under the equity method of accounting.

Joint Venture	Equity-accounted investees			Share in profit (loss) of joint ventures accounted for using the equity method		
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Coromandel SQM India (*)	-	-	1,568	-	-	(98)
SQM Vitas Fzco.	8,682	9,720	9,111	6,304	2,010	1,797
SQM Qingdao Star Corp Nutrition Co. Ltd. (*)	-	-	3,464	-	83	296
SQM Vitas B.V.	-	-	1,304	-	-	(15)
Pavoni & C. Spa	7,030	7,222	6,864	174	9	36
Covalent Lithium Pty Ltd. (**)	-	-	40	-	-	-
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	-	9,028	1,992	-	(280)	(632)
Total	15,712	25,970	24,343	6,478	1,822	1,384

Joint Venture	Share on other comprehensive income joint ventures accounted for using the equity method			Share on total comprehensive income of joint ventures accounted for using the equity method		
	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Coromandel SQM India (*)	-	-	(38)	-	-	(136)
SQM Vitas Fzco.	429	(1,469)	437	6,733	541	2,234
SQM Qingdao Star Corp Nutrition Co. Ltd. (*)	-	-	-	-	83	296
SQM Vitas B.V.	-	-	(27)	-	-	(42)
Pavoni & C. Spa	(317)	349	(255)	(143)	358	(219)
Covalent Lithium Pty Ltd. (**)	37	16	(13)	37	16	(13)
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	-	-	-	-	(280)	(632)
Total	149	(1,104)	104	6,627	718	1,488

(*) These investments were disposed of in 2020

(**) See more details in Note 8.4 (a).

The amounts described in the following box represent numbers used in the consolidation of the company:

Joint Venture	Equity-accounted investees			Share in profit (loss) of joint ventures accounted for using the equity method		
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Vitas Brasil Agroindustria (1)	-	3,511	5,347	4,582	1,018	564
SQM Vitas Perú S.A.C. (1)	4,681	1,659	1,955	1,645	660	211
Arpa Speciali S.R.L.	-	-	92	-	-	31
Total	4,681	5,170	7,394	6,227	1,678	806
	Share on other comprehensive income of joint ventures accounted for using the equity method			Share on total comprehensive income of joint ventures accounted for using the equity method		
Joint Venture	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Vitas Brasil Agroindustria (1)	(429)	(1,469)	(225)	4,153	(451)	339
SQM Vitas Perú S.A.C. (1)	-	-	661	1,645	660	872
Arpa Speciali S.R.L.	-	-	(1)	-	-	30
Total	(429)	(1,469)	435	5,798	209	1,241

The companies are subsidiaries of:

SQM Vitas Fzco.

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership (*)	Dividends received for the year ending		
					December 31, 2021	December 31, 2020	December 31, 2019
					ThUS\$	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 year ending		
					December 31, 2021	December 31, 2020	December 31, 2019
					ThUS\$	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.

8.2 Assets, liabilities, revenue and expenses from joint ventures

Joint Venture	As of December 31, 2021				For the year ended December 31, 2021			
	Assets		Liabilities		Revenue ThUS\$	Net gain (loss) ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$				
SQM Vitas Fzco.	9,606	20,206	215	-	-	12,608	-	12,608
SQM Vitas Brasil								
Agroindustria	73,500	4,846	68,794	-	103,335	9,165	(858)	8,307
SQM Vitas Perú S.A.C.	28,610	7,347	24,473	828	48,128	3,289	-	3,289
Pavoni & C. Spa	12,885	6,714	11,226	725	19,599	347	(634)	(287)
Covalent Lithium Pty Ltd.	3,904	2,636	7,498	1,489	-	(864)	74	(790)
Total	128,505	41,749	112,206	3,042	171,062	24,545	(1,418)	23,127
	As of December 31, 2020				For the year ended December 31, 2020			
	Assets		Liabilities		Revenue ThUS\$	Net gain (loss) ThUS\$	Other comprehensive income ThUS\$	Comprehensive income ThUS\$
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$				
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	29,507	4,412	14,156	-	9	(562)	-	(562)
SQM Vitas Fzco.	(496)	20,431	496	-	-	4,019	-	4,019
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 year ended December 31, 2019			
	Assets		Liabilities		Revenue	Net gain (loss)	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS
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

8.3 Other Joint Venture disclosures

Joint Venture	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	-	30	-	-	-	-
SQM Vitas Fzco.	4,115	4,251	-	-	-	-
SQM Vitas Brasil Agroindustria	4,132	4,065	10,416	6,820	-	-
SQM Vitas Perú S.A.C.	380	1,043	238	227	289	691
Pavoni & C. Spa	787	767	7,561	5,573	-	-
Covalent Lithium Pty Ltd.	3,858	653	980	953	-	-
Total	13,272	10,809	19,195	13,573	289	691

Joint Venture	Depreciation and amortization expense		Interest expense		Income tax benefit (expense)	
	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2021	For the year ended December 31, 2020
	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS	ThUSS
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	-	(394)	-	-	-	244
SQM Vitas Fzco.	-	(1)	(1)	(2)	-	-
SQM Vitas Brasil Agroindustria	(278)	(355)	(367)	(656)	(1,985)	(34)
SQM Vitas Perú S.A.C.	(354)	(257)	(311)	(326)	(1,692)	(197)
Pavoni & C. Spa	(245)	(263)	(459)	(410)	(173)	(120)
Covalent Lithium Pty Ltd.	(167)	(213)	(55)	(18)	343	714
Total	(1,044)	(1,483)	(1,193)	(1,412)	(3,507)	607

8.4 Disclosure of interests in joint ventures

a) Transactions for the year ended December 31, 2021

- On February 9, 2021, two of the Company's subsidiaries signed an agreement to terminate a dispute related to sales contracts and interest in the joint venture of Sichuan SQM Migao Chemical Fertilizers Co Ltd. Consequently, the Company received US\$ 11.5 million.

b) Transactions for the year ended December 31, 2020

- SQM Vitas BV became a wholly owned subsidiary of the Company during the second quarter of 2020, through its subsidiary Soquimich European Holdings, at a cost of ThUS\$ 1,276 and its name has been changed to SQM Holland. See Note 7.1.
- 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\$ 1,604, 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.. 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.

c) Transactions for the year ended December 31, 2019

- On January 01, 2019, SQM Vitas Perú changed its functional currency from the Peruvian sol to Dollar.

8.5 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.

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. As of March 2021, this receivable was collected when it was contributed to Mt. Holland in the Company's name. The Company approved the investment decision referred to in Note 1.8.

Note 9 Cash and cash equivalents

9.1 Types of cash and cash equivalents

As of December 31, 2021, and 2020, cash and cash equivalents are detailed as follows:

Cash	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Cash on hand	44	54
Cash in banks	662,407	244,548
Other demand deposits	-	2,527
Total Cash	662,451	247,129

Cash equivalents	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Short-term deposits, classified as cash equivalents	237,655	51,595
Short-term investments, classified as cash equivalents	614,945	210,378
Total cash equivalents	852,600	261,973
Total cash and cash equivalents	1,515,051	509,102

9.2 Short-term investments, classified as cash equivalents

As of December 31, 2021, and 2020, 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, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	233,648	107,625
JP Morgan US dollar Liquidity Fund Institutional	381,297	102,753
Total	614,945	210,378

Short-term investments are highly liquid mutual funds that are basically invested in short-term fixed rate notes in the U.S. market.

9.3 Information on cash and cash equivalents by currency

As of December 31, 2021, and 2020, information on cash and cash equivalents by currency is detailed as follows:

Currency	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Peso (*)	4,416	7,190
Dollar	1,377,983	454,402
Euro	14,374	17,144
Mexican Peso	1,827	1,378
South African Rand	13,048	14,286
Japanese Yen	1,182	1,646
Peruvian Sol	6	3
Indian rupee	-	6
Chinese Yuan	30,102	11,597
Indonesian rupee	3	3
Pound Sterling	1	19
Australian Dollar	72,107	1,411
South Korean won	-	16
Dirham United Arab Emirates	1	-
Polish Zloty	1	1
Total	1,515,051	509,102

(*) The Company maintains financial derivative instruments policies which allow management to convert term deposits denominated in pesos and UF to Dollars.

9.4 Amount restricted cash balances

The Company has granted a guarantee consisting of financial instruments, specified in deposits, custody and administration to Banco de Chile, for its subsidiary Isapre Norte Grande Ltda., in compliance with the provisions of the Superintendencia of Health, which regulates social security health institutions.

According to the regulations of the Superintendencia of Health, this guarantee is for the total payable to its affiliates and medical providers. Banco de Chile reports the current value of the guarantee to the Superintendencia of Health and Isapre Norte Grande Ltda. on a daily basis.

As of December 31, 2021, and, 2020 pledged assets are as follows

Restricted cash balances	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Isapre Norte Grande Ltda.	622	731
Total	622	731

9.5 Short-term deposits, classified as cash equivalents

The detail at the end of each balance date is as follows:

Receiver of the deposit	Type of deposit	Original Currency	Interest Rate	Placement date	Expiration date	Principal	Interest		As of
							accrued to-date	December 31,	
						ThUS\$	ThUS\$	ThUS\$	
Others banks	Fixed term	Dollar	0.58%	11-30-2021	02-28-2022	200,000	100	200,100	
Banco BCI	Fixed term	Dollar	0.31%	12-24-2021	02-28-2022	1,250	-	1,250	
Banco BCI	Fixed term	Dollar	0.36%	12-07-2021	01-14-2022	8,000	2	8,002	
Banco BCI	Fixed term	Dollar	0.28%	12-30-2021	01-14-2022	500	-	500	
Banco Santander	Fixed term	Dollar	3.12%	12-30-2021	01-06-2022	3,550	2	3,552	
Banco Santander	Fixed term	Dollar	0.26%	12-16-2021	01-31-2022	2,500	-	2,500	
Banco Santander	Fixed term	Dollar	0.40%	12-27-2021	03-04-2022	1,500	-	1,500	
Banco Santander	Fixed term	Dollar	0.40%	12-29-2021	01-27-2022	1,500	-	1,500	
Banco Itaú Corpbanca	Fixed term	Dollar	0.30%	12-14-2021	01-07-2022	5,000	1	5,001	
Banco Itaú Corpbanca	Fixed term	Dollar	0.37%	12-28-2021	01-24-2022	1,000	-	1,000	
Banco Itaú Corpbanca	Fixed term	Dollar	0.34%	12-07-2021	01-28-2022	2,000	-	2,000	
Scotiabank Sud Americano	Fixed term	Dollar	0.27%	12-24-2021	02-28-2022	2,750	-	2,750	
Scotiabank Sud Americano	Fixed term	Dollar	0.06%	12-17-2021	01-31-2022	3,000	-	3,000	
Scotiabank Sud Americano	Fixed term	Dollar	0.07%	12-03-2021	01-18-2022	5,000	-	5,000	
Total						237,550	105	237,655	

Receiver of the deposit	Type of deposit	Original Currency	Interest Rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued to-date ThUS\$	As of
								December 31, 2020
								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	0.40%	12-01-2020	01-15-2021	500	-	500
Scotiabank Sud Americano	Fixed term	Dollar	0.40%	12-02-2020	01-20-2021	2,500	1	2,501
Banco Santander – Santiago	Fixed term	Dollar	0.50%	12-09-2020	01-25-2021	500	-	500
Scotiabank Sud Americano	Fixed term	Dollar	0.50%	12-09-2020	01-25-2021	1,000	-	1,000
Banco Santander – Santiago	Fixed term	Dollar	0.50%	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	0.40%	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	02-01-2021	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	0.20%	12-23-2020	02-05-2021	2,000	1	2,001
Banco Itaú Corpbanca	Fixed term	Dollar	0.40%	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	1.80%	12-31-2020	03-06-2021	86	-	86
Total						51,584	11	51,595

Note 10 Inventories

The composition of inventory at each period-end is as follows:

Type of inventory	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Raw material	12,508	10,694
Production supplies	41,114	31,007
Products-in-progress	527,118	487,830
Finished product	603,036	563,497
Total	1,183,776	1,093,028

As of December 31, 2021, and 2020, the Company held caliche stockpiles, solutions in solar ponds and intermediary salts amounting ThUS\$ 458,913 and ThUS\$ 422,535, respectively (including products in progress).

As of December 31, 2021, bulk inventories recognized within work in progress and finished goods were ThUS\$ 111,316 and ThUS\$ 99,551 respectively. 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, 2021, and 2020, inventory allowances recognized, amounted to ThUS\$ 75,892 and ThUS\$ 80,930, 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 3.14).

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, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Raw material and supplies for production	1,865	1,934
Products-in-progress	59,858	66,122
Finished product	14,169	12,874
Total	75,892	80,930

The Company has not pledged inventory as collateral for the periods indicated above.

As of December 31, 2021, and 2020, movements in provisions are detailed as follows:

Conciliation	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$	As of December 31, 2019 ThUS\$
Beginning balance	80,930	88,174	105,282
Increase in Lower Value (1)	(3,650)	(5,404)	(6,987)
Additional Provision Differences of Inventory (2)	330	(704)	(123)
Increase / Decrease eventual differences and others (3)	-	1,244	(6,262)
Provision Used	(1,718)	(2,380)	(3,736)
Total changes	(5,038)	(7,244)	(17,108)
Final balance	75,892	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 11 Related party disclosures

11.1 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.

11.2 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.

11.3 Detailed identification of related parties and subsidiaries

As of December 31, 2021 and 2020, 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	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
76.539.919-1	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 Bufalo	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	SQM Vitas Fzco.	Arab Emirates	Arab Emirates dirham	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	Brazilian real	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 consolidates them and presents all their assets and liabilities.

The following entities were considered related parties as of December 31, 2020: Sichuan SQM Migao Chemical Fertilizers Co Ltd.. The following entities were considered related parties as of December 31, 2019 (see Note 8.4 letter a and Note 9.2): 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 4 Segunda del Sector S.E. OF. Concepción, Sierra Gorda	Chile	Peso	Other related parties

Below is a list of transactions with clients and suppliers with whom a relationship with key Company personnel was identified:

Tax ID No	Name	Country of origin	Nature
76.389.727-3	Sociedad Periodística El Libero	Chile	Other related parties
90.193.000-7	El Mercurio S.A.P.	Chile	Other related parties
92.580.000-7	Empresa Nacional de Telecomunicaciones S.A.	Chile	Other related parties
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Other related parties
97.004.000-5	Banco de Chile	Chile	Other related parties
99.012.000-5	Compañía de Seguros de Vida Consorcio Nacional	Chile	Other related parties
10.581.580-8	Gonzalo Guerrero Yamamoto	Chile	Other related parties
71.644.300-0	Universidad del Desarrollo	Chile	Other related parties
96.529.340-K	Norte Grande S.A.	Chile	Other related parties

11.4 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.

For the year ended December 31, 2021 and 2020, the detail of significant transactions with related parties is as follows

Tax ID No	Name	Nature	Country of origin	Transaction	As of	As of	As of
					December	December	December
					31, 2021	31, 2020	31, 2019
					ThUS\$	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	39,760	23,162	21,348
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	992	1,197	1,055
Foreign	Ajay North America LL.C.	Associate	United States	Sale of products	27,763	20,259	16,932
Foreign	Ajay North America LL.C.	Associate	United States	Dividends	1,233	1,967	2,796
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Dividends	9,438	-	-
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	79,086	41,341	46,876
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Perú	Sale of products	17,016	17,723	24,138
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	2,060	1,510	3,955
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Dividends	-	2,223	-
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	Pavoni & CPA	Joint venture	Italy	Sale of products	961	1,125	3,152
Foreign	Plantacote NV	Other related parties	Belgium	Sale of products	-	-	4,096
Foreign	Arpa Speciali S.R.L.	Other related parties	Italy	Sale of products	-	-	2,359
Foreign	Terra Tarsa Don LLC	Other related parties	Russian Federation	Sale of products	-	-	40
Foreign	SQM Eastmed Turkey	Associate	Turkey	Sale of products	-	-	47
Chile	Banco de Chile	Other related parties	Chile	Service Provider	(20,904)	-	-
Chile	Norte Grande S.A.	Other related parties	Chile	Client	146	-	-
Chile	El Mercurio S.A.P.	Other related parties	Chile	Service Provider	(131)	-	-
Chile	Compañía de Seguros de Vida Consorcio Nacional	Other related parties	Chile	Service Provider	(134)	-	-
Chile	Entel PCS Telecomunicaciones S.A.	Other related parties	Chile	Service Provider	(157)	-	-
Chile	Empresa Nacional de Telecomunicaciones	Other related parties	Chile	Service Provider	(2,393)	-	-

11.5 Trade receivables due from related parties, current:

Tax ID No	Name	Nature	Country of origin	Currency	As of	As of
					December 31, 2021	December 31, 2020
					ThUS\$	ThUS\$
Foreign	Ajay Europe S.A. R.L.	Associate	France	Euro	7,567	4,625
Foreign	Ajay North America LLC.	Associate	United States of America	Dollar	3,350	2,956
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	United Arab Emirates Dirham	2,477	595
96.511.530-7	Soc. de Inversiones Pampa Calichera	Other related parties	Chile	Dollar	5	6
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	Dollar	55,119	24,335
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Peru	Dollar	14,684	24,205
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	United Arab Emirates Dirham	232	236
Foreign	Pavoni & C SpA	Joint venture	Italy	Euro	804	1,095
Foreign	Covalent Lithium Pty Ltd.	Joint venture	Australia	Australian dollar	1,914	84
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltd.	Joint venture	China	Dollar	-	4,464
Total					86,152	62,601

As of December 31, 2021 and 2020, receivables are net of provision for ThUS\$ 717 and ThUS\$ 7,545, respectively. As of December 31, 2020, the most significant balance corresponds to Sichuan SQM Migao Fertilizer Co Ltd. presented net of provision of doubtful receivables amounting ThUS\$ 6,502.

11.6 Trade payables due to related parties, current:

Tax ID No	Company	Nature	Country of origin	Currency	As of	As of
					December 31, 2021	December 31, 2020
					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	Covalent Lithium Pty Ltd	Joint venture	Australia	Australian dollar	-	324
Total					-	606

11.7 Other disclosures:

Note 6 describes the remuneration of the board of directors, administration and key management personnel.

Note 12 Financial instruments

12.1 Types of other current and non-current financial assets

Description of other financial assets	As of	As of
	December 31, 2021	December 31, 2020
	ThUS\$	ThUS\$
Financial assets at amortized cost (1)	905,170	345,459
Derivative financial instruments		
- For hedging	12,625	-
- Non-hedging (2)	1,254	2,610
Total other current financial assets	919,049	348,069
Financial assets at fair value through other comprehensive income (4) (5)	8,932	14,569
Derivative financial instruments		
- For hedging	245	37,276
Other financial assets at amortized cost	91	80
Total other non-current financial assets	9,268	51,925
Institution	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Banco de Crédito e Inversiones	34,325	185,589
Banco Santander (3)	65,899	45,168
Banco Itaú CorpBanca	195,471	49,006
Banco de Chile	-	-
Scotiabank Sud Americano	289,421	31,668
Sumitomo Mitsui Banking	320,054	-
JP Morgan Asset Management	-	34,028
Total	905,170	345,459

(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 12.3).

(3) As of December 31, 2021, margin calls were recorded for US\$ 31,430. As of December 31, 2020, no margin calls were recorded.

(4) During the first quarter of 2021, equity instruments classified at fair value irrevocably through other comprehensive income were sold for US\$ 16,413. The cumulative amount of the movements in other comprehensive income from the date of acquisition to the date of sale was transferred to retained earnings.

(5) During the second quarter of 2021, as a result of the loss of significant influence over the investment of Kore Potash (for more details, see note 7.3 letter a), the investment, which was previous recognized as an investment in associates, was reclassified as other non-current financial assets as it was classified as financial equity instrument at fair value through other comprehensive income irrevocably.

12.2 Trade and other receivables

Trade and other receivables	As of December 31, 2021			As of December 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables, current	590,312	-	590,312	313,265	-	313,265
Prepayments, current	49,168	-	49,168	19,900	-	19,900
Other receivables, current	14,593	6,172	20,765	32,041	11,165	43,206
Total trade and other receivables	654,073	6,172	660,245	365,206	11,165	376,371

See discussion about credit risk in Note 4.2.

Trade and other receivables	As of December 31, 2021			As of December 31, 2020		
	Gross receivables	Impairment provision for doubtful receivables	Trade receivables, net	Gross receivables	Impairment provision for doubtful receivables	Trade receivables, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables related to credit operations, current	600,664	(10,352)	590,312	327,586	(14,321)	313,265
Prepayments, current	49,952	(784)	49,168	20,684	(784)	19,900
Other receivables, current	17,456	(2,863)	14,593	36,664	(4,623)	32,041
Other receivables, non-current	6,172	-	6,172	11,165	-	11,165
Total trade and other receivables	674,244	(13,999)	660,245	396,099	(19,728)	376,371

(a) Renegotiated portfolio

As of December 31, 2021, and 2020 the detail of the renegotiated portfolio is as follows:

As of December 31, 2021				
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	1,279	570,899	7	130
1 - 30 days	112	22,632	-	-
31 - 60 days	18	2,114	-	-
61 - 90 days	11	1,015	-	-
91 - 120 days	7	202	-	-
121 - 150 days	3	43	-	-
151 - 180 days	3	4	-	-
181 - 210 days	3	130	-	-
211 - 250 days	1	1	2	4
>250 days	80	2,597	117	893
Total	1,517	599,637	126	1,027

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

(b) Impairment provision for doubtful receivables

As of December 31, 2021							
Trade accounts receivable days past due							
Trade and other receivables	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Trade	Trade receivables due from related parties
						ThUS\$	ThUS\$
Expected Loss Rate on	1%	8%	32%	34%	71%	-	-
Total Gross Book Value	571,029	22,633	2,113	1,015	3,874	600,664	86,869
Impairment Estimate	4,724	1,856	673	346	2,753	10,352	717

As of December 31, 2020							
Trade accounts receivable days past due							
Trade and other receivables	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Trade	Trade receivables due from related parties
						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	70,146
Impairment Estimate	3,187	1,207	477	83	9,367	14,321	7,545

As of December 31, 2021, and 2020, movements in provisions are as follows:

Provisions	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Impairment provision of Accounts receivable at the beginning of the year	27,273	32,707
Increase (decrease) impairment of accounts receivable	235	(4,684)
Write-off of receivables	(11,091)	(750)
Difference in exchange rate	(1,701)	-
Impairment provision of Accounts Receivable Provision at the end of the year	14,716	27,273
(1) Trade and other Receivables Provision	10,352	14,321
(2) Current other Receivables Provision	3,647	5,407
(3) Trade receivables with related parties, current Provision	717	7,545
Recovery of Insurance	210	347
Impairment provision of Accounts Receivable	14,716	27,273
Renegotiated receivables	910	1,728
Non-renegotiated receivables	13,806	25,545

12.3 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. (See more detail in Note 4.2 b).

As of December 31, 2021	Assets	Liabilities	Total Realized	Hedging Reserve in Gross Equity (1)
Type of Instrument: Cross currency interest rate swaps UF/CLP				
Cash flow hedge derivatives				
Short term	12,625	8,954		
Long term	245	72,900		
Underlying Debt Hedge	12,870	81,854	(22,455)	(46,529)
Type of Instrument: Forwards/Options				
Non-hedge derivatives with effect on income				
Short term	1,254	1,672		
Underlying Investments Hedge	1,254	1,672	4,694	-
Total Instrumentos	14,124	83,526	(17,761)	(46,529)
As of December 31, 2020				
Type of Instrument: Cross currency interest rate swaps UF/CLP				
Cash flow hedge derivatives				
Short term	-	26,699		
Long term	37,276	13,511		
Underlying Debt Hedge	37,276	40,210	(9,167)	(6,233)
Type of Instrument: Forwards/Options				
Non-hedge derivatives with effect on income				
Short term	2,610	5,393		
Underlying Investments Hedge	2,610	5,393	(9,049)	-
Total Instruments	39,886	45,603	(18,216)	6,233

(1) See underlying hedges in Note 4.2 letters b) and d) and movement of cash flow hedge reserve in Note 20.4.

The balances in the column "Total Realized" consider the intermediate effects of the contracts that were in place between January 1 and December 31, 2021 and January 1 and December 31, 2020.

Hedging Effect in Profit and Equity for the year as of December 31, 2021	Variation Total	Effect on Profit or Loss	Hedge Reserves from Variation in Gross Hedges
Analysis Effect by Type of Coverage			
Hedging in Current and Non-Current Assets	(24,406)		
Hedging in Current and Non-Current Liabilities	41,644		
Total Hedge Effect in Profit or Loss and Equity for the period	17,238	(13,288)	30,526

Derivative contract maturities are detailed as follows:

Series	Contract amount	Currency	Maturity date
	ThUS\$		
H	119,938	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.

12.4 Financial liabilities

Other current and non-current financial liabilities

As of December 31, 2021 and 2020, the detail is as follows:

Other current and non-current financial liabilities	As of December 31, 2021			As of December 31, 2020		
	Currents ThUS\$	Non-Current ThUS\$	Total ThUS\$	Currents ThUS\$	Non-Current ThUS\$	Total ThUS\$
Liabilities at amortized cost						
Bank borrowings	85	69,613	69,698	82	69,376	69,458
Obligations with the public	40,594	2,445,219	2,485,813	36,781	1,816,626	1,853,407
Derivative financial instruments						
For hedging	8,954	72,900	81,854	26,699	13,511	40,210
Non-Hedging	1,672	-	1,672	5,393	-	5,393
Total	51,305	2,587,732	2,639,037	68,955	1,899,513	1,968,468

Current and non-current bank borrowings

As of December 31, 2021 and 2020, the detail is as follows:

Current and non-current bank borrowings	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Current borrowings	85	82
Non-current borrowings	69,613	69,376
Current and non-current bank borrowings	69,698	69,458

a) Bank borrowings, current:

As of December 31, 2021, and 2020, 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	US\$	Upon maturity	05/31/2022	0.82%	1.36%

Debtor			Creditor			Nominal amounts as of December 31, 2021			Current amounts as of December 31, 2021		
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\$
SQM S.A.	Scotiabank Cayman		-	-	-	85	-	85	-	85	
Total			-	-	-	85	-	85	-	85	

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	O-E	Scotiabank Cayman	USA	US\$	Upon maturity	05/31/2022	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\$
SQM S.A.	Scotiabank Cayman		-	-	-	-	82	82	-	82	
Total			-	-	-	-	82	82	-	82	

b) Unsecured obligations current

As of December 31, 2021, and 2020, 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	-	MUSS\$250	01/28/2022	US\$	Semiannual	Upon maturity	1.56%	4.38%	
93.007.000-9	SQM S.A.	Chile	-	MUSS\$300	04/03/2022	US\$	Semiannual	Upon maturity	0.74%	3.63%	
93.007.000-9	SQM S.A.	Chile	-	MUSS\$450	05/07/2022	US\$	Semiannual	Upon maturity	3.23%	4.25%	
93.007.000-9	SQM S.A.	Chile	-	MUSS\$400	01/22/2022	US\$	Semiannual	Upon maturity	4.00%	4.25%	
93.007.000-9	SQM S.A.	Chile	-	MUSS\$700	03/10/2022	US\$	Semiannual	Upon maturity	3.62%	3.50%	
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2022	UF	Semiannual	Semiannual	1.75%	4.90%	
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2022	UF	Semiannual	Upon maturity	2.06%	3.80%	
93.007.000-9	SQM S.A.	Chile	563	P	01/15/2022	UF	Semiannual	Upon maturity	2.04%	3.25%	
93.007.000-9	SQM S.A.	Chile	700	Q	06/01/2022	UF	Semiannual	Upon maturity	2.72%	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, 2021			Carrying amounts of maturities as of December 31, 2021				
			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	MUSS\$250	4,648	-	4,648	4,648	-	4,648	(433)	4,215
SQM S.A.	Chile	MUSS\$300	-	2,658	2,658	-	2,658	2,658	(614)	2,044
SQM S.A.	Chile	MUSS\$450	-	2,869	2,869	-	2,869	2,869	(679)	2,190
SQM S.A.	Chile	MUSS\$400	7,508	-	7,508	7,508	-	7,508	(237)	7,271
SQM S.A.	Chile	MUSS\$700	6,874	-	6,874	6,874	-	6,874	(552)	6,322
SQM S.A.	Chile	H	16,026	-	16,026	16,026	-	16,026	(172)	15,854
SQM S.A.	Chile	O	863	-	863	863	-	863	(82)	781
SQM S.A.	Chile	P	1,636	-	1,636	1,636	-	1,636	(12)	1,624
SQM S.A.	Chile	Q	-	314	314	-	314	314	(21)	293
Total			37,555	5,841	43,396	37,555	5,841	43,396	(2,802)	40,594

Debtor			Periodicity							
Tax I No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Payment of interest	Repayment	Effective rate	Nominal rate
93.007.000-9	SQM S.A.	Chile	-	MUSS250	01/28/2021	US\$	Semiannual	Upon maturity	1.95%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUSS300	04/03/2021	US\$	Semiannual	Upon maturity	1.08%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUSS450	05/07/2021	US\$	Semiannual	Upon maturity	3.59%	4.25%
93.007.000-9	SQM S.A.	Chile	-	MUSS400	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	MUSS250	4,648	-	4,648	4,648	-	4,648	(433)	4,215
SQM S.A.	Chile	MUSS300	-	2,658	2,658	-	2,658	2,658	(614)	2,044
SQM S.A.	Chile	MUSS450	7,508	-	7,508	7,508	-	7,508	(679)	6,829
SQM S.A.	Chile	MUSS400	-	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

c) Classes of interest-bearing loans, non-current

The following table shows the details of bank loans as of December 31, 2021 and 2020:

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	O-E	Scotiabank Cayman	USA	US\$	Maturity	2.05%	1.36%			
Debtor			Creditor			Carrying amounts of maturities as of December 31, 2021						
Company	Financial institution	Nominal non-current maturities as of December 31, 2021			Total	Between 1 and 2	Between 2 and 3	Between 3 and 4	Subtotal	Costs of obtaining loans		
		Between 1 and 2	Between 2 and 3	Between 3 and 4						Total	Between 1 and 2	Between 2 and 3
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Scotiabank Cayman	70,000	-	-	70,000	70,000	-	-	70,000	-	(387)	69,613
Total		70,000	-	-	70,000	70,000	-	-	70,000	-	(387)	69,613
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	O-E	Scotiabank Cayman	USA	US\$	Maturity	1.98%	1.36%			
Debtor			Creditor			Carrying amounts of maturities as of December 31, 2020						
Company	Financial institution	Nominal non-current maturities as of December 31, 2020			Total	Between 1 and 2	Between 2 and 3	Between 3 and 4	Subtotal	Costs of obtaining loans		
		Between 1 and 2	Between 2 and 3	Between 3 and 4						Total	Between 1 and 2	Between 2 and 3
		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

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, 2021, and 2020:

Debtor						Periodicity				
Tax ID No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Payment of interest	Repayment	Effective rate	Nominal rate
93.007.000-9	SQM S.A.	Chile	-	MUSS250	01/28/2025	US\$	Semiannual	Upon maturity	4.08%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUSS300	04/03/2023	US\$	Semiannual	Upon maturity	3.42%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUSS450	05/07/2029	US\$	Semiannual	Upon maturity	4.10%	4.25%
93.007.000-9	SQM S.A.	Chile	-	MUSS400	01/22/2050	US\$	Semiannual	Upon maturity	4.19%	4.25%
93.007.000-9	SQM S.A.	Chile	-	MUSS700	09/10/2051	US\$	Semiannual	Upon maturity	3.43%	3.50%
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	3.69%	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, 2021						Carrying amounts of maturities as of December 31, 2021						Bond issuance costs		
	Over 1 year to 2 ThUS\$	Over 2 years to 3 ThUS\$	Over 3 Years to 4 ThUS\$	Over 4 Years to 5 ThUS\$	Over 5 years ThUS\$	Total ThUS\$	Over 1 year to 2 ThUS\$	Over 2 years to 3 ThUS\$	Over 3 Years to 4 ThUS\$	Over 4 Years to 5 ThUS\$	Over 5 years ThUS\$	Subtotal ThUS\$	Total ThUS\$	Total ThUS\$	Total ThUS\$
MUSS250	-	-	250,000	-	-	250,000	-	-	250,000	-	-	250,000	(903)	249,097	
MUSS300	300,000	-	-	-	-	300,000	300,000	-	-	-	-	300,000	(168)	299,832	
MUSS450	-	-	-	-	450,000	450,000	-	-	-	-	450,000	450,000	(4,343)	445,657	
MUSS400	-	-	-	-	400,000	400,000	-	-	-	-	400,000	400,000	(6,347)	393,653	
MUSS700	-	-	-	-	700,000	700,000	-	-	-	-	700,000	700,000	(15,836)	684,164	
H	-	-	-	-	100,064	100,064	-	-	-	-	100,064	100,064	(1,206)	98,858	
O	-	-	-	-	55,035	55,035	-	-	-	-	55,035	55,035	(822)	54,213	
P	-	-	-	-	110,070	110,070	-	-	-	-	110,070	110,070	(65)	110,005	
Q	-	-	-	-	110,070	110,070	-	-	-	-	110,070	110,070	(330)	109,740	
Total	300,000	-	250,000	-	1,925,239	2,475,239	300,000	-	250,000	-	1,925,239	2,475,239	(30,020)	2,445,219	

Debtor

Periodicity

Tax ID No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Payment of interest	Repayment	Effective rate	Nominal rate
93.007.000-9	SQM S.A.	Chile	-	MUSS250	01/28/2025	US\$	Semiannual	Upon maturity	4.08%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUSS300	04/03/2023	US\$	Semiannual	Upon maturity	3.43%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUSS450	05/07/2029	US\$	Semiannual	Upon maturity	4.18%	4.25%
93.007.000-9	SQM S.A.	Chile	-	MUSS400	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%

Nominal non-current maturities as of December 31, 2020

Carrying amounts of maturities as of December 31, 2020

Series	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\$
MUSS250	-	-	-	250,000	-	250,000	-	-	-	250,000	-	250,000	(1,336)	248,664
MUSS300	-	300,000	-	-	-	300,000	-	300,000	-	-	-	300,000	(781)	299,219
MUSS450	-	-	-	-	450,000	450,000	-	-	-	-	450,000	450,000	(5,020)	444,980
MUSS400	-	-	-	-	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

e) Additional information

Bonds

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 equivalent to 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.

2020

During 2020, the amortization of principal amounted to UF 363,636.36, equivalent to ThUS\$ 13,296 with an associated cross currency swap hedge income of ThUS\$ 814.

2021

During 2021, amortization of principal amounted to UF 363,636.36, equivalent to ThUS\$ 14,870 with an associated cross currency swap hedge loss of ThUS\$ 760.

For more details on restrictions. See Note 19.1.

For the periods ended December 31, 2021, and 2020, the Company has made the following payments with a charge to the Series H bonds and their associated CCS hedging:

<u>Payments made</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Payments of interest, Series H bonds	6,661	6,601	7,868
CCS Coverage	1,598	2,575	1,952

(ii) **Single series bonds, second issue MUSS 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, 2021 and 2020, the detail of payments charged to the line of single series bonds, second issue is as follows.

Payments made	December 31, 2021	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Payments of interest	-	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 with respect a restriction in Note 19.1.

For the periods ended December 31, 2021, and 2020, the Company has made the following payments with a charge to Series O bonds and their associated CCS hedging:

Payments made	December 31, 2021	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Payments of interest, Series O bonds	2,225	2,070	2,308
CCS Coverage	438	599	354

(iv) Single series bonds, third issue MUSS 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 December 31, 2021, and 2020, the following payments have been made with a debit to the line of single-series bonds, third issue:

Payments made	December 31, 2021	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Payments of interest	10,875	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, 2021 and 2020, the following payments have been made.

Payments made	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$	December 31, 2019 ThUS\$
Payments of interest	10,938	10,938	10,938

(vi) Series "P" bonds

The Company on March 31, 2008 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, 2021 and 2020, the following payments and their associated CCS have been made:

Payments made	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$	December 31, 2019 ThUS\$
Payments of interest, Series P bonds	3,835	3,534	3,960
CCS Coverage	3,119	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 UF, 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 19.1

For the periods ended December 31, 2021 and 2020, the following payments have been made:

Payments made	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$	December 31, 2019 ThUS\$
Payments of interest, Series Q bonds	3,990	3,769	3,791
CCS Coverage	1,919	1,021	-

(viii) Single series fifth issue bonds MUSS 450

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, 2021 and 2020, the following payments have been made:

Payments made	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$	December 31, 2019 ThUS\$
Payments of interest	19,125	19,125	9,563

(ix) Single series sixth issue bonds MUSS 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.

For the periods ended on December 31, 2021 and 2020, the following payments have been made:

Payments made	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$	December 31, 2019 ThUS\$
Payments of interest	17,000	8,500	-

(x) Single series seventh issue bonds MUSS 700

On September 10, 2021, the Company has placed unsecured bonds in international markets for US\$ 700 million, pursuant to Rule 144-A and Regulation S of the Securities and Exchange Commission, at an annual interest rate of 3.50 % and a maturity in the year 2051.

For the periods ended on December 31, 2021 and 2020, no payments have been made.

12.5 Trade and other payables

a) Details trade and other payables

Details trade and other payables	As of December 31, 2021			As of December 31, 2020		
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$
Accounts payable	279,092	-	279,092	203,346	-	203,346
Other accounts payable	558	-	558	587	-	587
Prepayments from customers	-	3,813	3,813	-	4,027	4,027
Total	279,650	3,813	283,463	203,933	4,027	207,960

As of December 31, 2021, and 2020, 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, 2021						Total ThUS\$
	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	
Goods	148,045	1,799	1,425	-	120	3,813	155,202
Services	80,089	335	109	2	78	-	80,613
Others	31,949	-	-	-	-	-	31,949
Total	260,083	2,134	1,534	2	198	3,813	267,764

Type of Supplier	Amounts according to payment periods as of December 31, 2020						Total ThUS\$
	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	
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

Suppliers past due on payments

Amounts according to payment periods as of December 31, 2021							
Type of Supplier	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	Total ThUSS
Goods	7,688	30	5	1	37	-	7,761
Services	4,055	108	533	34	181	-	4,911
Others	2,340	16	73	35	5	-	2,469
Total	14,083	154	611	70	223	-	15,141

Amounts according to payment periods as of December 31, 2020							
Type of Supplier	Up to 30 Days	31 - 60 days	61 - 90 Days	91 - 120 days	121 - 365 days	366 and more days	Total ThUSS
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

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of December 31, 2021, the Company has purchase orders amounting to ThUSS 166,209 and ThUSS 55,516 as of December 31, 2020.

12.6 Financial asset and liability categories

a) Financial Assets

Description of financial assets	As of December 31, 2021			As of December 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalent	1,515,051	-	1,515,051	509,102	-	509,102
Trade receivables due from related parties at amortized cost	86,152	-	86,152	62,601	-	62,601
Financial assets measured at amortized cost	905,170	91	905,261	345,459	80	345,539
Trade and other receivables	654,073	6,172	660,245	365,206	11,165	376,371
Total financial assets measured at amortized cost	3,160,446	6,263	3,166,709	1,282,368	11,245	1,293,613
Financial instruments for hedging purposes	12,625	245	12,870	-	37,276	37,276
Financial instruments held for trading	1,254	-	1,254	2,610	-	2,610
Financial assets classified as available for sale at fair value through equity	-	8,932	8,932	-	14,569	14,569
Total financial assets at fair value	13,879	9,177	23,056	2,610	51,845	54,455
Total financial assets	3,174,325	15,440	3,189,765	1,284,978	63,090	1,348,068

b) Financial Liabilities

Description of financial liabilities	As of December 31, 2021			As of December 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
For hedging purposes through equity	8,954	72,900	81,854	26,699	13,511	40,210
Held for trading at fair value through profit or loss	1,672	-	1,672	5,393	-	5,393
Financial liabilities at fair value	10,626	72,900	83,526	32,092	13,511	45,603
Bank loans	85	69,613	69,698	82	69,376	69,458
Obligations to the public	40,594	2,445,219	2,485,813	36,781	1,816,626	1,853,407
Lease Liabilities	7,704	46,519	54,223	5,528	25,546	31,074
Trade and other payables	279,650	3,813	283,463	203,933	4,027	207,960
Trade payables due to related parties	-	-	-	606	-	606
Total financial liabilities at amortized cost	328,033	2,565,164	2,893,197	246,930	1,915,575	2,162,505
Total financial liabilities	338,659	2,638,064	2,976,723	279,022	1,929,086	2,208,108

12.7 Fair value measurement of finance assets and liabilities

The fair value hierarchy is detailed as follows:

- (a) **Level 1:** The fair value of financial instruments traded in active markets (such as equity securities) is based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.
- (b) **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market inputs and rely as little as possible on entity-specific estimates. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) **Level 3:** If one or more of the significant inputs is not based on observable market data for the asset or liability, the instrument is included in level 3. This is the case for unlisted equity securities.

Fair value measurement of assets and liabilities	As of December 31, 2021			Measurement Methodology		
	Carrying Amount at Amortized Cost	Fair value (disclosure purposes)	Fair value recognized	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial Assets						
Cash and cash equivalents	1,515,051	1,515,051	-	-	1,515,051	-
Other current financial assets						
- Time deposits	905,170	905,170	-	-	905,170	-
- Derivative financial instruments						
- Forwards	-	-	1,031	-	1,031	-
- Options	-	-	223	-	223	-
- Hedging assets	-	-	-	-	-	-
- Swaps	-	-	12,613	-	12,613	-
Non-current accounts receivable	6,172	6,172	-	-	-	-
Other non-current financial assets:						
- Other	91	91	-	-	91	-
- Equity instruments	-	-	8,932	8,932	-	-
- Hedging assets – Swaps	-	-	-	-	-	-
Other current financial liabilities						
- Bank borrowings	85	85	-	-	85	-
- Derivative instruments						
- Forwards	-	-	1,270	-	1,270	-
- Options	-	-	402	-	402	-
- Hedging liabilities – Swaps	-	-	8,954	-	8,954	-
- Swaps hedges, investments	-	-	-	-	-	-
- Unsecured obligations	40,594	40,594	-	-	40,594	-
- Current lease liabilities	7,704	7,704	-	-	7,704	-
Other non-current financial liabilities						
- Bank borrowings	69,613	70,497	-	-	70,497	-
- Unsecured obligations	2,445,219	2,871,005	-	-	2,871,005	-
- Non-current hedging liabilities	-	-	72,900	-	72,900	-
- Non-current lease liabilities	46,519	34,521	-	-	34,521	-

Fair value measurement of assets and liabilities	As of December 31, 2020			Measurement Methodology		
	Carrying Amount at Amortized Cost	Fair value (disclosure purposes)	Fair value recognized	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	80	80	-	-	80	-
- Equity instruments	-	-	14,569	14,569	-	-
- Hedging assets – Swaps	-	-	37,276	-	37,276	-
Other current financial liabilities						
- Bank borrowings	82	82	-	-	82	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	4,614	-	4,614	-
- Options	-	-	780	-	780	-
- Hedging liabilities – Swaps	-	-	5,695	-	5,695	-
- 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 borrowings	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	-

12.8 Estimated fair value of financial instruments

The fair value of financial assets and liabilities is estimated using the following information. Although the data represent Management's best estimates, it is subjective and involves significant estimates regarding current economic conditions, market conditions and risk characteristics.

Methodologies and assumptions used depend on the risk terms and characteristics of instruments and include the following as a summary:

Fair value estimation for recognition purposes

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 (Peso/UF) and liability (Dollar) 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 disclosure purposes

- Cash equivalent approximates fair value due to the short-term maturities of these instruments.
- The fair value of current trade receivables 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), borrowings 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.

12.9 Net Debt reconciliation

This section presents an analysis of net debt plus lease liabilities and their movements for each of the reported periods. The definition of the net debt is described in Note 19.1. and includes current and non-current lease liabilities to complete its analysis.

Net debt	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Cash and cash equivalents	1,515,051	509,102
Other current financial assets	919,049	348,069
Other non-current financial hedge assets	245	37,276
Other current financial liabilities	(51,305)	(68,955)
Lease liabilities, current	(7,704)	(5,528)
Other non-current financial liabilities	(2,587,732)	(1,899,513)
Non-current Lease liabilities	(46,519)	(25,546)
Total	(258,915)	(1,105,095)

Net debt	As of December 31, 2020 ThUS\$	From cash flow			Not from cash flow			As of December 31, 2021 ThUS\$
	ThUS\$	Amounts from loans ThUS\$	Amounts from interests ThUS\$	Other cash income/expenses ThUS\$	Hedging and non- hedging instruments ThUS\$	Exchange rate differences ThUS\$	Others ThUS\$	ThUS\$
Obligations with the public and bank loans	(1,922,864)	(685,130)	75,578	16,570	-	44,473	(84,138)	(2,555,511)
Current and non-current lease liabilities	(31,074)	7,960	1,587	-	-	181	(32,877)	(54,223)
Financial instruments derived from hedging	18,070	(760)	7,238	-	(45,017)	-	(61,128)	(81,597)
Current and non-current financial liabilities	(1,935,868)	(677,930)	84,403	16,570	(45,017)	44,654	(178,143)	(2,691,331)
Cash and cash equivalents	509,102	-	-	1,022,061	-	(16,112)	-	1,515,051
Deposits that do not qualify as cash and cash equivalents	345,459	-	(2,747)	585,106	-	(27,315)	4,667	905,170
Derivatives from hedge assets	(21,004)	-	-	9,405	23,082	-	1,130	12,613
Derivatives from other financial non-hedge assets	(2,784)	-	-	(2,327)	4,693	-	-	(418)
Total	(1,105,095)	(677,930)	81,656	1,630,815	(17,242)	1,227	(172,346)	(258,915)

Net debt	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\$	
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	0	-	-	(2,325)	(31,074)
Financial instruments derived from hedging	(23,655)	814	7,634	0	37,371	-	(4,094)	18,070
Current and non-current financial liabilities	(1,814,580)	(127,863)	82,700	7,819	37,371	(33,280)	(88,035)	(1,935,868)
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)	(2,074)	-	388	(21,004)
Derivatives from other financial non-hedge assets	(637)	-	-	10,071	(12,218)	-	-	(2,784)
Total	(719,810)	(127,863)	81,484	(223,584)	23,079	(47,752)	(90,649)	(1,105,095)

Note 13 Right-of-use assets and Lease liabilities

13.1 Right-of-use assets

Reconciliation of changes in right-of-use assets as of December 31, 2021, 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	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	-	23,377	-	2,479	-	-	-	-	-	-	-	4,168	30,024
Additions	17,552	1,209	-	862	-	-	-	-	-	-	-	-	12,203
Depreciation expenses	(199)	(3,635)	-	(763)	-	-	-	-	-	-	-	-	(4,109)
Other increases / decreases	-	-	-	-	-	-	-	-	-	-	-	-	(536)
Total changes	17,353	(2,426)	-	99	-	-	-	-	-	-	-	-	7,558
Closing balance	17,353	20,951	-	2,578	-	-	-	-	-	-	-	4,168	30,024

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	Total
	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)
Other increases / decreases	-	(612)	-	-	-	-	-	-	-	-	-	-	(612)
Total changes	-	(2,365)	-	(877)	-	-	-	-	-	-	-	-	(3,898)
Closing balance	-	23,377	-	2,479	-	-	-	-	-	-	-	4,168	30,024

The Company's lease activities included the following aspects:

- (a) 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,
- (b) 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) Extension options and termination options, (iii) Guaranteed residual value and (iv) Leases not yet undertaken but committed by the Company.
- (c) These are not subject to restrictions or agreements imposed by contracts.

There were no sales transactions with leases later in the period.

13.2 Lease liabilities

Lease liabilities	As of December 31, 2021		As of December 31, 2020	
	Current	Non-Current	Current	Non-Current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Lease liabilities	7,704	46,519	5,528	25,546
Total	7,704	46,519	5,528	25,546

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	03-31-2025	5.39%
79.626.800-K	SQM Salar S.A.	Chile	76.327.820-4	Maquinaria Astudillo y Hermanos Limitada	Chile	UF	Monthly	01-08-2026	2.89%
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%
79.626.800-K	SQM Salar S.A.	Chile	76.327.820-4	Maquinaria Astudillo y Hermanos Limitada	Chile	Peso	Monthly	11-24-2025	2.89%
79.626.800-K	SQM Salar S.A.	Chile	76.158.471-5	Sociedad Inmobiliaria Amaru SpA	Chile	UF	Monthly	07-11-2023	2.00%
79.626.800-K	SQM Salar S.A.	Chile	76.327.820-4	Maquinaria Astudillo y Hermanos Ltda.	Chile	UF	Monthly	06-01-2026	3.26%
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%
79.947.100-0	SQM Industrial S.A.	Chile	76.536.499-K	Jungheinrich Rentalif SPA	Chile	UF	Monthly	10-07-2024	3.49%
79.947.100-0	SQM Industrial S.A.	Chile	76.320.186-4	Tecno Fast S.A.	Chile	UF	Monthly	12-31-2022	1.44%
96.592.190-7	SQM Nitratos S.A.	Chile	76.536.499-K	Jungheinrich Rentalif SPA	Chile	UF	Monthly	10-07-2024	3.49%
93.007.000-9	SQM S.A.	Chile	76.536.499-K	Jungheinrich Rentalif SPA	Chile	UF	Monthly	10-07-2024	3.49%
79.768.170-9	Soquimich Comercial S.A.	Chile	96.662.540-6	Containers Operators S.A.	Chile	UF	Monthly	12-31-2022	0.81%
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%

Debtor			Creditor			Contract indexation unit	Type of amortization	Maturity date	Effective rate
Tax ID No.	Company	Country	TAX ID No.	Supplier	Country				
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	07-05-2025	2.97%
76.359.919-1	Orcoma Estudios SpA	Chile	70.017.320-8	Obispado de Iquique	Chile	CLP	Monthly	07-12-2036	6.16%
76.359.919-1	Orcoma Estudios SpA	Chile	73.190.800-1	Comunidad Indígena Aymara Pueblo de Pisiga Choque	Chile	UF	Monthly	07-12-2024	2.53%
76.359.919-1	Orcoma Estudios SpA	Chile	6.848.218-6	Ruth del Carmen Cortez Maturana	Chile	Peso	Monthly	07-12-2031	7.44%
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 Nunbmer One, LLC	USA	Dollar	Monthly	08-31-2024	3.33%
Foreign	SQM North America Corp.	USA	Foreign	Deep South Equipment Company	USA	Dollar	Monthly	03-24-2024	1.33%
Foreign	SQM North America Corp.	USA	Foreign	Tennant-South	USA	Dollar	Monthly	07-02-2023	1.00%
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	Eagle Petroleum (WA) Pty Ltd	Australia	Australian dollar	Monthly	06-21-2022	5.00%
Foreign	SQM Australia PTY	Australia	Foreign	The trust Company (Australia) Pty Ltd	Australia	Australian dollar	Monthly	01-31-2021	3.60%
Foreign	SQM Australia PTY	Australia	Foreign	Ausco Modular Pty Limited	Australia	Australian dollar	Monthly	01-31-2023	5.00%
Foreign	SQM Australia PTY	Australia	Foreign	Western Australian Land Authority	Australia	Australian dollar	Monthly	08-31-2051	3.55%
Foreign	SQM Colombia S.A.S.	Colombia	Foreign	Mareauto Colombia S.A.S.	Colombia	COP	Monthly	12-18-2023	2.01%
Foreign	SQM Colombia S.A.S.	Colombia	Foreign	Renting Colombia S.A.	Colombia	COP	Monthly	10-16-2024	2.72%
Foreign	SQM Colombia S.A.S.	Colombia	Foreign	Renting Colombia S.A.	Colombia	COP	Monthly	12-27-2024	2.17%

(a) As of December 31, 2021, and 2020, current lease liabilities are analyzed as follows:

Debtor Company	Creditor Supplier	Nominal amounts as of December 31, 2021			Amounts at amortized cost as of December 31, 2021		
		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	540	1,618	2,158	457	1,407	1,864
SQM Salar S.A.	Maquinarias Industriales Astudillo Hermanos Ltda.	100	300	400	89	272	361
SQM Salar S.A.	SKM Industrial Ltda.	202	135	337	197	133	330
SQM Salar S.A.	Maquinarias Industriales Astudillo Hermanos Ltda.	48	145	193	43	132	175
SQM Salar S.A.	Sociedad Inmobiliaria Amaru SpA	49	146	195	47	144	191
SQM Salar S.A.	Maquinarias Industriales Astudillo Hermanos Ltda.	8	23	31	7	20	27
SQM Industrial S.A.	El Trovador S.A.	466	1,399	1,865	364	1,110	1,474
SQM Industrial S.A.	Sociedad Comercial Grandleasing Chile Ltda	180	541	721	168	512	680
SQM Industrial S.A.	Jungheinrich Rentalift SpA	30	88	118	27	82	109
SQM Industrial S.A.	Tecnofast	18	56	74	18	55	73
SQM Nitratos S.A.	Jungheinrich Rentalift SpA	18	55	73	17	50	67
SQM S.A.	Jungheinrich Rentalift SpA	20	59	79	18	55	73
Orcoma Estudios SpA	Obispado de Iquique	1	4	5	1	1	2
Orcoma Estudios SpA	Comunidad Indigena Aymara Pueblo de Pisiga Choque	1	5	6	1	4	5
Orcoma Estudios SpA	Ruth del Carmen Cortez Maturana	1	3	4	1	1	2
Soquimich Comercial S.A.	Container Operators S.A.	86	257	343	85	257	342
Soquimich Comercial S.A.	Muelles de Penco S.A.	41	124	165	41	122	163
Soquimich Comercial S.A.	Muelles de Penco S.A.	44	134	178	44	131	175
Soquimich Comercial S.A.	Inmobiliaria Chincui SPA	157	471	628	127	388	515
Soquimich Comercial S.A.	Compañía de Leasing Tattersall S.A.	58	174	232	52	161	213
SQM North America Corp.	Paces West LL.	55	168	223	44	138	182
SQM North America Corp.	Hawkins Number One, LLC	32	98	130	30	91	121
SQM North America Corp.	Deep South Equipment Company	1	4	5	1	4	5
SQM North America Corp.	Tennant- South	2	4	6	1	5	6
SQM Comercial de México S.A. de C.V.	Onni Ensenada S.A. de C.V.	99	296	395	84	254	338
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	20	58	78	17	53	70
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	7	21	28	6	19	25
SQM Europe N.V.	Straatsburgdok N.V.	102	306	408	95	288	383
SQM Australia PTY	Ausco Modular Pty Limited	9	25	34	8	24	32
SQM Australia PTY	Western Australian Land Authority	(52)	(227)	(279)	(103)	(244)	(347)
SQM Australia PTY	Eagle Petroleum (WA) Pty Ltd	5	6	11	3	8	11
SQM Australia PTY	Knight Frank	12	-	12	12	-	12
SQM Colombia S.A.S.	Mareauto Colombia S.A.S.	2	4	6	2	4	6
SQM Colombia S.A.S.	Renting Colombia S.A.	2	7	9	2	7	9
SQM Colombia S.A.S.	Renting Colombia S.A.	3	7	10	3	7	10
Total		2,367	6,514	8,881	2,009	5,695	7,704

Debtor Company	Creditor Supplier	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
	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 Number 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

(b) As of December 31, 2021 and 2020, the non-current lease liabilities are analyzed as follows:

Debtor Company	Creditor Supplier	Nominal amounts as of December 31, 2021				Amounts at amortized cost as of December 31, 2021			
		1-2 Years ThUS\$	2-3 Years ThUS\$	3-4 Years ThUS\$	Total ThUS\$	1-2 Years ThUS\$	2-3 Years ThUS\$	3-4 Years ThUS\$	Total ThUS\$
SQM Salar S.A.	Empresa Constructora Contex Ltda	4,317	540	-	4,857	4,036	535	-	4,571
SQM Salar S.A.	Maquinarias Industriales Astudillo Hermanos Ltda.	800	434	-	1,234	754	426	-	1,180
SQM Salar S.A.	SKM Industrial Ltda.	-	-	-	-	-	-	-	-
SQM Salar S.A.	Maquinarias Industriales Astudillo Hermanos Ltda.	386	177	-	563	365	174	-	539
SQM Salar S.A.	Sociedad Inmobiliaria Amaru SpA	98	-	-	98	97	-	-	97
SQM Salar S.A.	Maquinarias Industriales Astudillo Hermanos Ltda.	62	44	-	106	57	43	-	100
SQM Industrial S.A.	El Trovador S.A.	3,730	5,594	4,040	13,364	3,086	4,997	3,905	11,988
SQM Industrial S.A.	Sociedad Comercial Grandleasing Chile Ltda	1,141	-	-	1,141	1,115	-	-	1,115
SQM Industrial S.A.	Jungheinrich Rentalift SpA	216	-	-	216	209	-	-	209
SQM Industrial S.A.	Tecnofast	-	-	-	-	-	-	-	-
SQM Nitratos S.A.	Jungheinrich Rentalift SpA	134	-	-	134	129	-	-	129
SQM S.A.	Jungheinrich Rentalift SpA	145	-	-	145	141	-	-	141
Orcoma Estudios SpA	Obispado de Iquique	10	14	41	65	5	8	32	45
Orcoma Estudios SpA	Comunidad Indígena Aymara Pueblo de Pisiga Choque Ruth del Carmen Cortez Maturana	8	-	-	8	8	-	-	8
Orcoma Estudios SpA	Container Operators S.A.	8	12	14	34	5	8	12	25
Soquimich Comercial S.A.	Muelles de Penco S.A.	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	Muelles de Penco S.A.	96	-	-	96	96	-	-	96
Soquimich Comercial S.A.	Muelles de Penco S.A.	104	-	-	104	103	-	-	103
Soquimich Comercial S.A.	Inmobiliaria Chincui SPA Compañía de Leasing Tattersall S.A.	1,255	1,883	261	3,399	1,082	1,766	259	3,107
Soquimich Comercial S.A.	Paces West LL.	465	116	-	581	444	115	-	559
SQM North America Corp.	Hawkins Nunmber One, LLC	465	752	-	1,217	403	714	-	1,117
SQM North America Corp.	Deep South Equipment Company	224	-	-	224	217	-	-	217
SQM North America Corp.	Tennant- South	6	-	-	6	6	-	-	6
SQM North America Corp.	Tennant- South	3	-	-	3	3	-	-	3
SQM Comercial de México S.A. de C.V.	Onni Ensenada S.A. de C.V.	789	756	-	1,545	713	731	-	1,444
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	65	-	-	65	63	-	-	63
SQM Comercial de México S.A. de C.V.	Madol Inmobiliaria S.A. de C.V.	24	-	-	24	23	-	-	23
SQM Europe N.V.	Straatsburgdok N.V.	844	1,015	-	1,859	807	1,000	-	1,807
SQM Australia PTY	Ausco Modular Pty Limited	15	-	-	15	15	-	-	15
SQM Australia PTY	Western Australian Land Authority	1,184	2,995	24,724	28,903	(86)	1,146	16,710	17,770
SQM Colombia S.A.S.	Mareauto Colombia S.A.S.	6	-	-	6	6	-	-	6
SQM Colombia S.A.S.	Renting Colombia S.A.	15	-	-	15	15	-	-	15
SQM Colombia S.A.S.	Renting Colombia S.A.	21	-	-	21	21	-	-	21
Total		16,636	14,332	29,080	60,048	13,938	11,663	20,918	46,519

Debtor Company	Creditor Supplier	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 Nunber 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

Other lease disclosures

Total lease expenses related to lease payments that did not qualify under the scope of IFRS 16 were ThUS\$ 71,897 and ThUS\$ 61,689 for the periods ended December 31, 2021 and 2020. See Note 21.8.

Expenses related to variable payments not included in lease liabilities were ThUS\$ 1,313 and ThUS\$1,117 for the periods ending December 31, 2021 and 2020.

Income from subleases on right-of-use assets were ThUS\$ 146 and ThUS\$ 176 as of December 31, 2021 and 2020, respectively.

Payments for contractual operating leases are disclosed in Note 4.2 Liquidity Risk.

Note 14 Intangible assets and goodwill

14.1 Reconciliation of changes in intangible assets and goodwill

As of December 31, 2021		
Intangible assets and goodwill	Useful life	Net Value ThUS\$
IT programs	Finite	3,447
Mining rights	Finite	149,532
Water rights and rights of way	Indefinite	4,909
Water rights	Finite	15,158
Customer-related intangible assets	Finite	-
Intellectual property	Finite	6,481
Other intangible assets	Finite	131
Intangible assets other than goodwill		179,658
Goodwill	Indefinite	34,596
Total Intangible Asset		214,254

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	5,343
Water rights	Finite	18,000
Customer-related intangible	Finite	-
Other intangible assets	Finite	192
Intangible assets other than goodwill		178,407
Goodwill	Indefinite	41,966
Total Intangible Asset		220,373

a) Movements in identifiable intangible assets as of December 31, 2021:

Movements in identifiable intangible assets	Gross Value									Identifiable intangible assets ThUS\$
	IT programs ThUS\$	Mining rights, Finite ThUS\$	Water rights, and rights of way, Indefinite ThUS\$	Water rights Finite ThUS\$	Customer- related intangible assets ThUS\$	Intellectual property ThUS\$	Other intangible assets ThUS\$	Goodwill ThUS\$	Identifiable intangible assets ThUS\$	
Opening Balance	35,281	160,496	7,424	18,000	1,778	-	2,274	45,500	270,753	
Additions	296	344	-	-	-	-	9	-	649	
Other increases / decreases for foreign currency exchange rates	(19)	2,283	(4)	-	-	-	(6)	-	2,254	
Impairment losses recognized in profit or loss for the year	-	-	-	-	-	-	-	-	-	
Decrease for classification as held for sale	-	-	-	-	-	-	-	-	-	
Transferred from available for sale	-	16	-	-	-	-	-	-	16	
Other increases (decreases)	58	(246)	-	-	-	7,370	-	(7,370)	(188)	
Total increases (decreases)	335	2,397	(4)	-	-	7,370	3	(7,370)	2,731	
Closing balance	35,616	162,893	7,420	18,000	1,778	7,370	2,277	38,130	273,484	

Movements in identifiable intangible assets	Accumulated amortization and impairment									Identifiable intangible assets ThUS\$
	IT programs ThUS\$	Mining rights, Finite ThUS\$	Water rights, and rights of way, Indefinite ThUS\$	Water rights Finite ThUS\$	Customer- related intangible assets ThUS\$	Intellectual property ThUS\$	Other intangible assets ThUS\$	Goodwill ThUS\$	Identifiable intangible assets ThUS\$	
Opening Balance	(30,455)	(10,450)	(2,081)	-	(1,778)	-	(2,082)	(3,534)	(50,380)	
Other increases / decreases for foreign currency exchange rates	2	-	-	-	-	-	-	-	2	
Other increases (decreases)	-	-	-	-	-	-	-	-	-	
Impairment losses recognized in profit for the year (1)	-	(48)	(430)	-	-	-	-	-	(478)	
Amortization	(1,716)	(2,863)	-	(2,842)	-	(889)	(64)	-	(8,374)	
Total increases (decreases)	(1,714)	(2,911)	(430)	(2,842)	-	(889)	(64)	-	(8,850)	
Closing balance	(32,169)	(13,361)	(2,511)	(2,842)	(1,778)	(889)	(2,146)	(3,534)	(59,230)	

(1) See Note 21.5

Net value									
Movements in Identifiable intangible assets	IT programs	Mining rights, Finite	Water rights, and rights of way, Indefinite	Water rights, Finite	Customer-related intangible assets	Intellectual property	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	4,826	150,046	5,343	18,000	-	-	192	41,966	220,373
Additions	296	344	-	-	-	-	9	-	649
Amortization	(1,716)	(2,863)	-	(2,842)	-	(889)	(64)	-	(8,374)
Impairment losses recognized in profit for the year	-	(48)	(430)	-	-	-	-	-	(478)
Other increases / decreases for foreign currency exchange rates	(17)	2,283	(4)	-	-	-	(6)	-	2,256
Decreases through sale	-	-	-	-	-	-	-	-	-
Transferred from available for sale	-	16	-	-	-	-	-	-	16
Other increases (decreases)	58	(246)	-	-	-	7,370	-	(7,370)	(188)
Total increases (decreases)	(1,379)	(514)	(434)	(2,842)	-	6,481	(61)	(7,370)	(6,119)
Closing balance	3,447	149,532	4,909	15,158	-	6,481	131	34,596	214,254

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\$	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

(b) Movements in identifiable goodwill as of December 31, 2021:

Movements in identifiable goodwill	Gross Value	Additional recognition	Reclassification to intangible assets	Total increase (decrease)	Goodwill at end of period
	Movements in identifiable goodwill				
	Opening balance				
	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.	11,383	-	-	-	11,383
SQM Holland B.V. (*)	7,370	-	-	(7,370)	-
SQM Potasio S.A.	724	-	-	-	724
Total increases (decreases)	45,500	-	-	(7,370)	38,130
Closing balance	45,500	-	-	(7,370)	38,130

(*) The measurement of assets and liabilities related to the acquisition of the WNSPK (see Note 7) was completed in 2021 and as a result, Th\$7,370 was identified as intellectual property and reclassified from goodwill accordingly.

Movements in identifiable goodwill	Accumulated impairment	Additional recognition	Reclassification to intangible assets	Total increase (decrease)	Goodwill at end of period
	Movements in identifiable goodwill				
	Opening balance				
	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.	(320)	-	-	-	(320)
Soquimich European Holding B.V.	-	-	-	-	-
SQM Holland B.V.	-	-	-	-	-
SQM Potasio S.A.	-	-	-	-	-
Total increases (decreases)	(3,534)	-	-	-	(3,534)
Closing balance	(3,534)	-	-	-	(3,534)

Movements in identifiable goodwill	Net Value		Reclassification to intangible assets	Total increase (decrease)	Goodwill at end of period
	Opening balance	Additional recognition			
	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.	-	-	-	-	-
Soquimich European Holding B.V.	11,383	-	-	-	11,383
SQM Holland B.V.	7,370	-	-	(7,370)	-
SQM Potasio S.A.	724	-	-	-	724
Total increases (decreases)	41,966	-	-	(7,370)	34,596
Closing balance	41,966	-	-	(7,370)	34,596

Movements in identifiable goodwill as of December 31, 2020

Movements in identifiable goodwill	Gross Value		Impairment losses recognized in profit or loss for the year (-)	Total increase (decrease)	Goodwill at end of period
	Opening balance	Additional recognition			
	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	Opening balance	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	Opening balance	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

Note 15 Property, plant and equipment

As of December 31, 2021, and 2020, the detail of property, plant and equipment is as follows:

15.1 Types of property, plant and equipment

Description of types of property, plant and equipment	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Property, plant and equipment, net		
Land	23,507	23,579
Buildings	270,563	239,666
Other property, plant and equipment	32,846	35,418
Transport equipment	2,463	2,880
Supplies and accessories	5,556	4,183
Office equipment	1,386	459
Network and communication equipment	1,359	1,272
Mining assets	38,241	47,052
IT equipment	3,570	4,083
Energy generating assets	3,970	4,878
Constructions in progress	731,787	486,345
Machinery, plant and equipment	896,977	887,504
Total	2,012,225	1,737,319
Property, plant and equipment, gross		
Land	23,507	23,579
Buildings	767,096	705,089
Other property, plant and equipment	239,582	234,238
Transport equipment	13,357	13,030
Supplies and accessories	28,786	26,101
Office equipment	12,943	11,607
Network and communication equipment	9,577	8,951
Mining assets	195,889	194,562
IT equipment	30,456	29,629
Energy generating assets	38,540	38,540
Constructions in progress	731,787	486,345
Machinery, plant and equipment	3,464,881	3,304,061
Total	5,556,401	5,075,732
Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and impairment of buildings	(496,533)	(465,423)
Accumulated depreciation and impairment of other property, plant and equipment	(206,736)	(198,820)
Accumulated depreciation and impairment of transport equipment	(10,894)	(10,150)
Accumulated depreciation and impairment of supplies and accessories	(23,230)	(21,918)
Accumulated depreciation and impairment of office equipment	(11,557)	(11,148)
Accumulated depreciation and impairment of network and communication equipment	(8,218)	(7,679)
Accumulated depreciation and impairment of mining assets	(157,648)	(147,510)
Accumulated depreciation and impairment of IT equipment	(26,886)	(25,546)
Accumulated depreciation and impairment of energy generating assets	(34,570)	(33,662)
Accumulated depreciation and impairment of machinery, plant and equipment	(2,567,904)	(2,416,557)
Total	(3,544,176)	(3,338,413)

Description of classes of property, plant and equipment	As of	As of
	December 31, 2021	December 31, 2020
	ThUS\$	ThUS\$
Property, plant and equipment, net		
Pumps	28,889	28,184
Conveyor Belt	18,294	20,117
Crystallizer	20,189	22,145
Plant Equipment	168,370	173,335
Tanks	22,358	15,367
Filter	41,438	35,553
Electrical equipment/facilities	97,594	93,937
Other Property, Plant & Equipment	71,150	49,930
Site Closure	34,248	36,828
Piping	106,317	102,578
Well	202,982	226,347
Pond	42,547	41,906
Spare Parts (1)	42,601	41,277
Total	896,977	887,504

(1) The reconciliation of the spare parts provision as of December 31, 2021 and 2020 is as follows:

Conciliation	As of	As of
	December 31, 2021	December 31, 2020
	ThUS\$	ThUS\$
Opening balance	42,881	39,265
Increase in provision	5,381	3,616
Closing balance	48,262	42,881

15.2 Reconciliation of changes in property, plant and equipment by type:

Reconciliation of changes in property, plant and equipment by class as of December 31, 2021 and 2020:

Reconciliation of changes in property, plant and equipment by class as of December 31, 2021, 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	<u>23,579</u>	<u>705,089</u>	<u>234,238</u>	<u>13,030</u>	<u>26,101</u>	<u>11,607</u>	<u>8,951</u>	<u>194,562</u>	<u>29,629</u>	<u>38,540</u>	<u>486,345</u>	<u>3,304,061</u>	<u>5,075,732</u>
Additions	-	-	346	-	-	29	58	-	232	-	470,112	756	471,533
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	(72)	(152)	(8)	(3)	(14)	(3)	-	-	(9)	-	-	(166)	(427)
Reclassifications	-	62,185	5,009	342	2,699	1,310	553	1,327	510	-	(224,945)	155,900	4,890
Other increases (decreases)	-	(26)	(3)	(12)	-	-	15	-	94	-	275	4,330	4,673
Decreases for classification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	<u>(72)</u>	<u>62,007</u>	<u>5,344</u>	<u>327</u>	<u>2,685</u>	<u>1,336</u>	<u>626</u>	<u>1,327</u>	<u>827</u>	<u>-</u>	<u>245,442</u>	<u>160,820</u>	<u>480,669</u>
Closing balance	<u>23,507</u>	<u>767,096</u>	<u>239,582</u>	<u>13,357</u>	<u>28,786</u>	<u>12,943</u>	<u>9,577</u>	<u>195,889</u>	<u>30,456</u>	<u>38,540</u>	<u>731,787</u>	<u>3,464,881</u>	<u>5,556,401</u>
Reconciliation of changes in property, plant and equipment by class as of December 31, 2021, accumulated depreciation													
Opening balance	<u>-</u>	<u>(465,423)</u>	<u>(198,820)</u>	<u>(10,150)</u>	<u>(21,918)</u>	<u>(11,148)</u>	<u>(7,679)</u>	<u>(147,510)</u>	<u>(25,546)</u>	<u>(33,662)</u>	<u>-</u>	<u>(2,416,557)</u>	<u>(3,338,413)</u>
Changes	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(30,872)	(7,848)	(759)	(1,384)	(383)	(539)	(10,138)	(1,387)	(908)	-	(141,460)	(195,678)
Impairment (3)	-	(456)	(75)	-	(16)	(8)	-	-	(8)	-	-	(5,019)	(5,582)
Increase (decrease) in foreign currency translation difference	-	72	7	3	14	2	-	-	9	-	-	97	204
Reclassifications	-	106	(1)	12	74	(20)	-	-	47	-	-	(5,108)	(4,890)
Other increases (decreases) (1)	-	40	1	-	-	-	-	-	(1)	-	-	143	183
Decreases for classification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	<u>-</u>	<u>(31,110)</u>	<u>(7,916)</u>	<u>(744)</u>	<u>(1,312)</u>	<u>(409)</u>	<u>(539)</u>	<u>(10,138)</u>	<u>(1,340)</u>	<u>(908)</u>	<u>-</u>	<u>(151,347)</u>	<u>(205,763)</u>
Closing balance	<u>-</u>	<u>(496,533)</u>	<u>(206,736)</u>	<u>(10,894)</u>	<u>(23,230)</u>	<u>(11,557)</u>	<u>(8,218)</u>	<u>(157,648)</u>	<u>(26,886)</u>	<u>(34,570)</u>	<u>-</u>	<u>(2,567,904)</u>	<u>(3,544,176)</u>

Reconciliation of changes in property, plant and equipment by class as of December 31, 2021, 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	23,579	239,666	35,418	2,880	4,183	459	1,272	47,052	4,083	4,878	486,345	887,504	1,737,319
Additions	-	-	346	-	-	29	58	-	232	-	470,112	756	471,533
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(30,872)	(7,848)	(759)	(1,384)	(383)	(539)	(10,138)	(1,387)	(908)	-	(141,460)	(195,678)
Impairment (3)	-	(456)	(75)	-	(16)	(8)	-	-	(8)	-	-	(5,019)	(5,582)
Increase (decrease) in foreign currency translation difference	(72)	(80)	(1)	-	-	(1)	-	-	-	-	-	(69)	(223)
Reclassifications	-	62,291	5,008	354	2,773	1,290	553	1,327	557	-	(224,945)	150,792	-
Other increases (decreases) (1)	-	14	(2)	(12)	-	-	15	-	93	-	275	4,473	4,856
Decreases for classification as held for sale (2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	(72)	30,897	(2,572)	(417)	1,373	927	87	(8,811)	(513)	(908)	245,442	9,473	274,906
Closing balance	23,507	270,563	32,846	2,463	5,556	1,386	1,359	38,241	3,570	3,970	731,787	896,977	2,012,225

(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.

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.

(3) See note 21.5.

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)
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 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.

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.

15.3 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.

15.4 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, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Capitalized interest rate	4%	4%
Amount of interest cost capitalized	14,206	8,462

Note 16 Other current and non-current non-financial assets

As of December 31, 2021, and 2020, the detail of "Other Current and Non-current Assets" is as follows:

	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Other non-financial assets, current		
Domestic Value Added Tax	26,356	18,107
Foreign Value Added Tax	14,395	7,785
Prepaid mining licenses	1,233	1,025
Prepaid insurance	20,443	10,307
Other prepayments	659	946
Refund of Value Added Tax to exporters	-	14,316
Other taxes	6,030	4,499
Other assets	754	414
Total	69,870	57,399
Other non-financial assets, non-current		
	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Exploration and evaluation expenses (1)	26,752	17,883
Guarantee deposits	622	731
Other assets	6,113	3,428
Total	33,487	22,042

(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, 2021, and 2020:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Cconciliation			
Opening balance	17,883	18,654	26,189
Change in assets for exploration and evaluation of mineral resources			
Additions	8,071	-	-
Short term reclassifications	83	(526)	(1,311)
Increase (decrease) due to transfers and other charges	715	(245)	(6,224)
Total changes	8,869	(771)	(7,535)
Total	26,752	17,883	18,654

As of the presentation date, no reevaluations 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 Company 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) 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, 2021, and 2020 there were no disbursements for this concept.

(b) Execution: Disbursements for exploration and evaluation under implementation and therefore prior to determination of economic feasibility, are presented as part of property, plant and equipment as constructions in progress.

Explorations in execution	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Chile	12,915	14,265
Total	12,915	14,265
Reconciliation of explorations in execution		
	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Opening balance	14,265	18,654
Disbursements	11,964	-
Reclassifications	(13,314)	(4,389)
Total changes	(1,350)	(4,389)
Total	12,915	14,265

(c) Economically feasible: Reimbursements for exploration and evaluation whose study concluded that its economic viability is viable are classified in "Other non-financial assets, non-current."

Economically feasible	Type of Exploration	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Chile (1)	Metallic/Non-Metallic	18,154	10,872
Total		18,154	10,872

(1) The value presented for Chile is as of December 2021 for ThUS 5,622, corresponding to non-metallic exploration and evaluation and ThUS 12,367 associated with metallic exploration. In December 2020, the amounts of non-metallic exploration were ThUS 6,576 and metallic exploration were ThUS 4,296 Economically feasible metallic exploration is classified as advanced exploration.

Economically feasible metallic explorations are those classified as advanced exploration.

Economically feasible	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Opening balance	10,872	10,009
Additions	8,071	-
Reclassifications from Exploration in execution – Chile	1,906	863
Reclassifications to Exploration in Exploitation-Chile	(2,695)	-
Total changes	7,282	863
Total	18,154	10,872

(d) In Exploitation: Caliche exploration disbursements that are found in this area are amortized based on the material exploited, the portion that is expected to be exploited in the following 12 months is presented as “Current Assets” in the “Inventories in process” and the remaining portion is classified as “Other Non-current Non-Financial Assets”.

Short-Term Exploitation reconciliation	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Opening balance	1,318	1,367
Amortization	(1,359)	(1,683)
Reclassifications	1,276	1,634
Total changes	(83)	(49)
Total	1,235	1,318

Long-Term Exploitation conciliation	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Opening balance	7,011	8,645
Amortization	-	-
Reclassifications	1,587	(1,634)
Total changes	1,587	(1,634)
Total	8,598	7,011

Note 17 Employee benefits

17.1 Provisions for employee benefits

Classes of benefits and expenses by employee	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Current		
Profit sharing and bonuses	1,383	7,770
Performance bonus and operational targets	25,392	1,326
Total	26,775	9,096
Non-current		
Profit sharing and bonuses	-	-
Severance indemnity payments	27,099	32,199
Total	27,099	32,199

17.2 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 17.3.
- c) Obligations after employee retirement, described in Note 17.4.
- d) Retention bonuses for a group of Company executives, described in Note 17.6.

17.3 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.

Methodology

The determination of the defined benefit obligation is made under the requirements of IAS 19 "Employee benefits".

17.4 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 benefits related to pension plans based on the 401-K system to its employees, which do not generate obligations for the Company.

Reconciliation Changes in the benefit obligation	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$	As of December 31, 2019 ThUS\$
Opening balance	9,864	9,586	8,657
cost of service	-	-	-
Interest cost	240	280	336
Actuarial loss	(135)	506	984
Benefits paid	(419)	(508)	(391)
Total benefit obligation (A)	9,550	9,864	9,586
Reconciliation Changes in plan assets	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$	As of December 31, 2019 ThUS\$
Fair value of plan assets at the start of the year	12,888	8,754	8,404
Actual gains on plan assets	1,028	4,642	741
Benefits paid	(419)	(508)	(391)
Fair value of plan assets as of the year-end (B)	13,497	12,888	8,754
Net value (A – B)	3,947	3,025	(832)
Items not yet recognized as components of net periodic pension costs:			
Net actuarial loss at the beginning of the year	192	(3,634)	(3,022)
Amortization during the year	-	326	242
Estimated net gain for the year	847	3,500	(854)
Movement to recognize minimum pension obligations	1,039	192	(3,634)
Cost of service or benefits received during the year	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$	As of December 31, 2019 ThUS\$
Cost of service or benefits received during the year	-	-	-
Interest cost of benefit obligation	240	280	336
Actual gains on plan assets	1,028	4,642	741
Amortization of prior year losses	-	326	242
Net gains during the year	847	3,500	(854)
Net periodic pension costs	(76)	(31)	(33)

17.5 Staff severance indemnities

As of December 31, 2021, and 2020, severance indemnities calculated at the actuarial value are as follows:

Staff severance indemnities	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$	As of December 31, 2019 ThUS\$
Opening balance	(32,199)	(27,814)	(28,233)
Current cost of service	(4,978)	(3,804)	(2,880)
Interest cost	(1,303)	(1,486)	(1,661)
Actuarial gain loss	3,999	(2,826)	(2,514)
Exchange rate difference	4,971	(1,513)	2,475
Benefits paid during the year	2,411	5,244	4,999
Total	(27,099)	(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, 2021	As of December 31, 2020	As of December 31, 2019	Annual/Years
Mortality rate	RV - 2014	RV - 2014	RV - 2014	
Actual annual interest rate	5.67%	3.65%	3.68%	
Voluntary retirement rate:				
Men	6.49%	6.49%	6.49%	Annual
Women	6.49%	6.49%	6.49%	Annual
Salary increase	3.00%	3.00%	3.00%	Annual
Retirement age:				
Men	65	65	65	Years
Women	60	60	60	Years

(b) Sensitivity analysis of assumptions

As of December 31, 2021, and 2020, the Company has conducted a sensitivity analysis of the main assumptions of the actuarial calculation, determining the following:

Sensitivity analysis as of December 31, 2021	Effect + 100 basis points ThUS\$	Effect - 100 basis points ThUS\$
Discount rate	(1,614)	1,817
Employee turnover rate	(212)	237
Sensitivity analysis as of December 31, 2020	Effect + 100 basis points ThUS\$	Effect - 100 basis points ThUS\$
Discount rate	(1,985)	2,234
Employee turnover rate	(261)	291

Sensitivity relates to an increase/decrease of 100 basis points.

17.6 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

The compensation plan considers 29 Company executives, who are entitled to this benefit, provided that they stay with the Company until a given date, recognizing on an accrual basis: a) a 2021 bonus, which will be made effective by paying 146,708 shares distributed between the four quarters of 2021, and b) a 2022 bonus for 42,032 shares, which will be made effective the first quarter of 2023.

Compensation

The compensation payable to each executive is calculated by multiplying:

- i) 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).
- ii) the average price of SQM's series B shares during the final quarter of 2022, subject to a limit of US\$ 54 per share.
- iii) 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, 2020 considered 177,905 and 188,740 shares, for 2021. The effects on the income statement are equivalent to an expense of ThUS\$ 5,979 and ThUS\$ 875 in the income statement for the periods ending December 31, 2021 and 2020.

Shares exercised up to December 31, 2021 were 146,708.

Note 18 Provisions and other non-financial liabilities

18.1 Types of provisions

Types of provisions	As of December 31, 2021			As of December 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for legal complaints (1)	48,518	1,223	49,741	8,905	1,260	10,165
Provision for dismantling, restoration and rehabilitation cost (2)	-	58,592	58,592	-	61,265	61,265
Other provisions (3)	269,148	1,223	270,371	95,261	92	95,353
Total	317,666	61,038	378,704	104,166	62,617	166,783

(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 20.1).

(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 18.2.

18.2 Description of other provisions

Current provisions, other short-term provisions	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$
Rent under Lease contract (1)	260,889	85,167
Provision for additional tax related to foreign loans	1,027	740
End of agreement bonus	2,792	8,159
Directors' per diem allowance	3,938	698
Miscellaneous provisions	502	497
Total	269,148	95,261

(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 Noguera, 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.

18.3 Other non-financial liabilities, Current

Description of other liabilities	As of	As of
	December 31, 2021	December 31, 2020
	ThUS\$	ThUS\$
Tax withholdings	21,546	1,208
VAT payable	26,111	1,642
Guarantees received	746	2,636
Accrual for dividend	34,184	8,027
Monthly tax provisional payments	23,319	8,407
Deferred income	5,605	6,435
Withholdings from employees and salaries payable	5,587	5,017
Accrued vacations (1)	23,467	24,003
Other current liabilities	1,109	3,580
Total	141,674	60,955

(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.

18.4 Changes in provisions

Description of items that gave rise to variations as of December 31, 2021	Legal complaints	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	10,165	61,265	95,353	166,783
Changes				
Additional provisions	48,012	7,302	232,254	287,568
Provision used	(8,399)	-	(56,959)	(65,358)
Increase(decrease) in foreign currency exchange	(37)	-	(35)	(72)
Others	-	(9,975)	(242)	(10,217)
Total Increase (decreases)	39,576	(2,673)	175,018	211,921
Total	49,741	58,592	270,371	378,704

Description of items that gave rise to variations as of December 31, 2020	Legal complaints	Provision for dismantling, restoration and rehabilitation cost	Other 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	Other 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 19 Disclosures on equity

The detail and movements in the funds of equity accounts are shown in the consolidated statement of changes in equity.

19.1 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.

The Company's management controls capital management based on the following ratios:

Capital Management	As of December 31, 2021	As of December 31, 2020	Description (1)	Calculation (1)
Net Financial Debt (ThUS\$)	204,692	1,074,020	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	4.62	5.40	Current Assets divided by Current Liabilities	Total Current Assets / Total Current Liabilities
ROE	18.41%	7.79%	Profit for the year divided by Total Equity	Profit for the year / Equity
Adjusted EBITDA (ThUS\$)	1,185,453	579,765	Adjusted EBITDA	Profit (loss) + Depreciation and Amortization Expenses adjustments + Finance Costs + Income Tax – Other income and Share of profit of associates and joint ventures + Other expenses by function – Finance income – Currency differences
EBITDA (ThUS\$)	1,140,086	524,650	EBITDA	Profit (loss) + Depreciation and Amortization Expense adjustments + Finance Costs + Income Tax
ROA	21.29%	9.83%	Adjusted EBITDA – Depreciation divided by Total Assets net of financial resources less related parties' investments	(Gross Profit – Administrative Expenses)/ (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets – Other Non-Current Financial Assets – Equity accounted Investments) (LTM)
Indebtedness	0.06	0.50	Net Financial Debt on Equity	Net Financial Debt / Total Equity

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.

19.2 Operational restrictions and financial limits

Bond issuance contracts in the local market require the Company to maintain a Total Borrowing Ratio no higher than 1 for Series H, Series O and Series Q bonds, calculated over the last consecutive 12 months.

Capital management must ensure that the Borrowing Ratio remains below 1.0, with respect to the Series H, Series O and Series Q bonds. This ratio was redefined at the Bondholders' Meeting held in September 2020, as the result of dividing Net Financial Debt by the company's Total Equity. Previously it had been 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 rose above 1.2. As of December 31, 2021 and 2020 this ratio was 0.06.

The financial restrictions with respect to the bonds issued by the Company for the periods ended December 31, 2021 and 2020 are as follows.

As of December 31, 2021	Financial restrictions (member)			
	Financial restrictions (member)	Financial restrictions (member)	Financial restrictions (member)	Financial restrictions (member)
Instrument with restriction	Bonds	Bonds	Bonds	Bank loans
Reporting party or subsidiary restriction				
Creditor	Bondholders	Bondholders	Bondholders	Scotiabank
Registration number	H	Q	O	PB 70M
Name of financial indicator or ratio (See definition in Note 20.1)	NFD/Equity	NFD/Equity	NFD/Equity	NFD/Equity
Measurement frequency	Quarterly	Quarterly	Quarterly	Quarterly
Restriction (Range, value and unit of measure)	Must be less than 1.00	Must be less than 1.00	Must be less than 1.00	Must be less than 1.00
Indicator or ratio determined by the company	0.06	0.06	0.06	0.06
Fulfilled YES/NO	yes	yes	yes	yes

As of December 31, 2020	Financial restrictions (member)			
	Financial restrictions (member)	Financial restrictions (member)	Financial restrictions (member)	Financial restrictions (member)
Instrument with restriction	Bonds	Bonds	Bonds	Bank loans
Reporting party or subsidiary restriction				
Creditor	Bondholders	Bondholders	Bondholders	Scotiabank
Registration number	H	Q	O	PB 70M
Name of financial indicator or ratio (See definition in Note 20.1)	NFD/Equity	NFD/Equity	NFD/Equity	Debt/Equity
Measurement frequency	Quarterly	Quarterly	Quarterly	Quarterly
Restriction (Range, value and unit of measure)	Must be less than 1.00	Must be less than 1.00	Must be less than 1.00	Must be less than 1.44
Indicator or ratio determined by the company	0.5	0.5	0.5	1.23
Fulfilled YES/NO	yes	yes	yes	yes

Bond issuance contracts in foreign markets require that the Company does not merge, or dispose of, or encumber all or a significant portion of its assets, unless all of the following conditions are met: (i) the legal successor is an entity constituted under the laws of Chile or the United States, which assumes all the obligations of the Company in a supplemental indenture, (ii) immediately after the merger or disposal or encumbrance there is no default by the issuer, and (iii) the issuer has provided a legal opinion indicating that the merger or disposal or encumbrance and the supplemental indenture comply with the requirements of the original indenture.

The Company is also committed to provide quarterly financial information.

The Company and its subsidiaries are complying with all the aforementioned limitations, restrictions and obligations.

19.3 Disclosures on preferred share capital

Issued share capital is divided into Series A shares and 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:

- 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
- 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, 2021, the Group hold 648 Series A shares treasury shares.

Detail of capital classes in shares:

As of December 31, 2021, the Company has placed share issues in the market as described in note 1.7:

Type of capital in preferred shares	As of December 31, 2021		As of December 31, 2020	
	Series A	Series B	Series A	Series B
Description of type of capital in shares				
Number of authorized shares	142,819,552	142,818,904	142,819,552	120,376,972
Number of fully subscribed and paid shares	142,819,552	142,818,904	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-
Increase (decrease) in the number of current shares	-	-	-	-
Number of outstanding shares	142,818,904	142,818,904	142,819,552	120,376,972
Number of shares owned by the Company or its subsidiaries or associates	648	-	-	-
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	1,442,893	134,750	342,636
Total number of subscribed shares	142,819,552	142,818,904	142,819,552	120,376,972

19.4 Disclosures on reserves in Equity and non-controlling interests

As of December 31, 2021, and 2020, this caption comprises the following:

Disclosures on reserves in equity	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$	As of December 31, 2019 ThUS\$
Reserve for currency exchange conversion (1)	(7,913)	(11,569)	(25,745)
Reserve for cash flow hedges (2)	(34,025)	4,491	7,196
Reserve for gains and losses from financial assets measured at fair value through other comprehensive income (3)	(11,146)	6,872	(270)
Reserve for actuarial gains or losses in defined benefit plans (4)	(4,174)	(8,680)	(9,490)
Other reserves	13,103	16,318	14,086
Total	(44,155)	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\$
Opening balance as of January 1, 2019	(26,307)	7,971	-	(8,176)	1,292	(760)	(351)	11,332	(15,940)	941	(14,999)
Movement of reserves	562	1,908	(2,683)	(3,306)	700	1,152	(311)	2,754	3,070	(2,294)	776
Reclassification adjustments	-	-	-	-	-	-	-	-	-	-	-
Closing balance 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)
Movement of reserves	(404)	(3,706)	1,001	955	(145)	9,784	(2,642)	2,537	9,166	(1,786)	7,380
Reclassification adjustment	14,580	-	-	-	-	-	-	(305)	14,275	-	14,275
Closing balance 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
Movement of reserves	4,046	(52,762)	14,246	4,648	(142)	(12,072)	3,818	134	(56,006)	17,922	(38,084)
Reclassification adjustment	(390)	-	-	-	-	-	-	(3,349)	(3,739)	-	(3,739)
Reclassification to retained earnings	-	-	-	-	-	(13,375)	3,611	-	(13,375)	3,611	(9,764)
Closing balance as of December 31, 2021	(7,913)	(46,589)	12,564	(5,879)	1,705	(15,271)	4,125	13,103	(62,549)	18,394	(44,155)

(1) See details on reserves for foreign currency translation differences on conversion in Note 23, letter b).

Other reserves

This caption corresponds to the legal reserves reported in the stand-alone 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, 2021	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
SQM Iberian S.A.	9,464	9,464	9,464
SQM Europe NV	1,957	1,957	1,957
Soquimich European holding B.V.	828	828	828
Abu Dhabi Fertilizer Industries WWL	455	455	455
Kore Potash PLC	-	3,414	2,754
Vitas Fzco.	(38)	(244)	-
Pavoni & C. Spa	7	-	-
Doktor Tarsa Tarim Sanayi AS	-	-	305
Others	(14)	-	-
Total	12,659	15,874	15,763
Other derivative reserves of the acquisition of subsidiaries, which was already under Company ownership at the acquisition date (IAS 27R)	(1,677)	(1,677)	(1,677)
SQM Iberian S.A.	2,121	2,121	-
Orcoma Estudios SPA	-	-	-
Total Other reserves	13,103	16,318	14,086

Non-controlling interests

Subsidiary	% of interests in the ownership held by non-controlling interests	Profit (loss) attributable to non-controlling interests for the year ended		Equity, non-controlling interests for the year ended		Dividends paid to non-controlling interests for the year ended	
		As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020	As of December 31, 2021	As of December 31, 2020
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Potasio S.A.	0.0000001%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49.000000%	769	910	8,382	8,189	577	1,238
Soquimich Comercial S.A.	39.36168%	5,926	2,976	26,665	32,078	11,831	8,880
Comercial Agrorama Ltda.	30.000000%	56	(45)	(596)	(775)	-	-
SQM Indonesia S.A.	20.000000%	-	-	-	-	-	-
Agrorama S.A.	0.000000%	-	-	-	-	-	-
SQM Thailand Limited	0.00400%	-	-	-	1	-	-
Total		6,751	3,841	34,451	39,493	12,408	10,118

19.5 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 annually distribute a cash dividend to its shareholders, prorated based on their shares or the proportion established in the company's bylaws if there are preferred shares, with at least 30% of our consolidated profit for each year.

Dividend policy for commercial year 2021

Company's dividend policy for the 2021 business year was agreed upon by the Board of Directors on April 23, 2021. This dividend policy was amended on November 17, 2021, and 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 2021 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 0.85 times.
 - (ii) 80% of the profit for 2021 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 0.95 times.
 - (iii) 60% of the profit for 2021 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 1.05 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 2021 net income.
- (b) Distribute and pay two interim dividends during 2021, which will be charged to the final dividend indicated above against retained earnings reflected in the financial statements as of March 31, 2021 and June 30, 2021, by the percentage that corresponds according to the financial parameters expressed in (a) above.
- On May 19, 2021 and August 18, 2021, the Board of Directors agreed to distribute and pay an interim dividend equivalent to US\$ 0.23797 per share and US\$ 0.31439 per share, respectively, out of the Company's earnings for 2021. These amounts were paid in Chilean peso equivalents at the official US dollar exchange rate on May 28, 2021 and September 1, 2021, respectively (the "Interim Dividends")
- (c) The Board of Directors will not distribute any other interim dividends out of 2021 earnings.
- (d) At the ordinary meeting to be held in 2022, the Company's Board of Directors will propose a final dividend in line with the percentage corresponding to the financial parameters outlined in (a) above, discounting the provisional dividends and the Interim Dividends. In the event that the amount equivalent to the percentage of the 2021 distributable earnings as described in (a) above is equal to or less than the sum of the Potential Dividend and the Interim Dividends, then no additional amount will be distributed and the Interim Dividends will be deemed to be paid as a final dividend. In any case, the final dividend may not be less than the minimum legal dividend required by law or the bylaws.
- (e) Any remaining amount from the net profits from 2021 can be retained and used to finance the Company's own operations or one or more of its investment projects, notwithstanding a possible distribution of dividends charged to accumulated profit that might be approved by the shareholders' meeting or the possible future capitalization of all or part of it.
- (f) The payment of additional dividends is not being considered.

It must be expressly stated that this dividends policy details the intention of the Company's Board of Directors and its fulfillment depends on the actual profits obtained, as well as on the results indicated by the projections the Company makes from time to time or on the existence of particular conditions, as appropriate. In any case, if the dividend policy set forth by the Board of Directors should undergo any substantial change, the Company must communicate it as a material event.

19.6 Interim and provisional dividends

On May 19, 2021, the Board of Directors agreed to pay a provisional dividend equivalent to US\$ 0.23797 per share with a charge to Company earnings for 2021. Payment began on this provisional dividend on June 10, 2021.

On August 18, 2021, the Board of Directors agreed to pay a provisional dividend equivalent to US\$ 0.31439 per share with a charge to Company earnings for 2021. Payment began on this provisional dividend on September 9, 2021.

On December 22, 2021, the Board of Directors agreed to pay an interim dividend equivalent to US\$1.40037 per share out of the Company's retained earnings. This interim dividend was paid on December 30, 2021.

19.7 Potential and provisional dividends

Dividends discounted from equity from January to December 2021 and 2020 were the following:

Dividends	As of	As of	As of
	December 31, 2021	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Ajay SQM Chile S.A. Dividends	-	556	882
Ajay SQM Chile S.A. Payable Dividend	577	682	-
Soquimich Comercial S.A. Special Dividend	5,904	5,904	3,936
Soquimich Comercial S.A. Payable Dividend	5,927	2,976	1,999
Non-controlling interests	12,408	10,118	6,817
Interim dividend	157,774	44,986	211,224
Special dividend	399,998	100,000	-
Dividends payable	27,681	4,369	66,891
Owners of the Parent	585,453	149,355	278,115
Dividends discounted from equity for the period	597,861	159,473	284,932

Note 20 Contingencies and restrictions

In accordance with note 18.1, the Company recognizes 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:

20.1 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\$ 30 million. On January 27, 2022, a judgment was issued against SQM NA for MU\$ 48.1, which has been appealed. The Company has recorded a charge of MU\$ 48.1 before taxes to the income statement for the year ended December 31, 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 MU\$ 1.2. 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) In January 2018, the company Transportes Buen Destino S.A. filed an arbitration claim under CAM 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 MU\$ 3. The arbitration is currently in the evidence stage.
- (g) In September 2018, representatives Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya, Camila Ruzlay 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 20.4.

- (h) 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 MUS\$ 1.2.
- (i) 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 MUS\$ 14.6.
- (j) 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 is in its evidence stage. The counterclaims filed against the Company amount to MUS\$ 46.
- (k) Through resolution dated April 14, 2020, the General Water Bureau (DGA) fined SQM Salar S.A. an amount of 4,180 UTM for the alleged violation of article 294 of the Water Code. This resolution was appealed for reconsideration as established in article 136 of the Water Code, and its resolution is currently pending.
- (l) On January 7, 2021, the Company Ocaña y Vega Limited has requested arbitration against the Company to claim compensation for damages associated with the early termination of two construction contracts. The case has reached the evidence gathering stage. The cost of arbitration is valued at approximately ThUS\$ 377.
- (m) On April 6, 2021, Empresa Eléctrica Cochrane SpA requested the constitution of arbitration to resolve a dispute in relation to electricity supply contracts signed on March 30, 2012, and February 1, 2013. The trial is currently in the discussion stage. On January 17, 2022, the Company filed a claim for early termination of the electricity supply contracts against Empresa Eléctrica Cochrane SpA. at the same arbitration tribunal.
- (n) In October 2021, the Company requested the constitution of an arbitration against Chilena Consolidada Seguros Generales S.A. to resolve differences in relation to the interpretation and execution of the directors' and officers' liability insurance policy. The lawsuit has been notified to the arbitrator.
- (o) In February 2022, the company Montajes Eléctricos y Construcciones RER Limitada filed a claim for damages before the 21st Civil Court of Santiago against SQM Industrial S.A. for its alleged liability derived from the breach of an electrical installation contract. The case is still in the discussion stage. The amount of the lawsuit is approximately ThUS\$ 542.

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 MUS\$ 1.05.

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.

20.2 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 the accepted compliance program 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 Environmental Court of Antofagasta, 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, the sanction process against SQM Salar could be resumed. This latter event may consider the application of fines up to MUS\$9, temporary or permanent closure of facilities and in extreme circumstances, revocation of the respective environmental permit.

20.3 Tax Contingencies

SQM Salar has filed three tax claims against the SII for taxes levied between tax years 2012 and 2018 (business years 2011 to 2017). The SII has sought to broaden the application of the specific tax on mining activities to the extraction of lithium, a substance that is not concessionable by law. The amount associated with these processes totals US\$ 90.4 million, which has been paid by SQM Salar. This amount is recorded under "Non-current tax assets" in the Consolidated Statement of Financial Position of the Company as of December 31, 2021 and 2020.

The non-current tax assets presented in the Company's Financial Statements as of December 31, 2021 of US\$ 90.4 million, correspond to the three claims in the recently mentioned dispute. This amount can be broken down as follows: overcharged amount of US\$ 18.9 million; potential specific tax for lithium amounting to US\$ 48.6 million (minus effect on first category income tax) and interests associated with this tax for US\$ 22.8 million.

The details of the claims can be found below:

- (a) On August 26, 2016, a tax claim was filed with the Third Tax and Customs Court of the Metropolitan Region against tax assessments No. 169, 170, 171 and 172 for tax years 2012 to 2014. The amount in dispute is US\$ 17.8 million, of which (i) US\$ 11.5 million correspond to the contested tax (minus effect on first category income tax), and (ii) US\$ 6.3 million correspond to interest and associated fines. On November 28, 2018, the Third Tax and Customs Court rejected the claim, and the case is currently in the Santiago Court of Appeals.
- (b) On March 24, 2017, a tax claim was filed with the Third Tax and Customs Court of the Metropolitan Region against tax assessment No. 207 and resolution No. 156, both issued by the SII, for tax years 2015 to 2016. The amount in dispute is US\$ 8.6 million, of which (i) US\$ 1.3 million correspond to amounts assessed in excess, (ii) US\$ 6.9 million correspond to the contested tax (minus effect on first category income tax), and (ii) US\$ 0.5 million correspond to interest and fines. On November 28, 2018, the Third Tax and Customs Court rejected the corresponding claim, and the case is currently in the Santiago Court of Appeals.

- (c) On July 15, 2021, SQM Salar filed a public right annulment suit and tax claim with the First Tax and Customs Court of the Metropolitan Region against tax assessments No. 65 and 66 for the 2017 and 2018 tax years. The amount in dispute is US\$ 63.9 million, of which (i) US\$ 17.7 million correspond to overcharged amounts, (ii) US\$ 30.2 million correspond to the contested tax (minus effect on first category income tax), and (iii) US\$ 16.1 million correspond to interest and fines. This case is under deliberation.

The SII has not issued an assessment claiming differences in the specific tax on mining activities filed for tax years 2019 onward. If the SII uses criteria similar to that used in previous years, it may issue an assessment in the future for this period. The Company estimates a potential assessment of US\$ 79.8 million (minus effect on first category income tax) by the SII, without considering interests and fines.

To date, the Company has recorded no effect corresponding to this tax on its profit and loss.

20.4 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 Salar de Atacama Project Agreement 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 Agreement, SQM Salar may be prevented from the exploitation of the mining assets in the Salar de Atacama that it has leased from Corfo.

20.5 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.

20.6 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, 2021, the guarantee amounts to ThUS\$ 622.

20.7 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\$ 8,866 and ThUS\$ 10,114 on December 31, 2021 and 2020 respectively; which is detailed as follows:

Grantor	Relationship	As of	As of
		December 31, 2021	December 31, 2020
		ThUS\$	ThUS\$
Ferosor Agrícola S.A.	Unrelated Third party	4,735	5,626
Tattersall Agroinsumos S.A.	Unrelated Third party	2,000	2,000
Covepa SPA	Unrelated Third party	592	703
Johannes Epple Davanzo	Unrelated Third party	264	314
Hortofrutícola La Serena	Unrelated Third party	272	303
Com. Serv Johannes Epple Davanz	Unrelated Third party	343	408
Juan Luis Gaete Chesta	Unrelated Third party	160	190
Arena Fertilizantes y Semillas	Unrelated Third party	178	211
Vicente Oyarce Castro	Unrelated Third party	205	229
Bernardo Guzmán Schmidt	Unrelated Third party	117	130
Total		8,866	10,114

20.8 Indirect guarantees

As of December 31, 2021, there are no indirect guarantees.

Note 21 Gains (losses) from operating activities in the statement of income of expenses, included according to their nature

21.1 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 year ended December 31, 2021							
Geographic areas	Specialty plant nutrition	Iodine and derivatives	Lithium and derivatives	Potassium	Industrial chemicals	Other	Total ThUS\$
Chile	136,523	1,538	901	50,573	4,125	25,988	219,648
Latin America and the Caribbean	88,990	10,198	4,905	214,304	7,367	523	326,287
Europe	179,744	173,329	75,674	33,948	18,662	1,408	482,765
North America	314,895	102,746	50,349	57,682	29,860	2,470	558,002
Asia and Others	188,663	150,120	804,292	60,085	71,997	456	1,275,613
Total	908,815	437,931	936,121	416,592	132,011	30,845	2,862,315

For the year ended as of 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
Europa	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 year 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		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Specialty plant nutrition	908,815	701,688	723,920
- Sodium Nitrates	24,829	18,291	20,679
- Potassium nitrate and sodium potassium nitrate	539,336	424,041	457,477
- Specialty Blends	234,369	163,033	153,739
- Other specialty fertilizers	110,281	96,323	92,025
Iodine and derivatives	437,931	334,657	371,020
Lithium and derivatives	936,121	383,373	505,714
Potassium	416,592	209,294	212,151
Industrial chemicals	132,011	160,608	94,875
Other	30,845	27,571	35,975
- Services	3,428	3,241	3,410
- Income from property leases	1,531	1,457	1,438
- Income from subleases on right-of-use assets	146	176	261
- Commodities	12,468	11,938	16,176
- Other ordinary income of Commercial Offices	13,272	10,759	14,690
Total	2,862,315	1,817,191	1,943,655

21.2 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		
	2021 ThUS\$	2020 ThUS\$	2019 ThUS\$
Raw materials and consumables used	(345,356)	(287,877)	(271,912)
Classes of employee benefit expenses	(211,771)	(178,956)	(178,493)
Depreciation expense	(195,678)	(182,314)	(189,587)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(5,963)	(5,814)	(5,450)
Amortization expense	(9,737)	(12,938)	(6,015)
Investment plan expenses	(15,059)	(14,286)	(18,367)
Provision for materials, spare parts and supplies	(505)	640	(7,500)
Contractors	(157,571)	(142,017)	(120,750)
Operating leases	(67,106)	(57,461)	(48,499)
Mining concessions	(7,325)	(6,645)	(7,856)
Operational transportation	(76,003)	(68,730)	(56,376)
Freight / product transportation costs	(77,353)	(52,156)	(46,264)
Purchase of products from third parties	(329,464)	(260,089)	(268,581)
Insurance	(21,869)	(17,657)	(16,968)
CORFO rights and other agreements	(247,604)	(74,418)	(143,861)
Export costs	(99,212)	(88,176)	(71,056)
Expenses related to variable lease payments (contracts under IFRS 16)	(1,313)	(1,117)	(1,037)
Variation in gross inventory	85,709	102,446	52,557
Variation in inventory provision	5,038	7,244	17,107
Other	5,934	6,000	5,305
Total	(1,772,208)	(1,334,321)	(1,383,603)

21.3 Other income

Other income	For the period from January to December of the year		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Discounts obtained from suppliers	896	665	676
Fines charged to suppliers	83	267	483
Taxes recovered	287	1,487	457
Amounts recovered from insurance	1,811	14,861	492
Overestimate of provisions for third-party obligations	293	118	983
Sale of assets classified as properties, plant and equipment	1,923	1,626	2,422
Sale of mining rights	8,796	5,852	5,298
Easements, pipelines and roads	4,949	1,619	7,204
Refunds for mining patents and notarial expenses	198	85	203
Others	316	313	-
Total	19,552	26,893	18,218

21.4 Administrative expenses

Administrative expenses	For the period from January to December of the year		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Employee benefit expenses	(60,552)	(55,152)	(60,255)
Marketing costs	(2,415)	(2,377)	(3,911)
Amortization expenses	(118)	(91)	(5)
Entertainment expenses	(4,906)	(4,858)	(5,783)
Advisory services	(17,332)	(13,880)	(13,862)
Lease of buildings and facilities	(3,478)	(3,111)	(3,653)
Insurance	(3,901)	(3,478)	(2,553)
Office expenses	(6,363)	(6,204)	(7,327)
Contractors	(5,106)	(5,079)	(4,874)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(2,743)	(2,617)	(2,501)
Other expenses	(11,979)	(10,170)	(12,456)
Total	(118,893)	(107,017)	(117,180)

21.5 Other expenses

Other expenses	For the period from January to December of the year		
	2021 ThUS\$	2020 ThUS\$	2019 ThUS\$
Depreciation and amortization expense			
Depreciation of assets not in use	-	(138)	(136)
Subtotal	-	(138)	(136)
Impairment (losses) /reversals of impairment losses recognized in profit for the year			
Properties, plant and equipment	(5,582)	(9,563)	(49)
Intangible assets other than goodwill	(478)	(1,941)	(913)
Goodwill	-	(140)	(140)
Non-current assets and disposal groups held for sale	-	-	-
Subtotal	(6,060)	(11,644)	(1,102)
Other expenses, by nature			
Legal expenses	(42,253)	(69,965)	(9,277)
VAT and other unrecoverable taxes	(1,015)	(626)	(613)
Fines paid	(882)	(314)	(145)
Investment plan expenses	1	(768)	(1,693)
Exploration expenses	-	(5,262)	(5,537)
Contributions and donations	(9,321)	(8,793)	(5,026)
Other operating expenses	(1,075)	(2,102)	(2,466)
Subtotal	(54,545)	(87,830)	(24,757)
Total	(60,605)	(99,612)	(25,995)

21.6 Other (losses) income

Other (losses) income	For the period from January to December of the year		
	2021 ThUS\$	2020 ThUS\$	2019 ThUS\$
Adjustment to prior periods due to applying the equity method	(198)	(48)	(985)
Sale of investments in associates	-	(11,830)	-
Impairment of interests in associates	(2,009)	7,235	631
Sale of investments in joint ventures	-	(481)	-
Others	(431)	(189)	(29)
Total	(2,638)	(5,313)	(383)

21.7 (Impairment) /reversal of value of financial assets impairment losses

Description	For the period from January to December of the year		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
(Impairment) /reversal of value of financial assets impairment losses (See Note 12.2)	(235)	4,684	(1,057)
Totals	(235)	4,684	(1,057)

21.8 Summary of expenses by nature

The following summary considers notes 21.2, 21.4 and 21.5

Expenses by nature	For the period from January to December of the year		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Raw materials and consumables	(345,356)	(287,877)	(271,912)
Employee Benefit Expenses	(272,323)	(234,108)	(238,748)
Depreciation expense	(195,678)	(182,452)	(189,723)
Depreciation of right-of-use Assets	(8,706)	(8,431)	(7,951)
Impairment of properties, plant and equipment, intangible and Goodwill	(6,060)	(11,644)	(1,102)
Amortization expense	(9,855)	(13,029)	(6,020)
Legal expenses	(42,253)	(69,965)	(9,277)
Investment plan expenses	(15,058)	(15,054)	(20,060)
Exploration expenses	-	(5,262)	(5,237)
Provision for materials, spare parts and supplies	(505)	640	(7,500)
Contractors	(162,677)	(147,096)	(125,624)
Operational leases	(70,584)	(60,572)	(52,152)
Mining concessions	(7,325)	(6,645)	(7,856)
Operational transportation	(76,003)	(68,730)	(56,376)
Freight and product transportation costs	(77,353)	(52,156)	(46,264)
Purchase of products from third parties	(329,464)	(260,089)	(268,581)
CORFO rights y other agreements	(247,604)	(74,418)	(143,861)
Export costs	(99,212)	(88,176)	(71,056)
Expenses related to variable lease payments (contracts under IFRS 16)	(1,313)	(1,117)	(1,037)
Insurance	(25,770)	(21,135)	(19,521)
Consultant and advisor services	(17,332)	(13,880)	(13,862)
Variation in gross inventory	85,709	102,446	52,557
Variation in inventory provision	5,038	7,244	17,107
Other expenses	(32,022)	(29,444)	(32,422)
Total expenses by nature	(1,951,706)	(1,540,950)	(1,526,478)

21.9 Finance expenses

Finance expenses	For the period from January to December of the year		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Interest expense from bank borrowings and overdrafts	(2,664)	(2,797)	(2,133)
Interest expense from bonds	(90,859)	(87,030)	(72,984)
Interest expense from loans	(1,135)	(1,598)	(2,682)
Reversal of capitalized interest expenses	14,206	8,462	7,841
Financial expenses for restoration and rehabilitation provisions	(1,259)	2,947	(4,417)
Interest on lease agreement	(1,587)	(1,133)	(1,535)
Interest and bank charges	(1,328)	(1,050)	(1,029)
Total	(84,626)	(82,199)	(76,939)

21.10 Finance income

Finance income	For the period from January to December of the year		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Interest from term deposits	3,635	10,260	15,345
Interest from marketable securities	68	2,147	6,765
Interest from maintenance of minimum bank balance in current account	2	18	-
Other finance income	107	259	4,130
Other finance interests	856	1,031	49
Total	4,668	13,715	26,289

Note 22 Reportable segments

22.1 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 22.2).

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:

- (i) Specialty plant nutrients
- (ii) Iodine and its derivatives
- (iii) Lithium and its derivatives
- (iv) Industrial chemicals
- (v) Potassium
- (vi) 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 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.

22.2 Reportable segment disclosures:

Operating segment items as of December 31, 2021	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, 2021
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	908,815	437,931	936,121	132,011	416,592	30,845	2,862,315	2,862,315	-	2,862,315
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	908,815	437,931	936,121	132,011	416,592	30,845	2,862,315	2,862,315	-	2,862,315
Costs of sales	(646,930)	(240,341)	(494,794)	(109,067)	(253,125)	(27,951)	(1,772,208)	(1,772,208)	-	(1,772,208)
Administrative expenses	-	-	-	-	-	-	-	-	(118,893)	(118,893)
Finance expense	-	-	-	-	-	-	-	-	(84,626)	(84,626)
Depreciation and amortization expense	(58,808)	(41,215)	(65,014)	(13,743)	(35,290)	(169)	(214,239)	(214,239)	-	(214,239)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	11,132	11,132
Income before taxes	261,885	197,590	441,327	22,944	163,467	2,894	1,090,107	1,090,107	(248,886)	841,221
Income tax expense	-	-	-	-	-	-	-	-	(249,016)	(249,016)
Net income (loss)	261,885	197,590	441,327	22,944	163,467	2,894	1,090,107	1,090,107	(497,902)	592,205
Assets	-	-	-	-	-	-	-	-	7,044,297	7,044,297
Equity-accounted investees	-	-	-	-	-	-	-	-	39,824	39,824
Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts	-	-	-	-	-	-	-	-	152,663	152,663
Other Liabilities	-	-	-	-	-	-	-	-	3,828,326	3,828,326
Impairment loss of financial assets recognized in profit or loss	-	-	-	-	-	-	-	-	(235)	(235)
Impairment loss of non-financial assets recognized in profit or loss	-	-	-	-	-	-	-	-	(6,060)	(6,060)
Cash flows from operating activities	-	-	-	-	-	-	-	-	822,520	822,520
Cash flows used in investing activities	-	-	-	-	-	-	-	-	(1,006,943)	(1,006,943)
Cash flows from financing activities	-	-	-	-	-	-	-	-	1,206,485	1,206,485

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	<u>701,688</u>	<u>334,657</u>	<u>383,373</u>	<u>160,608</u>	<u>209,294</u>	<u>27,571</u>	<u>1,817,191</u>	<u>1,817,191</u>	-	<u>1,817,191</u>
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 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)	<u>163,887</u>	<u>166,158</u>	<u>86,325</u>	<u>41,516</u>	<u>22,275</u>	<u>2,709</u>	<u>482,870</u>	<u>482,870</u>	<u>(314,511)</u>	<u>168,359</u>
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
Other Liabilities	-	-	-	-	-	-	-	-	2,655,885	2,655,885
Impairment loss of financial assets recognized in profit or loss	-	-	-	-	-	-	-	-	4,684	4,684
Impairment loss of non-financial assets recognized in profit or loss	-	-	-	-	-	-	-	-	(11,644)	(11,644)
Cash flows from operating activities	-	-	-	-	-	-	-	-	182,234	182,234
Cash flows used in investing activities	-	-	-	-	-	-	-	-	(167,091)	(167,091)
Cash flows from 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 before taxes	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
Other Liabilities	-	-	-	-	-	-	-	-	2,549,679	2,549,679
Impairment loss of financial assets recognized in profit or loss	-	-	-	-	-	-	-	-	(1,057)	(1,057)
Impairment loss of non-financial assets recognized in profit or loss	-	-	-	-	-	-	-	-	(1,102)	(1,102)
Cash flows from operating activities	-	-	-	-	-	-	-	-	426,971	426,971
Cash flows used in investing activities	-	-	-	-	-	-	-	-	(485,471)	(485,471)
Cash flows from financing activities	-	-	-	-	-	-	-	-	105,896	105,896

22.3 Statement of comprehensive income classified by reportable segments based on groups of products

Items in the statement of comprehensive income as of December 31, 2021	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	908,815	437,931	936,121	132,011	416,592	30,845	-	2,862,315
Costs of sales	(646,930)	(240,341)	(494,794)	(109,067)	(253,125)	(27,951)	-	(1,772,208)
Gross profit	261,885	197,590	441,327	22,944	163,467	2,894	-	1,090,107
Other incomes by function	-	-	-	-	-	-	19,552	19,552
Administrative expenses	-	-	-	-	-	-	(118,893)	(118,893)
Other expenses by function	-	-	-	-	-	-	(60,605)	(60,605)
Impairment of gains and review of impairment losses (impairment losses) determined in accordance with IFRS 9	-	-	-	-	-	-	(235)	(235)
Other losses	-	-	-	-	-	-	(2,638)	(2,638)
Financial income	-	-	-	-	-	-	4,668	4,668
Financial costs	-	-	-	-	-	-	(84,626)	(84,626)
Interest in the profit (loss) of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	11,132	11,132
Exchange differences	-	-	-	-	-	-	(17,241)	(17,241)
Profit (loss) before taxes	261,885	197,590	441,327	22,944	163,467	2,894	(248,886)	841,221
Income tax expense	-	-	-	-	-	-	(249,016)	(249,016)
Profit (loss) net	261,885	197,590	441,327	22,944	163,467	2,894	(497,902)	592,205

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
Cost 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 losses	-	-	-	-	-	-	(5,313)	(5,313)
Financial income	-	-	-	-	-	-	13,715	13,715
Financial costs	-	-	-	-	-	-	(82,199)	(82,199)
Interest in the profit (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

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 losses	-	-	-	-	-	-	(383)	(383)
Financial income	-	-	-	-	-	-	26,289	26,289
Financial costs	-	-	-	-	-	-	(76,939)	(76,939)
Interest in the profit (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

22.4 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.

22.5 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.

22.6 Segments by geographical areas

Items as of December 31, 2021	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	219,648	326,287	482,765	558,002	1,275,613	2,862,315
Investment accounted for under the equity method	-	-	15,242	15,899	8,683	39,824
Intangible assets other than goodwill	89,019	496	6,996	1,809	81,338	179,658
Goodwill	22,979	86	11,531	-	-	34,596
Property, plant and equipment, net	1,815,997	671	11,380	3,704	180,473	2,012,225
Right-of-use assets	29,803	68	2,040	3,351	17,346	52,608
Other non-current assets	27,626	16	6	3,950	1,889	33,487
Non-current assets	1,985,424	1,337	47,195	28,713	289,729	2,352,398
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

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Items as of December 31, 2019	Chile ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	Total 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

Note 23 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	As of	As of
	December 31, 2021	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Conversion foreign exchange gains (losses) recognized in the result of the year	(17,241)	(4,423)	(2,169)
Conversion foreign exchange reserves			
Conversion foreign exchange reserves attributable to the owners of the controlling entity	3,656	14,176	562
Conversion foreign exchange reserves attributable to the non-controlling entity	584	(176)	225
Total	4,240	14,000	787

(b) Reserves for foreign currency exchange differences:

As of December 31, 2021, and 2020, are detailed as follows:

Details	As of	As of	As of
	December 31, 2021	December 31, 2020	December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Changes in equity generated by the equity method value through conversion:			
Comercial Hydro S.A.	1,004	1,004	1,004
SQMC Internacional Ltda.	(9)	(9)	(9)
Proinsa Ltda.	(10)	(10)	(10)
Comercial Agrorama Ltda.	155	(19)	33
Isapre Norte Grande Ltda.	(121)	(14)	(44)
Almacenes y Depósitos Ltda.	305	211	142
Sacal S.A.	(3)	(3)	(3)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	(36)	(13)	(19)
Agrorama S.A.	628	92	231
Doktor Tarsa	-	-	(13,811)
SQM Vitas Fzco	(4,165)	(3,736)	(2,267)
Doctochem	-	-	7
SQM Eastmed Turkey	-	-	(155)
Ajay Europe	(1,413)	(693)	(1,449)
Coromandel SQM India	-	-	(431)
SQM Italia SRL	-	-	(236)
SQM Oceania Pty Ltd.	(579)	(579)	(634)
SQM Indonesia S.A.	(124)	(124)	(124)
Abu Dhabi Fertilizers Industries WWL	372	372	372
SQM Holland B.V.	99	99	(197)
SQM Thailand Limited	(68)	(68)	(68)
SQM Europe	(1,983)	(1,983)	(1,983)
SQM Australia Pty Ltd.	(1,732)	(4,052)	(4,035)
Pavoni & C. Spa	(153)	164	(185)
Terra Tarsa BV	-	-	116
Plantacote NV	-	-	(16)
Doktolab Tarim Arastirma San.	-	-	(54)
Kore Potash PLC (a)	-	(2,128)	(1,754)
SQM Colombia S.A.S.	(80)	(80)	(166)
Total	(7,913)	(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 24 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	As of
		December 31, 2021 ThUS\$	December 31, 2020 ThUS\$
Cash and cash equivalents	USD	1,377,983	454,402
Cash and cash equivalents	CLP	4,416	7,190
Cash and cash equivalents	CNY	30,102	11,597
Cash and cash equivalents	EUR	14,374	17,144
Cash and cash equivalents	GBP	1	19
Cash and cash equivalents	AUD	72,107	1,411
Cash and cash equivalents	INR	-	6
Cash and cash equivalents	MXN	1,827	1,378
Cash and cash equivalents	PEN	6	3
Cash and cash equivalents	AED	1	-
Cash and cash equivalents	JPY	1,182	1,646
Cash and cash equivalents	ZAR	13,048	14,286
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		1,515,051	509,102
Other current financial assets	USD	668,360	145,893
Other current financial assets	BRL	48	-
Other current financial assets	CLP	250,641	202,176
Subtotal other current financial assets		919,049	348,069
Other current non-financial assets	USD	18,486	20,645
Other current non-financial assets	AUD	11,066	224
Other current non-financial assets	CLF	150	53
Other current non-financial assets	CLP	27,536	27,837
Other current non-financial assets	CNY	5,213	1,661
Other current non-financial assets	EUR	1,050	1,531
Other current non-financial assets	COP	153	70
Other current non-financial assets	MXN	6,092	4,488
Other current non-financial assets	THB	8	70
Other current non-financial assets	JPY	73	157
Other current non-financial assets	ZAR	42	646
Other current non-financial assets	SEK	1	17
Subtotal other non-financial current assets		69,870	57,399
Trade and other receivables	USD	400,753	230,214
Trade and other receivables	PEN	-	1
Trade and other receivables	BRL	21	23
Trade and other receivables	CLF	459	545
Trade and other receivables	CLP	43,496	47,133
Trade and other receivables	CNY	108,822	22,882
Trade and other receivables	EUR	35,514	22,868
Trade and other receivables	GBP	46	682
Trade and other receivables	MXN	237	355
Trade and other receivables	AED	1,888	533
Trade and other receivables	THB	-	1,167
Trade and other receivables	JPY	36,000	23,010
Trade and other receivables	AUD	1,214	589
Trade and other receivables	ZAR	23,568	12,504
Trade and other receivables	COP	2,055	2,675
Trade and other receivables	SEK	-	25
Subtotal trade and other receivables		654,073	365,206
Receivables from related parties	USD	83,088	61,379
Receivables from related parties	EUR	1,150	1,222
Receivables from related parties	AUD	1,914	-
Subtotal receivables from related parties		86,152	62,601

Class of assets	Currency	As of	As of
		December 31, 2021	December 31, 2020
		ThUS\$	ThUS\$
Current inventories	USD	1,183,776	1,093,028
Subtotal Current Inventories		1,183,776	1,093,028
Current tax assets	USD	154,709	128,529
Current tax assets	BRL	1	-
Current tax assets	CLP	1,727	3,015
Current tax assets	EUR	171	218
Current tax assets	MXN	31	-
Current tax assets	PEN	3	4
Current tax assets	ZAR	13	26
Current tax assets	COP	887	417
Current tax assets	THB	-	15
Subtotal current tax assets		157,542	132,224
Non-current assets or groups of assets classified as held for sale	USD	582	1,629
Subtotal Non-current assets or groups of assets classified as held for sale		582	1,629
Total current assets		4,586,095	2,569,258
Other non-current financial assets	USD	9,180	51,828
Other non-current financial assets	CLP	20	20
Other non-current financial assets	JPY	68	77
Subtotal Other non-current financial assets		9,268	51,925
Other non-current non-financial assets	USD	30,906	21,236
Other non-current non-financial assets	BRL	16	17
Other non-current non-financial assets	KRW	12	-
Other non-current non-financial assets	EUR	6	7
Other non-current non-financial assets	CLP	670	782
Other non-current non-financial assets	AUD	1,877	-
Subtotal Other non-current non-financial assets		33,487	22,042
Other receivables, non-current	USD	5,239	10,061
Other receivables, non-current	CLF	86	152
Other receivables, non-current	MXN	26	102
Other receivables, non-current	CLP	821	850
Subtotal Other receivables, non-current		6,172	11,165
Investments classified using the equity method of accounting	USD	20,526	23,417
Investments classified using the equity method of accounting	TRY	-	792
Investments classified using the equity method of accounting	AED	7,879	47,774
Investments classified using the equity method of accounting	EUR	11,419	11,082
Investments classified using the equity method of accounting	INR	-	1,304
Investments classified using the equity method of accounting	THB	-	1,624
Subtotal Investments classified using the equity method of accounting		39,824	85,993
Intangible assets other than goodwill	USD	172,399	176,282
Intangible assets other than goodwill	MXN	-	1,025
Intangible assets other than goodwill	CLP	124	182
Intangible assets other than goodwill	EUR	6,963	696
Intangible assets other than goodwill	CNY	145	222
Intangible assets other than goodwill	KRW	27	-
Subtotal intangible assets other than goodwill		179,658	178,407
Purchases goodwill, gross	USD	34,438	34,438
Purchases goodwill, gross	EUR	158	7,528
Subtotal Purchases goodwill, gross		34,596	41,966
Property, plant and equipment	USD	1,990,120	1,719,358
Property, plant and equipment	CLP	3,180	3,237
Property, plant and equipment	EUR	9,972	10,954
Property, plant and equipment	AED	6,008	923
Property, plant and equipment	BRL	111	111
Property, plant and equipment	MXN	2,620	2,494
Property, plant and equipment	COP	105	120
Property, plant and equipment	KRW	109	122
Subtotal property, plant and equipment		2,012,225	1,737,319
Right-of-use assets	USD	31,360	25,238
Right-of-use assets	EUR	2,040	2,428
Right-of-use assets	AED	17,346	60
Right-of-use assets	MXN	1,862	2,298
Subtotal Right-of-use assets		52,608	30,024
Non-current tax assets	USD	90,364	90,364
Subtotal non-current tax assets		90,364	90,364
Total non-current assets		2,458,202	2,249,205
Total assets		7,044,297	4,818,463

Class of liability	Currency	As of December 31, 2021			As of December 31, 2020		
		Up to 90 days	More than 90	Total	Up to 90 days	More than 90	Total
		ThUS\$	days to 1 year	ThUS\$	ThUS\$	days to 1 year	ThUS\$
Current liabilities							
Other current financial liabilities	USD	28,519	4,234	32,753	43,218	4,676	47,894
Other current financial liabilities	CLF	18,259	293	18,552	20,732	329	21,061
Subtotal other current financial liabilities		46,778	4,527	51,305	63,950	5,005	68,955
Lease liabilities, current	USD	-	4,465	4,465	-	4,750	4,750
Lease liabilities, current	CLF	-	2,263	2,263	-	-	-
Lease liabilities, current	MXN	-	434	434	-	416	416
Lease liabilities, current	EUR	-	382	382	-	362	362
Subtotal Lease liabilities, current		-	7,704	7,704	-	5,528	5,528
Trade and other payables	USD	98,918	76	98,994	83,425	-	83,425
Trade and other payables	CLF	1,330	-	1,330	123	-	123
Trade and other payables	BRL	5	-	5	9	-	9
Trade and other payables	THB	2	-	2	30	-	30
Trade and other payables	CLP	115,504	-	115,504	73,857	-	73,857
Trade and other payables	CNY	3,198	-	3,198	1,323	-	1,323
Trade and other payables	EUR	41,242	984	42,226	40,280	-	40,280
Trade and other payables	GBP	18	-	18	18	-	18
Trade and other payables	INR	1	-	1	1	-	1
Trade and other payables	MXN	881	-	881	584	-	584
Trade and other payables	PEN	1	-	1	5	-	5
Trade and other payables	AUD	15,876	-	15,876	2,935	-	2,935
Trade and other payables	ZAR	1,288	-	1,288	1,168	-	1,168
Trade and other payables	JPY	99	-	99	-	-	-
Trade and other payables	COP	227	-	227	175	-	175
Subtotal trade and other payables		278,590	1,060	279,650	203,933	-	203,933
Trade payables due to related parties, current	USD	-	-	-	-	282	282
Trade payables due to related parties, current	AUD	-	-	-	324	-	324
Subtotal Trade payables due to related parties, current		-	-	324	282	606	606
Other current provisions	USD	54,134	263,332	317,466	103,252	698	103,950
Other current provisions	CLP	200	-	200	216	-	216
Subtotal other current provisions		54,334	263,332	317,666	103,468	698	104,166

Class of liability	Currency	As of December 31, 2021			As of December 31, 2020		
		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	-	159,535	159,535	-	20,981	20,981
Current tax liabilities	CLP	-	12	12	-	61	61
Current tax liabilities	EUR	-	5,547	5,547	-	642	642
Current tax liabilities	MXN	-	1,841	1,841	-	959	959
Subtotal current tax liabilities		-	166,935	166,935	-	22,643	22,643
Provisions for employee benefits, current	USD	14,341	11,776	26,117	2,981	6,011	8,992
Provisions for employee benefits, current	AUD	-	272	272	58	-	58
Provisions for employee benefits, current	CLP	-	-	-	3	-	3
Provisions for employee benefits, current	EUR	214	-	214	-	-	-
Provisions for employee benefits, current	MXN	172	-	172	43	-	43
Subtotal Provisions for employee benefits, current		14,727	12,048	26,775	3,085	6,011	9,096
Other current non-financial liabilities	USD	99,643	8,593	108,236	51,995	397	52,392
Other current non-financial liabilities	BRL	1	-	1	2	-	2
Other current non-financial liabilities	CLP	6,342	2,941	9,283	6,264	792	7,056
Other current non-financial liabilities	CNY	20,736	-	20,736	60	-	60
Other current non-financial liabilities	EUR	1,281	423	1,704	913	119	1,032
Other current non-financial liabilities	MXN	562	-	562	121	53	174
Other current non-financial liabilities	JPY	32	-	32	52	-	52
Other current non-financial liabilities	PEN	70	-	70	70	-	70
Other current non-financial liabilities	COP	-	157	157	-	-	-
Other current non-financial liabilities	ARS	47	-	47	-	117	117
Other current non-financial liabilities	ZAR	846	-	846	-	-	-
Subtotal other current non-financial liabilities		129,560	12,114	141,674	59,477	1,478	60,955
Total current liabilities		523,989	467,720	991,709	434,237	41,645	475,882

Class of liability	Currency	As of December 31, 2021					
		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	369,446	72,900	249,097	-	1,523,473	2,214,916
Other non-current financial liabilities	CLF	-	-	-	-	372,816	372,816
Subtotal Other non-current financial liabilities		369,446	72,900	249,097	-	1,896,289	2,587,732
Non-current lease liabilities	USD	-	6,695	-	23,714	-	29,869
Non-current lease liabilities	UF	-	-	-	13,313	-	13,313
Non-current lease liabilities	MXN	-	-	-	1,530	-	1,530
Non-current lease liabilities	JPY	-	-	-	1,807	-	1,807
Subtotal non-current lease liabilities		-	6,695	-	39,824	-	46,519
Non-current Trade and other payables	USD	-	3,813	-	-	-	3,813
Subtotal Non-current Trade and other payables		-	3,813	-	-	-	3,813
Other non-current provisions	USD	-	4,257	-	31,017	25,764	61,038
Subtotal Other non-current provisions		-	4,257	-	31,017	25,764	61,038
Deferred tax liabilities	USD	-	919	-	-	109,497	110,416
Subtotal Deferred tax liabilities		-	919	-	-	109,497	110,416
Provisions for employee benefits, non-current	USD	26,710	-	-	-	-	26,710
Provisions for employee benefits, non-current	CLP	389	-	-	-	-	389
Subtotal Provisions for employee benefits, non-current		27,099	-	-	-	-	27,099
Total non-current liabilities		396,545	88,584	249,097	70,841	2,031,550	2,836,617
Total liabilities							3,828,326

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	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

Effects of changes in foreign currency exchange rates on the statement of net income and other comprehensive income.

Foreign currency exchange rate changes	For the period from January to December of the year		
	2021	2020	2019
	ThUS\$	ThUS\$	ThUS\$
Profit (loss) in foreign currency	(17,241)	(4,423)	(2,169)
Foreign currency translation reserve	4,240	14,000	562
Total	(13,001)	9,577	(1,607)

The average and closing exchange rate for foreign currency is disclosed in Note 3.3

Note 25 Income tax and deferred taxes

Tax receivables as of December 31, 2021 and 2020, are as follows:

25.1 Current and non-current tax assets

(a) Current

	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Current tax assets		
Monthly provisional income tax payments, Chilean companies	435	37,123
Monthly provisional income tax payments, foreign companies	62	1,265
Corporate tax credits (1)	674	1,566
1st category tax absorbed by tax losses (2)	26,848	2,322
Taxes in recovery process	129,523	89,948
Total	157,542	132,224

(b) Non-current

	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Non-current tax assets		
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	83,966
Total	90,364	90,364

(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 tax loss absorptions determined by the company at the end of the year, which must be attributed to the dividends received during the year.

25.2 Current tax liabilities

Current tax liabilities	As of	As of
	December 31, 2021	December 31, 2020
	ThUS\$	ThUS\$
1st Category income tax	139,842	14,736
Foreign company income tax	27,055	7,838
Article 21 single tax	38	69
Total	166,935	22,643

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 6.51% for mining royalties that involve operations in the Salar de Atacama and 5.22% for caliche extraction operations.

The income tax rate for the main countries where the Company operates is presented below:

Country	Income tax 2021	Income tax 2020
Spain	25%	25%
Belgium	25%	25%
Mexico	30%	30%
United States	21% + 3.51%	21% + 3.36%
South Africa	28%	28%
China	25%+12% (1)	25%

(1) Additional 12% tax over the VAT calculation

Notes to the Consolidated Financial Statements
December 31, 2021

25.3 Income tax and deferred taxes

(a) Deferred tax assets and liabilities as of December 31, 2021

Description of deferred tax assets and liabilities as of December 31, 2021	Net liability position	
	Assets ThUS\$	Liabilities ThUS\$
Unrealized loss	144,181	-
Property, plant and equipment and capitalized interest	-	(189,073)
Restoration and rehabilitation provision	6,567	-
Manufacturing expenses	-	(108,181)
Employee benefits and unemployment insurance	-	(7,485)
Vacation accrual	6,039	-
Inventory provision	20,557	-
Materials provision	10,554	-
Others employee benefits	929	-
Research and development expenses	-	(5,387)
Bad debt provision	2,708	-
Provision for legal complaints and expenses	334	-
Loan acquisition expenses	-	(8,967)
Financial instruments recorded at market value	5,242	-
Specific tax on mining activity	-	(4,545)
Tax loss benefit	7,113	-
Other	8,862	-
Foreign items (other)	136	-
Balances to date	213,222	(323,638)
Net balance		(110,416)

(b) 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)
Employee benefits and unemployment insurance	-	(6,669)
Vacation accrual	6,138	-
Inventory provision	22,200	-
Materials provision	8,812	-
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)

(c) Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2021

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	(90,585)	(53,596)	-	(53,596)	(144,181)
Property, plant and equipment and capitalized interest	187,168	1,905	-	1,905	189,073
Restoration and rehabilitation provision	(6,597)	30	-	30	(6,567)
Manufacturing expenses	107,215	966	-	966	108,181
Employee benefits and unemployment insurance	6,669	687	130	817	7,486
Vacation accrual	(6,138)	99	-	99	(6,039)
Inventory provision	(22,200)	1,643	-	1,643	(20,557)
Materials provision	(8,812)	(1,742)	-	(1,742)	(10,554)
Derivative financial instruments	-	14,246	(14,246)	-	-
Others employee benefits	-	(929)	-	(929)	(929)
Research and development expenses	3,581	1,806	-	1,806	5,387
Bad debt provision	(5,072)	2,364	-	2,364	(2,708)
Provision for legal complaints and expenses	(19,637)	19,303	-	19,303	(334)
Loan approval expenses	5,212	3,755	-	3,755	8,967
Financial instruments recorded at market value	3,929	(5,354)	(3,818)	(9,172)	(5,243)
Specific tax on mining activity	3,012	1,521	12	1,533	4,545
Tax loss benefit	(844)	(6,269)	-	(6,269)	(7,113)
Others	(1,454)	(7,408)	-	(7,408)	(8,862)
Foreign items (other)	654	(790)	-	(790)	(136)
Total temporary differences, unused losses and unused tax credits	156,101	(27,763)	(17,922)	(45,685)	110,416

(d) 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	(7,311)	714	-	714	(6,597)
Manufacturing expenses	106,420	795	-	795	107,215
Employee benefits and 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)
Derivative financial instruments	-	1,001	(1,001)	-	-
Others employee benefits	(2,689)	2,689	-	2,689	-
Research and development expenses	3,535	46	-	46	3,581
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
Financial instruments recorded at market value	1,287	-	2,642	2,642	3,929
specific tax on mining activity	1,354	1,668	(10)	1,658	3,012
Tax loss benefit	(2,296)	1,452	-	1,452	(844)
Others	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

(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, 2021, and 2020, tax loss carryforwards are detailed as follows:

Deferred taxes related to benefits for tax losses	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Chile	7,113	818
Foreign	-	26
Total	7,113	844

The tax losses as of December 31, 2021, which are the basis for these deferred taxes correspond mainly to SQM S.A., SQM Potasio S.A., Comercial Hydro S.A., Orcoma SpA., Orcoma Estudio SpA y SCM Bufalo.

(f) Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of December 31, 2021 and 2020 are detailed as follows:

Movements in deferred tax assets and liabilities	Assets (liabilities)	
	As of December 31, 2021	As of December 31, 2020
	ThUS\$	ThUS\$
Deferred tax assets and liabilities, net opening balance	(156,101)	(183,411)
Increase (decrease) in deferred taxes in profit or loss	27,763	29,096
Increase (decrease) deferred taxes in equity	17,922	(1,786)
Total	(110,416)	(156,101)

(g) Disclosures on income tax (expenses) benefits

Current and deferred tax (expenses) benefits are detailed as follows:

Disclosures on income tax (expense) benefit	(Expense) Income		
	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Current income tax (expense) benefit			
Current tax (expense)	(279,105)	(97,374)	(116,483)
Adjustments to prior year current income tax (expense) benefit	2,326	(1,901)	12,222
Current income tax expense, net, total	(276,779)	(99,275)	(104,261)
Deferred tax (expense) benefit			
Deferred tax benefits relating to the creation and reversal of temporary differences	28,445	26,219	2,551
Tax adjustments related to the creation and reversal of temporary differences from the previous year	(682)	2,877	(8,309)
Total deferred tax benefits, net	27,763	29,096	(5,758)
Income tax expense	(249,016)	(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, 2021	As of December 31, 2020	As of December 31, 2019
	ThUS\$	ThUS\$	ThUS\$
Current income tax benefit (expense) by foreign and domestic parties, net			
Current income tax expenses, foreign parties, net	(46,748)	(9,782)	(7,394)
Current income tax expenses, domestic, net	(230,031)	(89,493)	(96,867)
Current income tax expense, net, total	(276,779)	(99,275)	(104,261)
Deferred tax benefit (expense) by foreign and domestic parties, net			
Current income tax (expense) benefit, foreign parties, net	(6,679)	10,284	2,370
Current income tax benefits, domestic, net	34,442	18,812	(8,128)
Deferred tax expense, net, total	27,763	29,096	(5,758)
Income tax expense	(249,016)	(70,179)	(110,019)

(h) 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, 2021		
	Amount before taxes (expense) gain	(Expense) income for income taxes	Amount after taxes
	ThUS\$	ThUS\$	ThUS\$
Gains (losses) from defined benefit plans	4,679	(142)	4,537
Cash flow hedges	(52,762)	14,246	(38,516)
Reserve for (losses) gains from financial assets measured at fair value through other comprehensive income	(12,072)	3,818	(8,254)
Total	(60,155)	17,922	(42,233)

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\$
Gains (losses) from defined benefit plans	974	(145)	829
Cash flow hedges	(3,706)	1,001	(2,705)
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	9,784	(2,642)	7,142
Total	7,052	(1,786)	5,266

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\$
Gains (losses) from defined benefit plans	(3,310)	702	(2,608)
Cash flow hedges	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)

(i) 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 benefit (expense) 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 benefit (expense). The amounts provided by subsidiaries established outside Chile have no relative importance in the overall context.

Reconciliation between the tax benefit (expense) and the tax calculated by multiplying income before taxes by the Chilean corporate income tax rate.

Income Tax Expense (Benefit)	(Expense) Benefit		
	As of December 31, 2021 ThUS\$	As of December 31, 2020 ThUS\$	As of December 31, 2019 ThUS\$
Consolidated income before taxes	841,221	238,538	390,622
Statutory income tax rate in Chile	27%	27%	27%
Tax expense using the statutory tax rate	(227,130)	(64,405)	(105,468)
Net effect of royalty tax payments	(13,350)	(4,659)	(4,314)
Effect of other additional taxes affected by article 21 and passive income	(2,617)	(1,804)	(724)
Tax effect of revenue from regular activities exempt from taxation	(260)	1,786	2,376
Tax rate effect of non-tax-deductible expenses for determining taxable profit (loss)	(2,226)	(2,987)	(2,128)
Tax effect of tax rates supported abroad	(3,016)	(2,077)	(252)
Effects of changes resulting from classifying a permanent item as a temporary one	-	4,826	-
Other tax effects	(417)	(859)	491
Tax expense using the effective tax rate	(249,016)	(70,179)	(110,019)

(j) 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.

(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 26 Events occurred after the reporting date

26.1 Authorization of the financial statements

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with IFRS for the year ended December 31, 2021, were approved and authorized for issuance by the Company's Board of Directors on March 2, 2022.

26.2 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 February 25, 2022 SQM NA submitted to the Central District Court of California an appeal bond for US\$ 60.1 million to guarantee the final settlement, in connection with the case reported in Note 20.1 (c).

Management is not aware of any other significant events that occurred between December 31, 2021, and the date of issuance of these consolidated financial statements that may significantly affect them.

**DESCRIPTION OF SECURITIES REGISTERED
UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

Description of Share Capital

Sociedad Química y Minera de Chile S.A. (the “Company”) is an open stock corporation organized under the laws of the Republic of Chile.

Shares

Under the Company’s By-laws, the Company’s share capital is divided into shares of Series A common stock (“Series A Shares”) and shares of Series B common stock (“Series B Shares”). Series A Shares and Series B Shares have the same economic rights (i.e., both series are entitled to share equally in any dividends declared on the outstanding stock) and voting rights at any shareholders meeting, whether ordinary or extraordinary, with the exception of the election of the Board, in which the Series A Shareholders elect seven directors and the Series B Shareholders elect one director. However, the director elected by the Series B Shareholders cannot vote in the election of the Chairman of the Board if a tie has occurred in the first voting process. As of March [16], 2022, there were 142,819,552 Series A Shares and 142,818,904 Series B Shares outstanding.

Dividends are distributed annually 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 five years, unclaimed dividends are to be donated to the fire department.

Article 5 of the Company’s By-laws establishes that Series B Shares may in no case exceed 50% of SQM’s issued, outstanding and paid stock. 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 issued request so and 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. However, subject to the second transitory article described below, 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, with any excess being deducted from the number of shares such shareholder may 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 the Company.

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 CMF may be liquidated in the following cases:

- (a) Expiration of the duration term, if any, as established in its By-laws;
- (b) All the shares end up in the possession of one individual for more than ten continuous days;
- (c) By agreement of an Extraordinary Shareholders Meeting;
- (d) By abolition, pursuant to applicable laws, of the decree that authorized its existence;
- (e) 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 Company’s shares 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’s By-laws.

Shareholders’ Meetings

Article 29 of the Company’s By-laws states that the call to a shareholders’ meeting, either Ordinary or Extraordinary, will be by means of a highlighted public notice that will be published at least three times, and on different days, in the newspaper of the legal address determined by the shareholders’ meeting, and in the way and under the conditions indicated by the regulations. Additionally, a notice will be sent by mail to each shareholder at least fifteen days prior to the date of the Meeting, which shall include a reference of the matters to be addressed at the meeting. However, those meetings with the full attendance of the shares with right to vote may be legally held, even if the foregoing formal notice requirements are not met. Notice of any shareholders’ meeting shall be delivered to the CMF at least fifteen days in advance of such meeting.

Any holder of Series A and/or Series B Shares registered in the Company's shareholder registry on the fifth business day prior to the date of the meeting will have a right to participate at that meeting

Article 67 of Law No. 18,046 provides that decisions made at Extraordinary Shareholders' Meeting on the following matters require the approval of 2/3 of the outstanding shares with voting rights: (1) transformation or division of the Company and its merger with another company; (2) modification of the Company's term of duration, if any; (3) early dissolution of the Company; (4) change of the corporate domicile; (5) capital decrease; (6) approval of contributions and estimation of non-cash assets; (7) modification of powers reserved for Shareholders Meetings or limitations on powers of the Board of Directors; (8) reduction in the number of members of the Board of Directors; (9) disposal of 50% or more of the Company's assets; formulation or modification of any business plan exceeding the above percentage; disposal of 50% or more of an asset belonging to a subsidiary that represents at least 20% of the Company's assets and disposal of shares of the referred subsidiary such that the parent company would lose its position as controller of the same; (10) method in which profits are distributed; (11) granting of real or personal guarantees as sureties for third-party obligations that exceed 50% of the Company assets, except for subsidiaries, in which case approval of the Board of Directors shall suffice; (12) acquisition of own shares as set forth in articles 27A and 27B of the said law; (13) other matters indicated in the By-laws; (14) amendment of the Company By-laws as a result of errors in the constitution process and amendments in the By-laws involving one or more of the matters stated in the preceding numbers; (15) forced sale of shares carried out by the controller who would acquire more than 95% of the Company's shares in a tender offer, and (16) approval or ratification of proceedings or contracts with related parties in accordance with the provisions of articles 44 and 147 of Law No. 18,046.

Amendments to the By-laws that are intended to create, modify, defer or suspend preferential rights shall be approved by 2/3 of the shares of the affected series.

The transformation of the Company, the merger of the same, the disposal of assets referred to in number (9) above, the constitution of guarantees set forth in number (11) above, the constitution of preferences or the increase, postponement or decrease of the existing preferences, the reparation of formal nullities incurred in the By-laws and the possession of more than 95% of the Company's shares and other matters contemplated in the Law or in the By-laws, confer "withdrawal rights."

Shareholder Restrictions

There are no restrictions on ownership or share concentration, or limiting the exercise of the related right to vote, by local or foreign shareholders other than as described above under "— Shares".

Change in Control

The Company By-laws provide that no shareholder may hold more than 32% of the Company's shares, unless the By-laws are modified at an Extraordinary Shareholders' Meeting. Moreover, on December 12, 2000, the Chilean Government published the Public Tender Offer Law (*Ley de Oferta Pública de Acciones* or "OPA law") that seeks to protect the interests of minority shareholders of open stock corporations in transactions involving a change in control, by requiring that the potential new controller purchase the shares owned by the remaining shareholders either in total or pro rata. The law applies to those transactions in which the controlling party would receive a material premium price compared with the price that would be received by the minority shareholders.

There are three conditions that would make it mandatory to initiate a public tender offer under the OPA law:

- 1) When an investor wants to take control of a company's stock.
-

- 2) When a controlling shareholder holds two-thirds of the company's stock. If such shareholder buys one more share, it will be mandatory to offer to acquire the rest of the outstanding stock within 30 days of surpassing that threshold.
- 3) When an investor wants to take control of a corporation, which, in turn, controls an open stock corporation that represents 75% or more of the consolidated assets of the former corporation.

Parties interested in taking control of a company must (i) notify the company of such intention in writing, and notify its controllers, the companies controlled by it, the CMF and the markets where its stocks are traded and (ii) publish a highlighted public notice in two newspapers of national circulation at least 10 business days prior to the date of commencement of the public tender offer.

Directors

As stated in article 9 of the Company's By-laws, the Company has eight Directors. One of the directors must be "independent" as such term is defined in article 50 bis of Law No. 18,046. Moreover, the possession of shares is not a condition necessary to become a director of the Company.

As stated in article 10 of the Company's By-laws, the term of the directors is of three years and they can be reelected indefinitely; thus, there is no age limit for their retirement.

The Company's By-laws, in articles 16 and 16 bis, essentially establish that the transactions in which a director has a material interest must comply with the provisions set forth in articles 136 and 146 to 149 of Law No. 18,046 and the applicable regulations of such Law.

The Board of Directors duties are remunerated, as stated in article 17 of the Company's By-laws, and the amount of that compensation is fixed yearly by the Ordinary Shareholders' Meeting. Therefore, directors can neither determine nor modify their compensation.

Directors cannot authorize Company loans on their behalf.

The Board of Directors must provide shareholders and the public with sufficient, reliable and timely information pertaining to the Company's legal, economic and financial situation, as required by the Law or the CMF. The Board of Directors must adopt the appropriate measures in order to avoid the disclosure of such information to persons other than those persons who should possess such information as a result of their title, position or activity within the Company before such information is disclosed to shareholders and the public. The Board of Directors must treat business dealings and other information about the Company as confidential until such information is officially disclosed. No Director may take advantage of the knowledge about commercial opportunities that he has obtained through his position as Director.

Independent Directors and Directors Committee

According to Chilean Law, the Company must appoint at least one Independent Director and a Directors' Committee, due to the fact that (a) the Company has a market capitalization greater than or equal to UF 1,500,000 and (b) at least 12.5% of the Company's shares with voting rights are held by shareholders who, on an individual basis, control or possess less than 10% of such shares.

Persons who have not been involved in any of the circumstances described in the Law at any time during the preceding 18 months are considered independent. Candidates for the position of Independent Director must be proposed by shareholders representing 1% or more of the Company's shares, at least 10 days prior to the date of the shareholders' meeting that has been called in order to elect the Directors. No less than two days prior to the respective shareholders' meeting, the candidate must provide the Chief Executive Officer with a sworn statement indicating that he:

- (a) accepts his candidacy for the position of Independent Director;
 - (b) does not meet any of the conditions that would prevent him from being the Independent Director;
-

(c) is not related to the Company, the other companies of the group to which the Company belongs, the controller of the Company, or any of the Company's officers in such a way that would deprive a sensible person of a reasonable degree of autonomy, interfere with his ability to perform his duties objectively and effectively, generate a potential conflict of interest, or interfere with his independent judgment; and

(d) assumes the commitment to remain independent as long as he holds the position of Director.

The Directors' Committee shall have the following powers and duties:

- (a) to examine the reports of the external auditors, the balance sheet and other financial statements presented by the Company's managers or liquidators to its shareholders and issue an opinion about the same prior to their submission for the approval of the shareholders;
- (b) to propose to the Board of Directors the external auditors and risk rating agencies to be proposed to the shareholders at the respective shareholders' meeting. In the event that an agreement cannot be reached, the Board of Directors shall formulate its own suggestion, and both options shall be submitted for shareholder consideration at such shareholders' meeting;
- (c) to examine the information relating to operations referred to in articles 146 to 149 of Law No. 18,046 and to prepare a report about such operations. A copy of such report shall be sent to the Board of Directors, and such report must be read at the Board Meeting called for the purpose of approving or rejecting the respective operation or operations;
- (d) to examine the remuneration system and compensation plans for the Company's management, officers and employees;
- (e) to prepare an annual report on its activities, including its main recommendations to the shareholders;
- (f) to inform the Board of Directors about whether or not it is advisable to hire the external audit firm to provide non-audit services where the audit firm is not prohibited from providing such services because the nature of the same could pose a threat to the audit firm's independence; and
- (g) any other issues indicated in the Company's By-laws or authorized by a shareholders' meeting or the Board of Directors.

The Directors' Committee shall be comprised of three members, with at least one independent member. In the event that more than three Directors have the right to form part of the Committee, these same Directors shall unanimously determine who shall make up the Committee. In the event that an agreement cannot be reached, the Directors who were elected with a greater percentage of votes by shareholders controlling or possessing less than 10% of the Company's shares shall be given priority. If there is only one Independent Director, this Director shall name the other members of the Committee among the other Directors who are not independent. Such other members of the Committee shall have all of the rights associated with such position. The members of the Committee shall be compensated for their role. The amount of their remuneration shall be set annually at the General Shareholders' Meeting, and it may not be less than the remuneration set for the Company Directors, plus an additional 1/3 of that amount. The General Shareholders' Meeting shall determine a budget for the expenses of the Committee and its advisors. Such budget may not be less than the sum of the annual remunerations of the Committee members. The Committee may need to hire professional advisory services in order to carry out its duties in accordance with the abovementioned budget. The proposals made by the Committee to the Board of Directors that are not accepted by the latter must be reported to the shareholders' meeting prior to the vote by shareholders on the corresponding matter or matters. In addition to the responsibilities that are associated with the position of Director, the members of the Committee are jointly and severally liable for any damages they cause in performing their duties as such to the shareholders and to the Company.

Description of American Depositary Receipts

The following is a summary of the material terms of the Amended and Restated Deposit Agreement dated as of April 15, 2013 (the "Deposit Agreement") among the Company, The Bank of New York Mellon, as depositary (the "Depositary"), and the owners and holders from time to time of American Depositary Shares ("ADSs"). This summary does not purport to be complete and is qualified in its entirety by reference to the Deposit Agreement and the form of American Depositary Receipt ("ADR"), copies of which have been filed as an exhibit to the Registration Statement on Form F-6 (Registration Statement No. 333-187744).

An owner of ADSs becomes a party to the Deposit Agreement and therefore will be bound to its terms and to the terms of the ADR that represents the ADSs. The Deposit Agreement and the ADR specify the Company's rights and obligations, as well as the ADR holder's rights and obligations as owner of ADSs and those of the Depositary. As an ADR holder you appoint the Depositary to act on your behalf in certain circumstances. The Deposit Agreement and the ADRs are governed by New York law. However, the Company's obligations to the holders of shares of the Company's Series B common stock (the "Series B Shares") will continue to be governed by the laws of Chile, which are different from New York law.

American Depositary Receipts

ADRs evidencing ADSs are issuable by the Depositary pursuant to the Deposit Agreement. Each ADS represents, as of the date hereof, one Series B Share deposited with Banco Santander-Chile, as custodian (the "Custodian"), as agent of the Depositary. An ADR may evidence any number of ADSs.

Deposit and Withdrawal of Deposited Securities

The Depositary will, upon deposit with the Custodian of the requisite number of Series B Shares and receipt of evidence satisfactory to it that the conditions to deposit described below have been met, and subject to the terms of the Deposit Agreement, the Depositary will execute and deliver at its Corporate Trust Office (which is presently located at 101 Barclay Street, New York, New York 10286) to or upon the order of the person or persons specified by the Depositary, upon payment of the fees, charges and taxes provided in the Deposit Agreement, an ADR or ADRs registered in the name of such person or persons for the number of ADSs issuable in respect of such deposit.

The Depositary will not be required to accept for deposit any Series B Shares unless it receives evidence satisfactory to the Depositary that the deposit has been authorized by the Central Bank of Chile and that the conditions for such authorization set forth in the Foreign Investment Contract (as defined below under "Foreign Currency Conversion — The Foreign Investment Contract") among the Depositary, the Company and the Central Bank of Chile has been satisfied.

Every person depositing Series B Shares under the Deposit Agreement will be deemed to represent and warrant that the Series B Shares are validly issued, fully paid, non-assessable and free of any preemptive rights, that the certificates for the Series B Shares have been validly authorized and issued and that the deposit of the Series B Shares and the issuance of ADRs evidencing ADSs are not restricted under the U.S. Securities Act of 1933, as amended (the "Securities Act").

Holders of ADRs are entitled to withdraw the deposited Series B Shares at any time, subject only to (i) temporary delays caused by dosing transfer books of the Depositary or the Company or the deposit of Series B Shares in connection with voting at a shareholders' meeting or the payment of dividends, (ii) the payment of fees, taxes and similar charges and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the ADSs or to the withdrawal of the deposited Series B Shares. Upon surrender of ADRs at the Corporate Trust Office of the Depositary and upon payment of the taxes, fees and charges provided in the Deposit Agreement and subject to the terms thereof, ADR holders are entitled to delivery, at the office of the Custodian in Santiago, Chile, of the deposited Series B Shares, any other property or documents of title at the time represented by the surrendered ADRs and a certificate of the Custodian stating that the deposited Series B Shares, are being delivered to such ADR holder in exchange for the surrendered ADRs and that the Depositary waives in favor of the ADR holder the right of access to the Formal Exchange Market relating to such withdrawn Series B Shares. In the event the Depositary determines that there is a reasonable possibility that a fee, tax or other charge will become payable by or be assessed against the Depositary or the Custodian following the delivery, transfer or surrender of ADRs or withdrawal of Series B Shares, the Depositary may, in its discretion, as a condition to consummation of such transaction, require that the ADR holder provide the Depositary with an indemnity bond in such form and amount and with such surety as it may accept as reasonably sufficient to indemnify it against such potential liabilities.

The Depositary is not authorized, in its capacity as Depositary, to deliver Series B Shares by physical delivery, book entry or otherwise, or permit Series B Shares to be withdrawn from the deposit facility except upon the receipt and cancellation of ADRs.

Dividends and Other Distributions

(1) Cash Dividends and Distributions

The Depositary will, as promptly as practicable, convert all cash dividends and other cash distributions received by the Depositary or the Custodian in respect of the deposited Series B Shares into U.S. dollars and, as promptly as practicable, distribute the amount thus received (net of any fees of the Depositary provided in the Deposit Agreement) to the holders of ADRs in proportion to the number of ADSs representing such Series B Shares held by each of them. The amount distributed also will be reduced by any amounts required to be withheld by the Company, the Depositary or the Custodian on account of taxes and the Depositary's foreign currency conversion expenses. Conversion of such cash amounts from Chilean pesos to U.S. dollars is subject to the terms and conditions of the Deposit Agreement, Chilean law and the Foreign Investment Contract described below under "Foreign Currency Conversion — Foreign Investment Contract".

(2) Distributions of Series B Shares

If a distribution by the Company consists of a dividend in, or the free distribution of, Series B Shares, the Depositary may after consultation with the Company (or if the Company so requests will) distribute to the holders of outstanding ADRs, in proportion to the number of ADSs representing such Series B Shares held by each of them, additional ADRs for an aggregate number of ADSs representing the number of Series B Shares received as such dividend or free distribution. The Depositary may withhold delivery of ADSs if it has not received satisfactory assurances from the Company that such distribution does not require registration under the Securities Act. If in the opinion of the Depositary any distribution of Series B Shares cannot be made proportionately among the holders of ADRs entitled thereto, or if for any other reason, the Depositary deems such distribution not to be feasible, it may adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the public or private sale of all or any portion of the Series B Shares received, and the distribution of the net proceeds of such sale (net of any fees of the Depositary provided in the Deposit Agreement) to the holders of ADRs entitled thereto as in the case of a distribution received in cash. If additional ADRs or such proceeds are not so distributed, each ADS will thereafter also represent the additional Series B Shares distributed in respect of the Series B Shares represented by such ADS prior to such dividend or free distribution or the net cash proceeds of any such sale.

(3) Distributions of Rights

If the Company offers or causes to be offered to holders of Series B Shares any rights to subscribe for additional Series B Shares or any rights of any other nature, the Depositary will, after consultation with the Company, have discretion as to the procedure to be followed in making such rights available to holders of ADRs or in disposing of such rights on behalf of the holders of ADRs and making the net proceeds available to the holders of ADRs, or if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to the holders of ADRs or dispose of such rights and make the net proceeds available to such holders of ADRs, then the Depositary will allow the rights to lapse.

If the Depositary determines in its discretion that it is lawful and feasible to make such rights available to all or certain holders of ADRs but not to other holders of ADRs, the Depositary may, after consultation with the Company, distribute to any holder of ADRs to whom it determines the distribution to be lawful or feasible, in proportion to the number of ADSs held by such holder of ADRs, warrants or other instruments therefor in such other forms as it deems appropriate.

If the Depositary determines in its discretion that it is not lawful or feasible to make such rights available to all or certain holders of ADRs, it may after consultation with the Company, sell the rights, warrants or other instruments in proportion to the number of ADSs held by ADR holders to whom it has determined it may not lawfully or feasibly make such rights available and allocate the net proceeds of such sales (net of fees of the Depositary provided in the Deposit Agreement and all taxes and other governmental charges payable) for the account of the holders of ADRs otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practicable basis without regard to any distinctions among such holders of ADRs because of exchange restrictions, or the date of delivery of any ADR or ADRs, or otherwise.

The Depositary will not offer any right to subscribe for or to purchase any securities, to holders of ADRs unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to all holders of ADRs or are registered under the Securities Act. If a holder of ADRs requests the distribution of warrants or other instruments notwithstanding that there has been no such registration under the Securities Act, the Depositary will not effect such distribution unless it has received an opinion from counsel in the United States for the Company satisfactory to the Depositary that such distribution does not require registration under the Securities Act. In no event will the Company have any obligation to register such rights or any securities under the Securities Act, secure an exemption for such rights or any securities under the Securities Act or furnish the opinion described above.

(4) Distributions Other than Cash, Series B Shares or Rights

If the Depositary receives any distribution other than a distribution of cash, Series B Shares or rights, the Depositary will after consultation with the Company distribute to the holders of outstanding ADRs, in proportion to the number of ADSs representing such Series B Shares held by them, the securities or other property received in any manner as the Depositary deems equitable and practicable for accomplishing such distribution. If in the opinion of the Depositary such distribution cannot be made proportionately among the holders of ADRs entitled thereto, or if for any other reason, the Depositary deems such distribution not to be feasible, it may adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the public or private sale of all or any portion of the securities or other property received, and the net proceeds of such sale (net of any fees of the Depositary provided in the Deposit Agreement) will be distributed to the holders of ADRs entitled thereto as in the case of a distribution received in cash.

Record Dates

Whenever any cash dividend or other cash distribution becomes payable or any distribution other than cash is made, or whenever rights are issued with respect to Series B Shares or whenever the Depositary receives notice of any meeting of holders of Series B Shares or shareholders generally, the Depositary will fix a record date, which will be the same record date as the record date for the Series B Shares, or as near thereto as practicable, for the determination of the holders of ADRs who are entitled to receive such dividend, distribution or rights, or net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, subject to the provisions of the Deposit Agreement.

Voting of the Deposited Securities

As soon as practicable after receipt of notice of any meeting or solicitation of consents or proxies of holders of Series B Shares and any other securities or property represented by the ADSs evidenced by such holders' ADRs ("Deposited Securities"), the Depository will mail to holders of ADRs a notice in English containing (a) such information as is contained in such notice of meeting or solicitation, (b) a statement that each holder of ADRs at the close of business on a specified record date will be entitled, subject to Chilean law and the provisions of the Company's By-laws, to instruct the Depository as to the exercise of the voting rights, if any, pertaining to the Deposited Securities, (c) a statement as to the Deposited Securities represented by such ADR holder's ADSs and (d) a statement as to the manner in which such instructions may be given, including an express indication that instructions may be given to the Depository to give a discretionary proxy to a person or persons designated by the Company. Upon the written request of an ADR holder on such record date, received on or before the date established by the Depository for such purpose, the Depository will endeavor insofar as practicable and permitted under Chilean law and the provisions of or governing the Deposited Securities to vote or cause to be voted (or to grant a discretionary proxy to a person or persons designated by the Company to vote) the Deposited Securities represented by such ADR holder's ADSs in accordance with any instruction set forth in such request. If no instructions are received by the Depository from an ADR holder with respect to any of the Deposited Securities represented by such ADR holder's ADSs on or before the date established by the Depository for such purpose, the Depository will deem such holder to have instructed the Depository to give a discretionary proxy to a person designated by the Company to vote such Deposited Securities represented by such ADR holder's ADSs. The Depository will not provide such discretionary proxy to vote on any matter as to which the Company informs the Depository that (a) the Company does not wish such proxy to be given or (b) such matter materially and adversely affects the rights of holders of the Series B Shares. If any requirement of Chilean law, the Company's By-laws or any securities exchange on which the Series B Shares, other Deposited Securities, ADRs or the ADSs evidenced thereby are listed, does not permit the Depository to vote in accordance with the instructions received from the ADR holders or in accordance with a deemed discretionary proxy, the Depository will not vote the Series B Shares or other Deposited Securities.

Changes Affecting Deposited Securities

Upon any change in nominal or par value, split-up, consolidation or other reclassification of Deposited Securities or upon a recapitalization, reorganization, merger, consolidation or sale of assets resulting in securities being received by the Depository or the Custodian in exchange for, in conversion of or in respect of the Deposited Securities, the ADSs will thereafter represent any new securities received in exchange or conversion, unless new ADRs are issued. The Depository may, after consultation with the Company, and will, at the Company's request, in such circumstances deliver additional ADRs to ADS holders as in the case of a dividend in shares or call for the exchange of existing ADRs for new ADRs specifically describing the new Deposited Securities.

Inspection of Transfer Books

The Depository will maintain at its transfer office in the Borough of Manhattan, the City of New York, facilities for the execution and delivery, registration of transfer, combination or split-up of ADRs and a register for the registration of ADRs and the registration of the transfer of ADRs that at reasonable times, will be open for inspection by the holders of ADRs and the Company, provided that such inspection will not be for the purpose of communication with holders of ADRs in the interest of a business or object other than the business of the Company or a matter related to the Deposit Agreement or the ADRs.

Reports and Notices

The Company is subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and accordingly, files certain reports with the U.S. Securities and Exchange Commission (the "Commission"). These reports and other information are available on the Commission's website (www.sec.gov).

The Depository will make available for inspection by ADR holders at the Corporate Trust Office of the Depository any reports and communications, including any proxy soliciting material, received from the Company that are both (a) received by the Depository, the Custodian or the nominee of either of them as the holder of Series B Shares and (b) made generally available to the holders of Series B Shares by the Company. The Depository will also send to ADR holders copies of such reports when furnished by the Company as provided in the Deposit Agreement. Any such reports and communications, including any such proxy soliciting materials, furnished to the Depository by the Company will be furnished in English to the extent such materials are required to be translated into English pursuant to the regulations of the Commission.

Amendment and Termination of the Deposit Agreement

The form of the ADRs and the Deposit Agreement may at any time be amended by agreement between the Company and the Depositary. Any amendment that imposes or increases any fees or charges (other than fees of the Depositary for the execution and delivery of ADRs and taxes and other governmental charges), or that otherwise prejudices any substantial existing right of ADR owners, will, not take effect as to outstanding ADRs until the expiration of three months after notice of such amendment has been given to the record holders of outstanding ADRs. Every holder of ADRs at the time such amendment so becomes effective, if such holder has been given such notice, will be deemed by continuing to hold such ADR to consent and agree to such amendment and to be bound by the Deposit Agreement or the ADR as amended thereby. In no event may any amendment impair the right of any ADR holder to surrender its ADR and receive therefor the Series B Shares and other property represented thereby, except in order to comply with mandatory provisions of applicable law.

Whenever so directed by the Company, the Depositary will terminate the Deposit Agreement by giving notice of such termination to the holders of ADRs at least 90 days prior to the date fixed in such notice for such termination. The Depositary may terminate the Deposit Agreement at any time 90 days after the Depositary has delivered to the Company and the holders of ADRs its written resignation provided that a successor depositary has not been appointed and accepted its appointment before the end of such 90-day period. If any ADRs remain outstanding after the date of termination, the Depositary thereafter will discontinue the registration of transfers of ADRs, will suspend the distribution of dividends to the holders thereof and will not give any further notices or perform any further acts under the Deposit Agreement, except that the Depositary will continue the collection of dividends and other distributions pertaining to the Series B Shares and any other property represented by such ADRs, the sale of rights as provided in the Deposit Agreement and the delivery of Series B Shares, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange, for surrendered ADRs. At any time after the expiration of four months from the date of termination, the Depositary may sell the Series B Shares and any other property represented by such ADRs and hold uninvested, the net proceeds, together with any other cash then held, unsegregated and without liability for interest, for the pro rata benefit of the holders of ADRs that have not theretofore been surrendered.

Charges of Depositary

The Depositary will charge the party to whom ADRs are issued (including issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding ADRs or Deposited Securities or a distribution of ADRs pursuant to the Deposit Agreement) and the party surrendering ADRs for delivery of deposited Series B Shares or other Deposited Securities, property and cash, a fee of up to US\$5.00 for each 100 ADSs (or portion thereof) evidenced by the ADRs so issued or surrendered. The Depositary will also charge holders of ADRs a fee for, and will deduct such fee from, the distribution of proceeds from the sale of securities or rights pursuant to the Deposit Agreement in an amount equal to the fee that would have been charged as a result of the deposit by holders of securities or Series B Shares received in exercise of rights distributed to them had such rights not been sold by the Depositary and the net proceeds therefrom distributed. The Company will pay all other charges of the Depositary and those of the registrar, if any, under the Deposit Agreement, as agreed from time to time between the Company and the Depositary, except for taxes and other government charges, any applicable share transfer and registration fees on deposits or withdrawals of Series B Shares, certain cable, telex and facsimile transmission charges and such expenses as are incurred by the Depositary in the conversion of foreign currency into U.S. dollars, which will be for the account of the holders of ADRs.

Foreign Currency Conversion

If the Depositary or the Custodian receives Chilean pesos or other foreign currency by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights distributed and in the judgment of the Depositary the foreign currency may be converted on a reasonable basis to U.S. dollars and transferred to the United States, the Depositary will, subject to the Foreign Investment Contract and Chilean law, as promptly as practicable, convert such foreign currency into U.S. dollars and distribute the converted amounts, as promptly as practicable, to the holders of ADRs entitled thereto or, if the Depositary has distributed any warrants and/or instruments which entitle the holders thereof to such U.S. dollar amounts, to the holders of such warrants and/or instruments upon surrender thereof for cancellation. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among such holders of ADRs because of exchange restrictions, or the date of delivery of any ADR or ADRs, or otherwise and will be net of any expenses of the Depositary for the conversion of the foreign currency into U.S. dollars.

If the Depositary determines that in its judgment any foreign currency received by it cannot be converted into U.S. dollars on a reasonable basis and transferred to the United States, or if the Foreign Investment Contract ceases to be in effect or the rights of the Depositary thereunder are restricted or suspended, or any other approval or license of any government or agency required for such conversion is denied or in the Depositary's opinion, not obtainable, or any such approval or license is not obtained within a reasonable period as determined by the Depositary, the Depositary will (i) convert the foreign currency into U.S. dollars, to the extent permitted, and transfer such U.S. dollars to the United States for distribution to ADR holders for whom the conversion and distribution is practicable, (ii) if requested in writing by an ADR holder, distribute such foreign currency to ADR holders for whom distribution is lawful or practicable, or (iii) hold such foreign currency uninvested and without liability for interest thereon, for the respective accounts of the ADR holders entitled to receive the same.

Foreign Investment Contract

The Company entered into a foreign investment contract (*Convención Capítulo XXVI del Título I del Compendio de Normas de Cambios Internacionales* or the "Foreign Investment Contract") with the Central Bank of Chile and the Depositary, pursuant to Article 47 of the Central Bank Act and Chapter XXVI of the Compendium of Foreign Exchange Regulations of the Central Bank of Chile (the "Compendium"). Chapter XXVI of the Compendium governs the issuances of ADSs by a Chilean company. Pursuant to the Foreign Investment Contract, the foreign exchange for payments and distributions with respect to ADSs could be purchased in either the Formal Exchange Market or the Informal Exchange Market, but such payments needed to be remitted through the Formal Exchange Market. Foreign investors who have purchased Series B Shares and deposited them in the ADR program under the Foreign Investment Contract have access to the Formal Exchange Market for the purpose of converting from Chilean pesos into U.S. dollars and repatriating the U.S. dollars from Chile, any amounts received with respect to deposited Series B Shares or Series B Shares withdrawn from deposit on surrender of the ADSs (including amounts received as cash dividends and proceeds from the sale in Chile of the underlying Series B Shares and any rights with respect thereto). As of April 19, 2001, Chapter XXVI of the Compendium was eliminated and new investments in ADSs are now governed by Chapter XIV of the Compendium. [However, because the Foreign Investment Contract was entered into pursuant to Chapter XXVI of the Compendium before its elimination, the terms of Chapter XXVI continue to apply to foreign investors in the Company's ADSs.]¹

¹ **Note:** Was the Foreign Investment Contract terminated following the capital increase?

Pre-Release of ADRs

Subject to the terms and conditions of the Deposit Agreement and any limitations established by the Depositary, the Depositary may, however, execute and deliver ADRs prior to the receipt of Series B Shares ("Pre-Release"). The Depositary may, pursuant to the Deposit Agreement, deliver Series B Shares upon the receipt and cancellation of an ADR or ADRs which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such ADR or ADRs have been Pre-Released. The Depositary may receive ADRs in lieu of Series B Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation from the person to whom ADRs are to be delivered that such person, or its customer, (i) owns the deposited Series B Shares or ADRs to be remitted and (ii) assigns all beneficial right, title and interest in such Series B Shares or ADRs to the Depositary for the benefit of the holders of ADRs, (b) at all times fully collateralized with cash or U.S. government securities, (c) terminable by the Depositary on not more than five business days' notice and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of ADRs which are outstanding at any time as a result of Pre-Releases will not normally exceed 30% of the Series B Shares deposited under the Deposit Agreement; provided, however, that the Depositary reserves the right to change or disregard such limit from time to time as it reasonably deems appropriate. The Depositary will also set U.S. dollar limits with respect to the number of ADRs issued by Pre-Release in connection with transactions done in accordance with the terms of this paragraph with any one person on a case by case basis as it deems appropriate. The collateral referred to in clause (b) above will be held by the Depositary for the benefit of the holders of ADRs as security for the performance of the obligations to deliver Series B Shares set forth in clause (a) above. The Depositary may retain for its own account any compensation received by it in connection with Pre-Releases. Neither the Company nor the Custodian will incur any liability to ADR holders as a result of any such transaction.

Limitations on Obligations and Liabilities

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates will incur any liability to any ADR holder (i) if by reason of (A) any present or future law or regulation of the United States, Chile or any other country or of any stock exchange or governmental or regulatory authority (including the breach by the Central Bank of Chile of the Foreign Investment Contract), (B) any provision of the Foreign Investment Contract, or, in the case of the Depositary or its agents, any provision of the Company's By-laws, (C) any provision of any securities issued or distributed by the Company or of the deposited Series B Shares, or any offering or distribution thereof, or (D) any act of God, war, terrorism, or any other circumstance beyond its control, the Depositary, the Company or any of their agents is prevented, delayed or forbidden from, or is subject to any civil or criminal penalty on account of, performing their obligations under the Deposit Agreement, the Foreign Investment Contract, the Company's By-laws, or the deposited Series B Shares, (ii) for any non-performance or delay, caused as described above, in the performance of its obligations under the Deposit Agreement, (iii) for any exercise of or failure to exercise any discretion provided for under the Deposit Agreement, (iv) for the inability of any holder of ADRs to benefit from any distribution, offering, right or other benefit which is made available to the holders of Series B Shares, but is not, under the terms of the Deposit Agreement made available to the holders of ADRs or (v) for any special, consequential or punitive damages for any breach of the terms of the Deposit Agreement.

The obligations and liabilities of the Company and the Depositary and its agents under the Deposit Agreement are expressly limited to performing without negligence or bad faith their respective obligations specified therein.

Transfer, Combination or Split-Up of ADRs

The Depositary will act as ADR registrar or appoint a registrar or one or more co-registrars for registration of the ADRs evidencing ADSs in accordance with any requirements of the New York Stock Exchange or of any other stock exchange on which the ADSs may be listed or quoted.

The transfer of the ADRs is registrable on the books of the Depository, provided, however, that the Depository may close the transfer books at any time or from time to time when deemed expedient by it in connection with the performance of its duties. As a condition precedent to the execution and delivery, registration, registration of transfer, split-up or combination of any ADR or ADRs or the delivery of any distribution thereon or the withdrawal of any Series B Shares or any property represented by the ADRs, the Depository or the Custodian may, and upon the instruction of the Company will, require from the holder or the presenter of the ADR or the depositor of the shares (a) payment of a sum sufficient to pay or reimburse the Depository, the Custodian or the Company for any tax or other government charge and any stock transfer or registration fee or any charge of the Depository upon delivery of the ADR or upon surrender of the ADR, as set forth in the Deposit Agreement, and (b) the production of proof satisfactory to the Depository or Custodian of identity or genuineness of any signature and proof of citizenship, residence, exchange control approval, legal or beneficial ownership, compliance with all applicable laws and regulations, compliance with applicable conditions of the Foreign Investment Contract, compliance with all other applicable provisions of or governing the Series B Shares or any other Deposited Securities and the terms of the Deposit Agreement or other information as the Depository may deem necessary or proper as the Company may require by written request to the Depository or the Custodian. The delivery, registration, registration of transfer, split-up or combination of ADRs, or the deposit or withdrawal of shares or other property represented by ADRs, in particular instances or generally, may be suspended during any period when the transfer books of the Depository are closed, or if any such action is deemed necessary or advisable by the Depository or the Company at any time or from time to time.

Reporting Obligations of ADR Holders

Holders of ADRs are subject to certain provisions of the rules and regulations promulgated under the Exchange Act relating to the disclosure of interests in the Series B Shares. Any holder of ADRs who is or becomes directly or indirectly interested in 5% or such other percentage as may be prescribed by law or regulation) or more of the outstanding Series B Shares must within 10 days after becoming so interested and thereafter upon certain changes in such interests notify the Company and the SEC as required by such rules and regulations. In addition, holders of ADRs are subject to the reporting requirements contained in Articles 12 and 54 and Title XV of the Securities Market Law, which provision may apply when a holder beneficially owns an amount of ADRs that represents 10% or more of the total share capital of the Company or has the intention of taking control of the Company. See "Description of Share Capital" above.

Valuation of Underlying Shares for Chilean Law Purposes

For all purposes of valuation under Chilean law, the Deposit Agreement provides that the acquisition value of the Series B Shares delivered to any holder upon surrender of ADRs will be the highest reported sales price of the Series B Shares on the Santiago Stock Exchange for the day on which the transfer of the Series B Shares is recorded under the name of such holder. In the event that the Series B Shares are not traded on the Santiago Stock Exchange, the value will be deemed to be the highest reported sales price of the Series B Shares on the principal stock exchange or other organized securities market in Chile on which the Series B Shares are then traded. In the event that no sales price is reported on the day on which the transfer of the Series B Shares is recorded, the value will be deemed to be the highest reported sales price of the Series B Shares on the last day on which such sales price was reported. However, if 30 or more days have lapsed since the last sales price was reported, the sales price will be increased by the percentage increase over the corresponding period in the Chilean Consumer Price Index.

Exhibit 8.1**Significant Subsidiaries of Sociedad Química y Minera de Chile S.A.**

Name of Subsidiary	Country of Incorporation
SQM Industrial S.A.	Chile
SQM Nitratos S.A.	Chile
SQM Salar S.A.	Chile
Minera Nueva Victoria S.A.	Chile
Servicios Integrales de Tránsito y Transferencia S.A.	Chile
Soquimich Comercial S.A.	Chile
SQM Potasios, S.A.	Chile
SQM North America Corp.	USA
SQM Europe N.V.	Belgium

For a complete list of foreign and domestic subsidiaries see Note 2.5 to our Consolidated Financial Statements.

CHIEF EXECUTIVE OFFICER CERTIFICATION
(Pursuant to Section 302)

I, Ricardo Ramos, certify that:

1. I have reviewed this annual report on Form 20-F of Sociedad Química y Minera de Chile S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

/s/ Ricardo Ramos R.

Name: Ricardo Ramos R.

Title: Chief Executive Officer

Date: April 25, 2022

CHIEF FINANCIAL OFFICER CERTIFICATION
(Pursuant to Section 302)

I, Gerardo Illanes, certify that:

1. I have reviewed this annual report on Form 20-F of Sociedad Quimica y Minera de Chile S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

/s/ Gerardo Illanes G.

Name: Gerardo Illanes G.
Title: Chief Financial Officer
Date: April 25, 2022

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ricardo Ramos, Chief Executive Officer of Sociedad Química y Minera de Chile S.A. ("SQM"), a corporation incorporated under the laws of the Republic of Chile, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Annual Report of SQM on Form 20-F for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Annual Report on Form 20-F fairly presents, in all material respects, the financial condition and results of operations of SQM.

/s/ Ricardo Ramos R.

Name: Ricardo Ramos R.
Title: Chief Executive Officer
Date: April 25, 2022

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gerardo Illanes, Chief Financial Officer of Sociedad Química y Minera de Chile S.A. ("SQM"), a corporation incorporated under the laws of the Republic of Chile, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Annual Report of SQM on Form 20-F for the fiscal year ended December 31, 2021, as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Annual Report on Form 20-F fairly presents, in all material respects, the financial condition and results of operations of SQM.

/s/ Gerardo Illanes G.

Name: Gerardo Illanes G.
Title: Chief Financial Officer
Date: April 25, 2022

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (No. 333-254538) of Sociedad Química y Minera de Chile S.A of our report dated April 25, 2022 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20F.

/s/ PricewaterhouseCoopers Consultores Auditores SpA

Santiago, Chile

April 25, 2022
