

Sociedad Química y Minera de Chile S.A.

Annual Report 2019



1) **INDEX**

2) IDENTIFICATION OF THE ENTITY	3
2) A) IDENTIFICATION OF THE ENTITY: BASIC IDENTIFICATION	3
2) B) IDENTIFICATION OF THE ENTITY: LEGAL CONSTITUTION	3
2) C) IDENTIFICATION OF THE ENTITY: CONTACT INFORMATION	3
3) DESCRIPTION OF BUSINESS ENVIRONMENT	4
3) A) DESCRIPTION OF BUSINESS ENVIRONMENT: HISTORICAL INFORMATION	4
3) B) DESCRIPTION OF BUSINESS ENVIRONMENT: INDUSTRIAL SECTOR	6
3) C) DESCRIPTION OF BUSINESS ENVIRONMENT: ACTIVITIES AND BUSINESSES	9
3) D) DESCRIPTION OF BUSINESS ENVIRONMENT: PROPERTY AND FACILITIES	35
3) E) DESCRIPTION OF BUSINESS ENVIRONMENT: RISK FACTORS	55
3) F) DESCRIPTION OF BUSINESS ENVIRONMENT: CAPITAL EXPENDITURE	72
4) OWNERSHIP AND SHARES	75
4) A) OWNERSHIP AND SHARES: OWNERSHIP	75
4) B) OWNERSHIP STRUCTURE AND SHARES: SHARES AND THEIR CHARACTERISTICS AND RIGHTS	80
5) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT	84
5) A) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2018	84
5) B) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN EXECUTIVE MANAGEMENT AS OF DECEMBER 31, 2018	84
5) C) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN THE ORGANIZATION AS OF DECEMBER 31, 2018	85
5) D) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: SALARY GAP BY GENDER	86
6) MANAGEMENT AND PERSONNEL	88
6) A) MANAGEMENT AND PERSONNEL: ORGANIZATIONAL CHART	88
6) B) MANAGEMENT AND PERSONNEL: INFORMATION ABOUT THE BOARD OF DIRECTORS	88
6) C) MANAGEMENT AND PERSONNEL: INFORMATION ABOUT THE DIRECTORS' COMMITTEE	92
6) D) MANAGEMENT AND PERSONNEL: MAIN EXECUTIVES	94
6) E) MANAGEMENT AND PERSONNEL: NUMBER OF EMPLOYEES	95
6) F) MANAGEMENT AND PERSONNEL: SHARE OWNERSHIP OF EXECUTIVE OFFICERS AND BOARD MEMBERS	96
7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES	97
7) A) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES: SUBSIDIARIES AND ASSOCIATES	97
7) B) INFORMATION ABOUT OTHER INVESTEES	121
8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS	126
9) SUMMARY OF COMMENTS AND PROPOSALS BY SHAREHOLDERS AND THE DIRECTORS' COMMITTEE	136
10) FINANCIAL REPORTS	137
10) A) FINANCIAL REPORTS OF THE REPORTING ENTITY	137
10) B) SUMMARY FINANCIAL STATEMENTS	360
11) RESPONSIBILITY STATEMENT	396

2) IDENTIFICATION OF THE ENTITY

2) A) IDENTIFICATION OF THE ENTITY: BASIC IDENTIFICATION

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

Abbreviated Company Name: SQM

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

Chilean Taxpayer ID: 93.007.000-9

Type of Entity: Open stock corporation

2) B) IDENTIFICATION OF THE ENTITY: LEGAL CONSTITUTION

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

2) C) IDENTIFICATION OF THE ENTITY: CONTACT INFORMATION

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3) DESCRIPTION OF BUSINESS ENVIRONMENT

3) A) DESCRIPTION OF BUSINESS ENVIRONMENT: HISTORICAL INFORMATION

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

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

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

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

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

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

3) DESCRIPTION OF BUSINESS ENVIRONMENT

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

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

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

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

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

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

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

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

On January 23, 2020, following the completion of a definitive feasibility study, we decided together with Wesfarmers to defer the final investment decision until the first quarter of 2021.

3) B) DESCRIPTION OF BUSINESS ENVIRONMENT: INDUSTRIAL SECTOR

i) PRODUCTS AND SERVICES

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

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

ii) COMPETITION AND MARKET SHARE

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

iii) LEGAL FRAMEWORK

Government Regulations

Regulations in Chile Generally

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

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

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

We also hold water use rights granted by the respective administrative authorities and which enable us to have a supply of water from rivers or wells near our production facilities sufficient to meet our current operating requirements. See section 3) E) Description of Business Environment: Risk Factors. The Chilean

Constitution, the Water Code and related regulations are subject to change, which could have a material adverse impact on our business, financial condition and results of operations.

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

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

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

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

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

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

Finally, we are governed by the Securities Law and Law No. 18,046 on Corporations (*Ley de Sociedades Anónimas* or the “Chilean Corporations Act”), which regulates corporate governance. Specifically, the Chilean Corporations Act regulates, among other things, independent director requirements, disclosure obligations to the general public and to the CMF, as well as regulations relating to the use of inside information, the independence of external auditors, and procedures for the analysis of transactions with related parties.

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

Safety, Health and Environmental Regulations in Chile

Our operations in Chile are subject to both national and local regulations related to safety, health and environmental protection. In Chile, the main regulations on these matters that are applicable to us are the Mine Health and Safety Act of 1989 (*Reglamento de Seguridad Minera* or the “Mine Health and Safety

Act”), the Health Code (*Código Sanitario*), the Health and Basic Conditions Act of 1999 (*Reglamento sobre Condiciones Sanitarias y Ambientales Básicas en los Lugares de Trabajo* or the “Health and Basic Conditions Act”), the Subcontracting Law and the Environmental Law of 1994, amended in 2010 (*Ley sobre Bases Generales del Medio Ambiente* or the “Environmental Law”).

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

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

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

We continuously monitor the impact of our operations on the environment and on the health of our employees and other persons who may be affected by such operations. We have made modifications to our facilities in an effort to eliminate any adverse impacts. Also, over time, new environmental standards and regulations have been enacted, which have required minor adjustments or modifications of our operations. We anticipate that additional laws and regulations will be enacted over time with respect to environmental matters. There can be no assurance that future legislative or regulatory developments will not impose new restrictions on our operations. We are committed to continuously improving our environmental performance through our Environmental Management System (“EMS”), voluntary evaluations, such as Ecovadis, and international certifications, such as the Responsible Conduct certification from the Chilean Industrial Chemicals Association, which applies to our operations at Nueva Victoria, and the Protect&Sustain certification from the International Fertilizer Association, which applies to our operations at Coya Sur, the Salar de Atacama, Tocopilla, Antofagasta and Santiago.

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

International Regulations

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

At the end of 2018, the European Parliament, the Council of Member States of the European Union and the European Commission agreed to a new regulation for fertilizers. The new European regulation reduces the maximum content limit of perchlorates in inorganic fertilizer with macronutrients, such as the potassium nitrate sold by us, to 0.005%. In addition to this limit, the regulation incorporates maximum levels of other pollutants, such as heavy metals, and establishes a new procedure – called a conformity assessment – to be undertaken prior to the commercialization of fertilizers in Europe. The fertilizers that we sell contain less than 0.005% of perchlorate; however, the Food Chain Security unit of the General Health and Consumer Affairs Council initiated a revision of the perchlorate limits in food that have been in force and effect since June 2015, following the European Food Safety Authority’s (“EFSA”) evaluation of human exposure to perchlorate in food and in drinkable water. We expect a new definition of the new limits of perchlorates in food in the near term.

In South Korea SQM pre-registered five chemical substances in the first half of 2019 under the K-REACH regulations, using the figure of the Exclusive Representative, in order to facilitate the regulatory compliance of our clients in this market. On January 15, 2019, the “Occupational Safety and Health Act of Korea (K-OSHA)” law that applied to the chemical safety data sheets that SQM uses in this country was modified. The most important modification was related to that the safety data sheets must be reported to the competent authority. This modification is effective two years after publication.

On March 12, 2019, Australia approved a new “Industrial Chemicals (General) Rules 2019”, which regulates the import and production of industrial chemicals and replaces the current regulations. This new regulation enters into force on July 1, 2020 and establishes the import requirements for chemical substances for the product and for the importer, applying to iodine imports by SQM Oceania in Australia.

On May 25, 2019, Japan updated its standards for classification and labeling of chemical products (JIS Z 7252: 2019 & 7253: 2019) to certify them with the sixth version of UN-GHS. This modification has a transition period of three years, which will imply review of safety data sheets and labeling of the products that SQM sells in Japan, in 2020-2021.

During 2019, the member countries of the Eurasian Economic Union, which includes Russia, initiated a chemical inventory update process in which companies must notify the chemical substances currently produced or imported into EURASIA. A pilot program was carried out in which Russia invited some companies to participate in reporting certain chemical substances, and SQM worked with customers to provide such report. This reporting will soon be mandatory and non-notified substances will be subject to registration in accordance with Technical Regulation TR EAEU 041/2017 of Eurasian Economic Union on Safety of Chemical Products, Eurasia-REACH.

On September 12, 2019, the Customs Standards Compendium was modified in Chile, modifying the requirements for customs declaration of products exported by SQM.

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

The Company

We believe that we are the world’s largest producer of potassium nitrate and iodine and one of the world’s largest lithium producers. We also produce specialty plant nutrients, iodine derivatives, lithium derivatives, potassium chloride, potassium sulfate and certain industrial chemicals (including industrial nitrates and solar salts). Our products are sold in approximately 110 countries through our worldwide distribution network, with 89% of our sales in 2019 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. Iodine and its derivatives are mainly used in the X-ray contrast media and biocides industries and in the production of polarizing film, which is an important component in LCD screens. Lithium and its derivatives are mainly used in batteries, greases and frits for production of ceramics. Potassium chloride is a commodity fertilizer that is produced and sold by us worldwide. Potassium sulfate is a specialty fertilizer used primarily in crops such as vegetables, fruits and industrial crops. Industrial chemicals have a wide range of applications in certain chemical processes such as the manufacturing of glass, explosives and ceramics, and, more recently, industrial nitrates are being used in concentrated solar power plants as a means for energy storage. In addition, we complement our portfolio of plant nutrients through the buying and selling of other commodity fertilizers for use mainly in Chile.

For the year ended December 31, 2019, we had revenues of US\$1,943.7 million, gross profit of US\$560.1 million and profit attributable to controlling interests of US\$278.1 million. Our worldwide market capitalization as of December 31, 2019 was approximately US\$7.0 billion.

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

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

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

Lithium and its Derivatives: We are a leading producer of lithium carbonate, which is used in a variety of applications, including electrochemical materials for batteries, frits for the ceramic and enamel industries, heat-resistant glass (ceramic glass), air conditioning chemicals, continuous casting powder for steel extrusion, primary aluminum smelting process, pharmaceuticals and lithium derivatives. We are also a leading supplier of lithium hydroxide, which is primarily used as an input for the lubricating greases industry and for certain cathodes for batteries.

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 three industrial chemicals: sodium nitrate, potassium nitrate and potassium chloride. Sodium nitrate is used primarily in the production of glass, explosives, metal treatment, metal recycling and insulation materials among others. 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. We market our industrial chemicals using the following brands: QSodiumNitrate™, QPotassiumNitrate™, and QPotassiumChloride™.

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

The following table shows the percentage breakdown of our revenues for 2019, 2018 and 2017 according to our product lines:

	2019	2018	2017
Specialty Plant Nutrition	37%	35%	32%
Iodine and Derivatives.....	19%	14%	12%
Lithium and Derivatives	26%	32%	30%
Potassium	11%	12%	18%
Industrial Chemicals	5%	5%	6%
Other	2%	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 producing high-quality products and promoting a high-quality culture to meet the dynamic and changing requirements of our customers.

We are a company built and managed by people committed to excellence, safety and integrity. We work every day to build a culture of excellence by encouraging and promoting creativity, agility and innovation

in the workplace and ensuring equality of opportunities, inclusion and diversity. We seek to create opportunities for professional development so that people achieve their maximum potential. We make ongoing efforts to meet the high standards of integrity described in our code of ethics while actively identifying and implementing ideas to better meet these standards. 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 participate in the development of the well-being of local communities by supporting projects and activities with a focus on education, business development, and protection of the environment and historical heritage. 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.

We have identified market demand in each of our major product lines, both within our existing customer base and in new markets, for existing products and for additional products that can be produced from our natural resources. To take advantage of these opportunities, we have developed specific strategies for each of our product lines.

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 and (vi) diversify our operations geographically and jurisdictionally.

Potassium

Our strategy in our potassium business is to: (i) offer a portfolio of potassium products, including potassium sulfate, potassium chloride and other fertilizers, to our traditional markets; (ii) have flexibility

to offer crystalized (standard) or granular (compacted) form products according to market requirements; (iii) focus on markets where we have logistical advantages and synergies with our specialty plant nutrition business and (iv) supply a product with consistent quality according to the specific requirements of our customers.

Industrial Chemicals

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

New Business Ventures

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

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

We have an in-house geological exploration team that explores the area directly, identifying drilling targets and assessing new prospects. In 2019, the team identified six new targets and confirmed mineralization in several of the targets. The number of perforated meters reached 52,374 meters and were made with four machines of which three were internal and the other external. We also have a metal business development team that works to engage partners interested in investing in metal exploration within our mining properties. As of December 31, 2019, we had eight option agreements in place with six companies, including junior mining companies, private equity firms and large mining companies. We maintain an exploration and purchase option agreement for an area of interest with a junior Canadian mining company and we are participating in the formation of two joint ventures as a result of exercising an option agreement a junior mining company.

Main Business Lines

Specialty Plant Nutrition

In 2019, specialty plant nutrients revenues decreased to US\$723.9 million, representing 37.2% of our total revenues for that year. We believe that we are the world's largest producer of potassium nitrate. We estimate that our sales accounted for approximately 51% of global potassium nitrate sales for all applications by volume in 2019, a decrease from 54% in 2018. During 2019, the potassium nitrate market remained flat compared to 2018. These estimates do not include potassium nitrate produced and sold locally in China, only Chinese net imports and exports.

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

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

Our specialty plant nutrients advantages include that they:

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

Specialty Plant Nutrition: Market

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

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

Worldwide scarcity of water and arable land drives the development of new agricultural techniques to maximize the use of these resources. Irrigation has grown at an average annual rate of 1% during the last 20 years (a pace similar to population growth). However, microirrigation has grown at 10% per year over the same period. Microirrigation 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 ratio of microirrigation to total irrigated hectares in Asia is approximately 3%, the lowest ratio of any region in the world. This represents a high potential market for microirrigation, 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. Demand totals approximately 400,000 to 420,000 metric tons, of which approximately 130,000 metric tons is related to the tobacco industry and approximately 120,000 metric tons is related to the horticulture business. Of the total, between 20,000 and 35,000 metric tons are imports.

Specialty Plant Nutrition: Our Products

Potassium nitrate, sodium potassium nitrate and specialty blends are higher margin products derived from, or consisting of, sodium nitrate, and they are all produced 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, India, Italy, Mexico, the Netherlands, Peru, South Africa, Spain, Turkey, the United Arab Emirates, and the United States.

The following table shows our sales volumes of and revenues from specialty plant nutrients for 2019, 2018 and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Sales volumes (Th. MT)			
Sodium nitrate	30.2	25.0	26.7
Potassium nitrate and sodium potassium nitrate	617.4	673.4	601.4
Specialty blends ⁽¹⁾	238.9	242.5	209.0
Other specialty plant nutrients ⁽²⁾	155.3	141.6	129.1
Revenues (in US\$ millions)	723.9	781.8	697.3

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

(2) Includes trading of other specialty fertilizers.

In 2019, our specialty plant nutrients revenues decreased to US\$723.9 million, representing 37.2% of our total revenues for that year and a 7.4% decrease from US\$781.8 million in specialty plant nutrients revenues in 2018. Prices decreased approximately 3.8% in 2019.

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 a wide range of fruits and vegetables.

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

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

Foliar feeding with potassium nitrate can have beneficial effects:

- when soil chemistry limits nutrient solubility and availability (pH, organic matter, type and percentage of clay);
- when nutrient absorption through the roots is limited as a result of conditions that hamper root growth (temperature, moisture, oxygen and loss of soil structure);
- when the plant's local internal demand may surpass real internal nutrient redistribution capacity, leaving the demand unsatisfied;

- when nutrient mobility is limited, such as when plants flower before the leaf growth phase, imposing limiting factors on xylem nutrient transport;
- to achieve rapid recovery from leaf stress caused by climatic conditions, soil conditions and irrigation management.

SQM has consolidated a product portfolio of over 200 specialty fertilizer blends, including top brands such as Ultrasol®, for fertigation; Qrop®, for application to the soil; Speedfol®, for foliar feeding and Allganic® for organic crops. In recent years, we have added several products to our portfolio such as QropTMKS in 2015 and Ultrasol®ution K in 2018. These products were developed by our research and development team. Qrop is more physically stable than other products in that it is not required to be transported as hazardous cargo, which means it can be sold in other markets. We have restructured the Qrop products portfolio to include 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. Ultrasol®ution 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.

Specialty Plant Nutrition: Marketing and Customers

In 2019, we sold our specialty plant nutrients in approximately 96 countries and to more than 1,100 customers. No customer represented more than 10% of our specialty plant nutrition revenues during 2019, and our ten largest customers accounted in the aggregate for approximately 32% 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	2019	2018	2017
North America	34%	31%	34%
Europe	21%	26%	26%
Chile	15%	14%	13%
Central and South America	11%	10%	10%
Asia and Others	20%	19%	17%

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

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

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

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

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

Specialty Plant Nutrition: Joint Ventures and Agreements

Consistent with our business strategy, we regularly evaluate opportunities to expand in our current core businesses, including our specialty plant nutrition business, or within new businesses in which we believe we may have sustainable competitive advantages. We evaluate potential acquisitions, joint ventures and alliances with companies both within and outside of Chile, including in other emerging markets.

We have entered into joint ventures with a number of partners for specialty plant nutrition production in China, India, Peru, Brazil, Dubai, South Africa and the Netherlands. Recent joint ventures include the following:

- In 2017, three new offices started their operations in Imbituba, Rio Grande and Sao Paulo, Brazil, SQM Vitas Brazil Agroindustria, Importação e Exportação Ltda.
- In May 2018, our we began operating a new joint venture, Pavoni & C. Spa, with Pavoni, one of the largest specialty fertilizer companies in Italy. The main objective of this business is to improve the nutritional efficiency of crops, the existing fertigation, the quality of fertilizers and their applications, as well as extend the use of fertigation (from micro-irrigation).
- In 2018, our new office and storage facility in Pamira, managed by SQM Colombia SAS near the Port of Buenaventura in Colombia became operational. The new office was set up to meet the growing needs of customers in the Colombian market, especially those who grow roses and ornamental plants, coffee, bananas and fruit through a complete portfolio of soluble fertilizers and Qrop mixes.

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\$128 million and US\$147 million in 2019 and 2018, respectively. During 2019, no client represented more than 10% of the sales of the Company. The market participation of SQMC in the fertilizer market during 2019 was approximately 20%.

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-type 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 16% of total world sales during 2019 (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 2019, our revenues from iodine and iodine derivatives amounted to US\$371.0 million, representing 19.1% of our total revenues in that year. We estimate that our sales accounted for approximately 34% of global iodine sales by volume in 2019.

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, 12%; iodophors and povidone-iodine, 8%; animal nutrition, 7%; fluoride derivatives, 7%; biocides, 6%; nylon, 4%; human nutrition, 3% and other applications, 16%.

During 2019, iodine demand grew at a similar rate as in 2018, reaching 36,700 metric tons. While traditional uses grew at the same rate as during the previous year, some applications, such as nylon fabrication and mercury remediation decreased slightly more than the increase of iodine and derivatives demand related to the LED and LCD market.

Iodine: Our Products

We produce iodine in our Nueva Victoria plant, near Iquique, and our Pedro de Valdivia plant, close to María Elena. We have a total effective production capacity of approximately 14,000 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 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-9001:2008 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 2019, 2018 and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Sales volumes (<i>Th. MT</i>)			
Iodine and derivatives	12.7	13.3	12.7
Revenues (<i>in US\$ millions</i>)	371.0	325.0	252.1

Our revenues increased to US\$371.0 million in 2019 from US\$325.0 million in 2018. This increase was primarily attributable to higher prices during 2019. Average iodine prices were more than 19.4% higher in 2019 than in 2018. Our sales volumes decreased 4.4% in 2019.

Iodine: Marketing and Customers

In 2019, we sold our iodine products in approximately 48 countries to approximately 279 customers, and most of our sales were exports. Two customers each accounted for more than 10% of our iodine revenues in 2019. These two customers accounted for approximately 31% of revenues, and our ten largest customers accounted in the aggregate for approximately 75% of revenues. No supplier accounted for more than 10% of the cost of sales of this business line

The following table shows the geographical breakdown of our revenues:

Revenues breakdown	<u>2019</u>	<u>2018</u>	<u>2017</u>
North America	24%	26%	27%
Europe.....	33%	34%	32%
Chile	0%	0%	0%
Central and South America.....	2%	2%	2%
Asia and Others	40%	37%	38%

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 59% of total global sales of iodine in 2019, including SQM, with approximately 34%, and four other producers, accounting for the remaining 25%. 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 family Urruticoechea; Algorta Norte S.A., a joint venture between ACF Minera S.A. and Toyota Tsusho; and Atacama Minerals, recently acquired by the Chinese company Tewoo.

We estimate that eight Japanese iodine producers accounted for approximately 27% of global iodine sales in 2019, including recycled iodine.

We estimate that iodine producers in the United States (one of which is owned by Toyota Tsusho and another by Ise Chemicals Ltd., both of which are Japanese companies) accounted for nearly 5% of world iodine sales in 2019.

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\$29 per kilogram in 2019, from the average sales prices of approximately US\$24 per kilogram observed in 2018.

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 2019, our revenues from lithium sales amounted to US\$505.7 million, representing 26.0% 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 15% 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 69% of total lithium demand, including batteries for electric vehicles, which accounted for approximately 46% of total lithium demand.

There are many other applications both for basic lithium chemicals and lithium derivatives, such as lubricating greases (approximately 6% of total lithium demand), heat-resistant glass (ceramic glass) (approximately 5% of total lithium demand), chips for the ceramics and glaze industry (approximately 3% of total lithium demand), chemicals for air conditioning (approximately 2% of total lithium demand), and many others, including air treatment systems, 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 2019, lithium chemicals demand increased by approximately 14%, reaching approximately 307,000 metric tons. We expect applications related to energy storage to continue driving demand in the coming years.

Lithium: Our Products

We produce lithium carbonate at our Salar del Carmen facilities, near Antofagasta, Chile, from highly concentrated lithium chloride produced in the Salar de Atacama as a by-product of the potassium chloride production. The annual production capacity of our lithium carbonate plant at the Salar del Carmen was expanded and is now 70,000 metric tons per year. We are in the process of increasing our production capacity to 120,000 metric tons per year. We believe that the technologies we use, together with the high concentrations of lithium and the characteristics of the Salar de Atacama, such as high evaporation rate and concentration of other minerals, allow us to be one of the lowest cost producers worldwide.

We also produce lithium hydroxide at the same plant at the Salar del Carmen, next to the lithium carbonate operation. The lithium hydroxide facility has a production capacity of 13,500 metric tons per year.

The following table shows our total sales volumes and revenues from lithium and its derivatives for 2019, 2018 and 2017:

3) DESCRIPTION OF BUSINESS ENVIRONMENT

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Sales volumes (<i>Th. MT</i>)			
Lithium and derivatives	45.1	45.1	49.7
Revenues (<i>in US\$ millions</i>)	505.7	734.8	644.6

Our revenues in 2019 were US\$505.7 million, a 31.2% decrease from US\$734.8 million in 2018, due to lower prices during the year. The average price for 2019 was approximately 31.2% lower than the average price in 2018.

Lithium: Marketing and Customers

In 2019, we sold our lithium products in approximately 45 countries to approximately 185 customers, and most of our sales were to customers outside of Chile. Two customers each accounted for more than 10% of our lithium revenues in 2019, accounting for approximately 34% of our lithium revenues. Our ten largest customers accounted in the aggregate for approximately 69% of revenues. No supplier accounted for more than 10% of the cost of sales of this business line. We make lease payments to Corfo which are associated with the sale of different products produced in the Salar de Atacama, including lithium carbonate, lithium hydroxide and potassium chloride. See Note 26.2 to our consolidated financial statements for the disclosure of lease payments made to Corfo for all periods presented.

The following table shows the geographical breakdown of our sales for 2019, 2018 and 2017:

Revenues breakdown	<u>2019</u>	<u>2018</u>	<u>2017</u>
North America.....	9%	9%	7%
Europe	15%	14%	14%
Chile	0%	0%	0%
Central and South America	1%	0%	0%
Asia and Others	75%	76%	79%

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 2019, 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 45,100 metric tons of lithium carbonate equivalent (LCE), SQM's market share of lithium chemicals was approximately 15% in 2019. One of our main competitors is Albemarle Corporation ("Albemarle"), which produces lithium carbonate and lithium chloride in Chile and the United States, along with lithium derivatives in the United States, Germany, Taiwan and China, with a market share of approximately 25%. Albemarle also owns 49% of Talison Lithium Pty Ltd. ("Talison"), an Australian company, that is the largest producer of concentrated lithium minerals in the world, based in Western Australia. The remaining 51% of Talison is owned by Tianqi Lithium Corp. ("Tianqi"), a Chinese company producing basic lithium chemicals in China from concentrated lithium minerals. Talison sells a part of its concentrated lithium mineral production to the direct use market, but most of its production, representing approximately 23% of total lithium chemical demand, is converted into basic lithium chemicals in China by Tianqi and Albemarle. Currently, Tianqi is

starting up its lithium hydroxide plant in Australia while Albemarle has one under construction. Tianqi is also a significant shareholder of ours, holding approximately 25.86% of our shares.

Another important competitor is Livent Corporation (“Livent”), with an estimated market share of approximately 7%. 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 4%.

Australia is an important source of concentrated lithium minerals. Since 2018, two producers have doubled their production of concentrated mineral, which is then converted into lithium chemicals in China. One of these producers is a joint venture between Ganfeng Lithium Co. (“Ganfeng”) and Mineral Resources Ltd in the Mt. Marion project. Galaxy Resources Ltd. is another important producer with operations in Mt. Cattlin. Additionally, three new players began shipping concentrated lithium minerals in 2018, Pilbara Minerals and Altura Mining, both producing from the Pilgangoora deposit, and Alita Resources Limited, producing from the Bald Hill deposit. In addition, there were at least ten other companies producing lithium in China from brines or minerals in 2019.

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

Potassium

In 2019, our potassium chloride and potassium sulfate revenues amounted to US\$212.2 million, representing 10.9% of our total revenues and a 20.7% decrease compared to 2018, as a result of reduced sales volumes. We estimate that we accounted for less than 1% of global sales of potassium chloride in 2019.

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.

3) DESCRIPTION OF BUSINESS ENVIRONMENT

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

Potassium: Market

During the last decade, growth in demand for potassium chloride, and for fertilizers in general, has been driven by several key factors, such as a growing world population, higher demand for protein-based diets and less arable land. All of these factors contribute to fertilizer demand growth as a result of efforts to maximize crop yields and use resources more efficiently. For the last ten years, the compound annual growth for the global potassium chloride market was approximately 1-2%. We estimate that demand fell 2 million metric tons in 2019, reaching 64 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 2019, 2018 and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Sales volumes (Th. MT)			
Potassium chloride and potassium sulfate	597.3	831.8	1,344.3
Revenues (in US\$ millions)	212.2	267.5	379.3

Our revenues in 2019 were US\$212.2 million, a 20.7% decrease from US\$267.5 million in 2018, due to significantly lower sales volumes during the year. Our sales volumes in 2019 were approximately 28.2% lower than sales volumes reported last year.

Potassium: Marketing and Customers

In 2019, we sold potassium chloride and potassium sulfate to approximately 514 customers in approximately 38 countries. One individual customer accounted for more than 10% of our revenues of potassium chloride and potassium sulfate in 2019, which totals approximately 12% of our total revenues. We estimate that our ten largest customers accounted in the aggregate for approximately 44% of such revenues. One supplier accounted for more than 10% of the cost of sales of this business line, accounting for approximately 13% 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 26.2 to our consolidated financial statements for the disclosure of lease payments made to Corfo for all periods presented.

The following table shows the geographical breakdown of our sales for 2019, 2018 and 2017:

Revenues breakdown	2019	2018	2017
North America	20%	19%	18%
Europe.....	13%	17%	19%
Chile.....	13%	10%	5%
Central and South America.....	31%	30%	38%
Asia and Others.....	23%	24%	20%

Potassium: Competition

We estimate that we accounted for less than 1% of global sales of potassium chloride in 2019. Our main competitors are Nutrien, Uralkali, Belaruskali and Mosaic. We estimate that in 2019, Belaruskali accounted for approximately 20% of global sales, Nutrien accounted for approximately 18% of global sales, Uralkali accounted for approximately 16% of global sales, and Mosaic accounted for approximately 13% of global sales.

In the potassium sulfate market, we have several competitors, of which the most important are K+S KALI GmbH (Germany), Tessenderlo Chemie (Belgium) and Great Salt Lake Minerals Corp. (United States). We estimate that these three producers account for approximately 30% of its worldwide production of potassium sulfate. In 2019, SQM reinstated its own production of potassium sulfate.

Industrial Chemicals

In 2019, our revenues from industrial chemicals were US\$94.9 million, representing approximately 4.9% of our total revenues for that year. We estimate that our market share in the industrial potassium nitrate market was approximately 30% for 2019.

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

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

Industrial Chemicals: Market

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

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

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

We supply solar salts to CSP projects around the world. In 2019, we supplied our solar salts to the first CSP projects in Chile and Italy totaling over 48,000 metric tons. We have also secured a contract for the supply of a major installation in the Middle East in the next 3 years.

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

Industrial Chemicals: Our Products

The following table shows our sales volumes of industrial chemicals and total revenues for 2019, 2018 and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Sales volumes (Th. MT)			
Industrial chemicals	123.5	135.9	167.6
Revenues (in US\$ millions)	94.9	108.3	135.6

Revenues for industrial chemicals decreased from US\$94.9 million in 2019 to US\$108.3 million in 2018, as a result of lower sales volumes in this business line. Sales volumes in 2019 decreased 9.1% compared to sales volumes reported last year.

Industrial Chemicals: Marketing and Customers

We sold our industrial nitrate products in approximately 52 countries in 2019 to approximately 277 customers. One customer accounted for more than 10% of our revenues of industrial chemicals in 2019, accounting for approximately 37%, and our ten largest customers accounted in the aggregate for approximately 59% 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 26.2 to our consolidated financial statements for the disclosure of lease payments made to Corfo for all periods presented.

The following table shows the geographical breakdown of our sales for 2019, 2018 and 2017:

Revenues breakdown	<u>2019</u>	<u>2018</u>	<u>2017</u>
North America	29%	25%	19%
Europe.....	16%	16%	21%
Chile.....	42%	4%	2%
Central and South America.....	7%	11%	7%
Asia and Others.....	6%	43%	51%

We sell our industrial chemical products mainly through our own worldwide network of representative offices and through our sales and distribution affiliates. We maintain inventories of our different grades of sodium nitrate and potassium nitrate products at our facilities in Europe, North America, Mexico, South Africa, Asia and South America to achieve prompt deliveries to customers. We provide support to our customers and continuously work with them to develop new products and/or applications for our products.

Industrial Chemicals: Competition

We believe we are one of the leading producers of sodium nitrate and potassium nitrate for industrial uses. In the case of industrial sodium nitrate, we estimate that our sales represented close to 32% of world demand in 2019 (excluding domestic demand for China and India, for which we believe reliable estimates are not available). Our competitors are mainly based in Europe and Asia, producing sodium nitrate as a by-product of other production processes. In refined grade sodium nitrate, BASF AG, a German corporation, and several producers in China and Eastern Europe are highly competitive. Our industrial sodium nitrate products also compete indirectly with substitute chemicals, including sodium carbonate, sodium sulfate, calcium nitrate and ammonium nitrate, which may be used in certain applications instead of sodium nitrate and are available from a large number of producers worldwide.

Our main competitor in the industrial potassium nitrate business is Haifa Chemicals, which we estimate had a market share of 16% for 2019. We estimate that our market share was approximately 30% for 2019.

Producers compete in the market for industrial sodium and potassium nitrate based on reliability, product quality, price and customer service. We believe that we are a low-cost producer of both products and are able to produce high quality products with local presence and expertise.

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

In the solar salts business, we believe we have been the market leader since we started selling to commercial projects in 2007. Currently, our competitors in the potassium nitrate business are principally Chinese companies. In the sodium nitrate business, BASF is the main competitor.

Other Products

A large part of our other revenue is related to fertilizer trading, usually commodities. These fertilizers are traded in large volumes worldwide. We have developed a trade, supply and inventory management business that allows us to respond quickly and effectively to the changing fertilizer market in which we operate and profit on these trades.

Trend Information

Our revenues decreased 14.2% to US\$1,943.7 million in 2019 from US\$2,265.8 million in 2018. Gross profit decreased 28.2% to US\$560.1 million in 2019, which represented 28.8% of revenues, from US\$780.2 million in 2018, which represented 34.4% of revenues. Profit attributable to controlling interests decreased 36.8% to US\$278.1 million in 2019 from US\$439.8 million in 2018.

Revenues from lithium and derivatives totaled US\$505.7 million during 2019, a decrease of 31.2% compared to the US\$734.8 million in 2018. We reported the same sales volumes in the lithium business line in 2019 compared to 2018 as a result of lower than expected lithium demand growth during 2019. According to our estimates, the lithium market demand growth was approximately 14% in 2019, a significant market growth, but lower than originally expected given some delays we saw in the penetration of electric vehicles in some key markets. We believe that the fundamentals behind demand growth in the lithium industry are stronger than ever, different automakers around the world are fully committed to the electrification of their fleet. At the same time, technological advancements are resulting in more competitive alternatives for customers, and doubts that once existed over lithium battery technology are dissipating. Average prices in this business line were 31.2% lower in 2019 when compared to average prices seen during 2018. New supply entered the market, which, which coupled with the lower than expected demand impacted market prices in 2019. We believe the oversupply seen in 2019 may continue

3) DESCRIPTION OF BUSINESS ENVIRONMENT

in 2020 and could further impact average prices in 2020 when compared to 2019. We believe our sales volumes in 2020 could be higher than sales volumes seen in 2019, reaching 55,000-60,000 metric tons. Demand growth in 2019 and continuing into 2020 was led by demand related to batteries for electric vehicles. Demand in 2020 is expected to be about 15% greater than total demand in 2019; we believe the European electric vehicle market will gain momentum and contribute significantly to this lithium demand growth.

Revenues from the specialty plant nutrition business line in 2019 totaled US\$723.9 million, a decrease of 7.4% compared to \$781.8 million reported in 2018. Our sales volumes and average prices in the specialty plant nutrition business line decreased 3.8% in 2019 compared to 2018. In the potassium nitrate market, demand growth was weaker than expected in 2019, with demand flat compared to 2018 as a result of weather conditions in various geographical markets. Our average prices fell as a result of this lower demand, about 3% less in 2019 than average prices reported in 2018. We expect to see strong demand in the North America, specifically the United States and Mexico. We believe that water soluble potassium nitrate demand could see growth rates of approximately 6%. This demand recovery could also have a positive impact on prices this year.

Revenues from sales of iodine and derivatives during 2019 were US\$371.0 million, an increase of 14.2% compared to US\$325.0 million generated in 2018. Our sales volumes in the iodine business line decreased 4.4% in 2019, but we saw prices increase during 2019, reaching average prices of over US\$29/kg, exceeding our original expectations. Average prices in 2019 were 19.4% higher than the average prices seen in 2018. We believe that this positive price momentum should continue during 2020, increasing margins per ton significantly in this business line. This should offset the slightly lower sales volumes that we expect during 2020. According to our estimates, the global iodine demand grew slightly in 2019 reaching almost 36,700 MT and our market share was approximately 34%.

Potassium chloride and potassium sulfate revenues for 2019 totaled US\$212.2 million, a 20.7% decrease compared to the US\$267.5 million reported in 2018. Revenues in this business line during 2019 were impacted by lower sales volumes when compared to 2018, which were not offset by higher average prices in the business line. Sales volumes for potassium chloride and potassium sulfate reached 597,000 metric tons, which is significantly higher than our original annual sales estimate of 500,000 metric tons. These lower sales volumes were a result of production limitations as we focused on increasing our lithium production in the Salar de Atacama. In addition, as a result of the environmental compliance plan that was approved by the Chilean Environmental Authority (Superintendencia del Medio Ambiente) in January 2019, we were temporarily extracting less brine than we have in the past. We believe that sales volumes in 2020 could increase another 20-25% when compared to 2019, but the lower price dynamics that we have seen during the first two months of this year could continue. In 2019, we believe that the potassium chloride market reached approximately 64 million metric tons and could grow an additional 2 million metric tons in 2020.

Industrial chemicals revenues in 2019 reached US\$94.9 million, a 12.4% decrease compared to US\$108.3 million in 2018. Our sales volumes in the industrial chemicals product line decreased 9.1% in 2019 compared to 2018, as a result of lower sales volumes of industrial nitrates. Our solar salt sales volumes were up 1.8% in 2019 when compared to 2018. We expect industrial chemical sales volumes in 2020 will increase about 80% when compared to 2019, as we begin delivery of 150,000 metric tons of solar salts this year in 2020 for a project requiring over 400,000 metric tons.

Production Process

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

- caliche ore deposits, which contain nitrates, iodine and potassium; and

- brines from the Salar de Atacama, which contain potassium, lithium, sulfate, boron and magnesium.

Caliche Ore Deposits

Caliche ore deposits are located in the First and Second Regions in northern Chile. During 2019, our mining operations concentrated in the First Region where we mainly worked in the mining sector Tente en el Aire and in the mining sectors Nueva Victoria Oeste, Norte and Sur. The Second Region mining operations at the Pampa Blanca site, the El Toco mine (which is part of the María Elena site) and the Pedro de Valdivia site were suspended in March 2010, November 2013 and November 2015, respectively, in an effort to optimize our production facilities with lower production costs.

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

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

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

During 2019, SQM continued working with mining equipment to replace the drilling and blasting process for mining some of the caliche ore and obtaining a smaller ore size (under 6 ½ inches) that allows a better metallurgical recovery.

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

During 2019, 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 2019, sodium nitrate for both agricultural and industrial applications was produced by inventory generated at the Pedro de Valdivia facility and subsequently processed at the Coya Sur plants. The production at the Pedro de Valdivia facility, until November 2015, generated approximately 700,000 tons

of inventory. We used the remaining sodium nitrate inventory during 2019 to produce finished nitrates. For subsequent production of sodium nitrate, we will use nitrate salts produced at our Nueva Victoria facility, which was completed in December 2019.

Crystallized sodium nitrate is an intermediate product that is subsequently processed further at the Coya Sur production plants to produce sodium nitrate, potassium nitrate and sodium potassium nitrate in different chemical and physical forms, including crystallized and prilled products. Finally, the products are transported by truck to our port facilities in Tocopilla for shipping to customers and distributors worldwide.

Potassium Nitrate

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

Our current potassium nitrate production capacity at Coya Sur is approximately 1,300,000 metric tons per year. During 2019, new operational improvements have been achieved by significantly integrating the production process of the Coya Sur facilities, allowing new increases in production capacity without major investments and improving the use of raw materials from the Salar de Atacama and Nueva Victoria.

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-Rheiland under the quality standard ISO 9001:2008.

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 2019, we produced iodine at our facilities at Nueva Victoria (including the Iris facility) and Pedro de Valdivia. Iodine is extracted from solutions produced by leaching caliche ore.

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

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

Prilled iodine is tested for quality control purposes, using international standard procedures that we have implemented. It is then packed in 20 to 50 kilogram drums or 350 to 700 kilogram maxibags and transported by truck to Antofagasta, Mejillones, or Iquique for export. Our iodine and iodine derivatives production facilities have qualified under the ISO-9001:2008 program, providing third-party certification—by TÜV-Rheiland—of the quality management system. The last recertification process was approved in February 2011. Iodine from the Iris plant was certified under ISO-9001:2008 in April 2012.

Our total iodine production in 2019 was 12,082 metric tons: 9,558 metric tons from Nueva Victoria, 1,174 metric tons from Iris, and 1,351 metric tons from Pedro de Valdivia. Nueva Victoria is also equipped to toll iodine from iodide delivered from our other facilities. We have the flexibility to adjust our production according to market conditions. Following the production facility restructuring at Pedro de Valdivia and Nueva Victoria, along with the ramp-up of our new iodide plant in Nueva Victoria, our total current effective production capacity at our iodine production plants is approximately 14,800 metric tons per year.

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

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

Salar de Atacama Brine Deposits

The Salar de Atacama, located approximately 250 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 1.5 to 150 meters below surface, through a field of wells that are located in the Salar de Atacama, distributed in areas authorized for exploitation, and which contain relatively high concentrations of potassium, lithium, sulfates, boron and other minerals.

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

For the year ended December 31, 2019, revenues related to products originating from the Salar de Atacama represented 37% 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, 2019, only 11 years remain on the term of the Lease Agreement.

Products Derived from the Salar de Atacama Brines

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

Potassium Chloride

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

In order to produce potassium chloride, brines from the Salar de Atacama are pumped to solar evaporation ponds. Evaporation of the water contained in the brine, results in a crystallized mixture of salts with various content levels of potassium, sodium and magnesium. In the first stage of the evaporation process, sodium chloride salts (halite) precipitate, they are then harvested and removed; these salts are not used in the production process of other products. In the second stage of the evaporation process, the remaining brine from the first stage is transferred to other evaporation ponds where potassium chloride salts together with sodium chloride (silvinit) 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 crystallized (standard) or granular (compacted) form and then shipped and sold as a commodity fertilizer to third parties. All of our potassium-related plants in the Salar de Atacama currently have a nominal production capacity of up to 2.6 million metric tons per year. Actual production capacity depends on volume, metallurgical recovery rates quality of the salts used in the process and quality of the mining resources pumped from the Salar de Atacama.

The by-products of the potassium chloride production process are (i) solutions remaining after removal of the potassium chloride, which are used to produce lithium carbonate as described below, with the excess amount not required for lithium carbonate production being reinjected into the Salar de Atacama; (ii) sodium chloride, which is similar to the surface material of the Salar de Atacama and is deposited at sites near the production facility and (iii) other salts containing magnesium chloride.

Lithium Carbonate and Lithium Chloride

After the production of potassium chloride, a portion of the solutions remaining is sent to additional solar concentration ponds adjacent to the potassium concentration ponds. At this stage, the solution is purified and concentrated by precipitation to remove impurities it may still contain, including calcium, sulfate, potassium, sodium and magnesium, reaching a lithium concentration level of approximately 6%. Next is the process of concentration and purification of the remaining concentrated solution of lithium chloride, which is transported by truck to the Salar del Carmen production facility located near Antofagasta, approximately 230 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 at the end of 2019, following an expansion project that took place in 2018 and 2019, was 70,000 metric tons per year. We are now beginning the further expansion to 120,000 metric tons per year; which we expect to reach during 2021.

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

Our lithium carbonate production quality assurance program has been certified by TÜV-Rheiland under ISO 9001 since 2005 and specifically under ISO 9001:2015 since September 2018.

Lithium Hydroxide

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

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

Our lithium hydroxide production quality assurance program has been certified by TÜV-Rheiland under ISO 9001 since 2007 and specifically under ISO 9001:2015 since September 2018.

Potassium Sulfate and Boric Acid

Approximately 12 kilometers northeast of the potassium chloride facilities at the Salar de Atacama, we use the brines from the Salar de Atacama to produce potassium sulfate, potassium chloride (as a by-product of the potassium sulfate process) and, depending on market conditions, boric acid. The plant is located in

an area of the Salar de Atacama where high sulfate and potassium concentrations are found in the brines to produce potassium sulfate. The brine is pumped to solar evaporation ponds, where sodium chloride salts are precipitated, harvested and put into piles. After further evaporation, the sulfate and potassium salts precipitate in different concentrations and are harvested and sent for processing to the potassium sulfate plant. Potassium sulfate is produced using flotation, concentration and reaction processes, after which it is crystallized, filtered, dried, classified and packaged for shipment.

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

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

Raw Materials

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

Other important raw materials are sodium carbonate (used for lithium carbonate production and for the neutralization of iodine solutions), sulfuric acid, kerosene, anti-caking and anti-dust agents, ammonium nitrate (used for the preparation of explosives in the mining operations), woven bags for packaging our final products, electricity acquired from electric utilities companies, and liquefied natural gas and fuel oil for heat generation. Our raw material costs (excluding caliche ore and salar brines and including energy) represented approximately 16% of our cost of sales in 2019.

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

For our supply of liquefied natural gas, we maintain a five-year contract with Engie, which was executed in 2019. In addition, we have a supply of liquefied petroleum gas (LPG) from Lipigas in the Salar del Carmen and we plan to have a supply of liquefied petroleum gas (LPG) from Lipigas in the Salar de Atacama as well beginning in 2020 to replace diesel consumption.

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

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

Water Supply

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

Research and Development, Patents and Licenses, etc.

One of the main objectives of our research and development team is to develop new processes and products in order to maximize the returns obtained from the resources that we exploit. Our research is performed by three different units, whose research topics cover all of the processes involved in the production of our products, including chemical process design, phase chemistry, chemical analysis methodologies and physical properties of finished products.

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

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

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

Licenses, Franchises, and Royalties

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

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

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

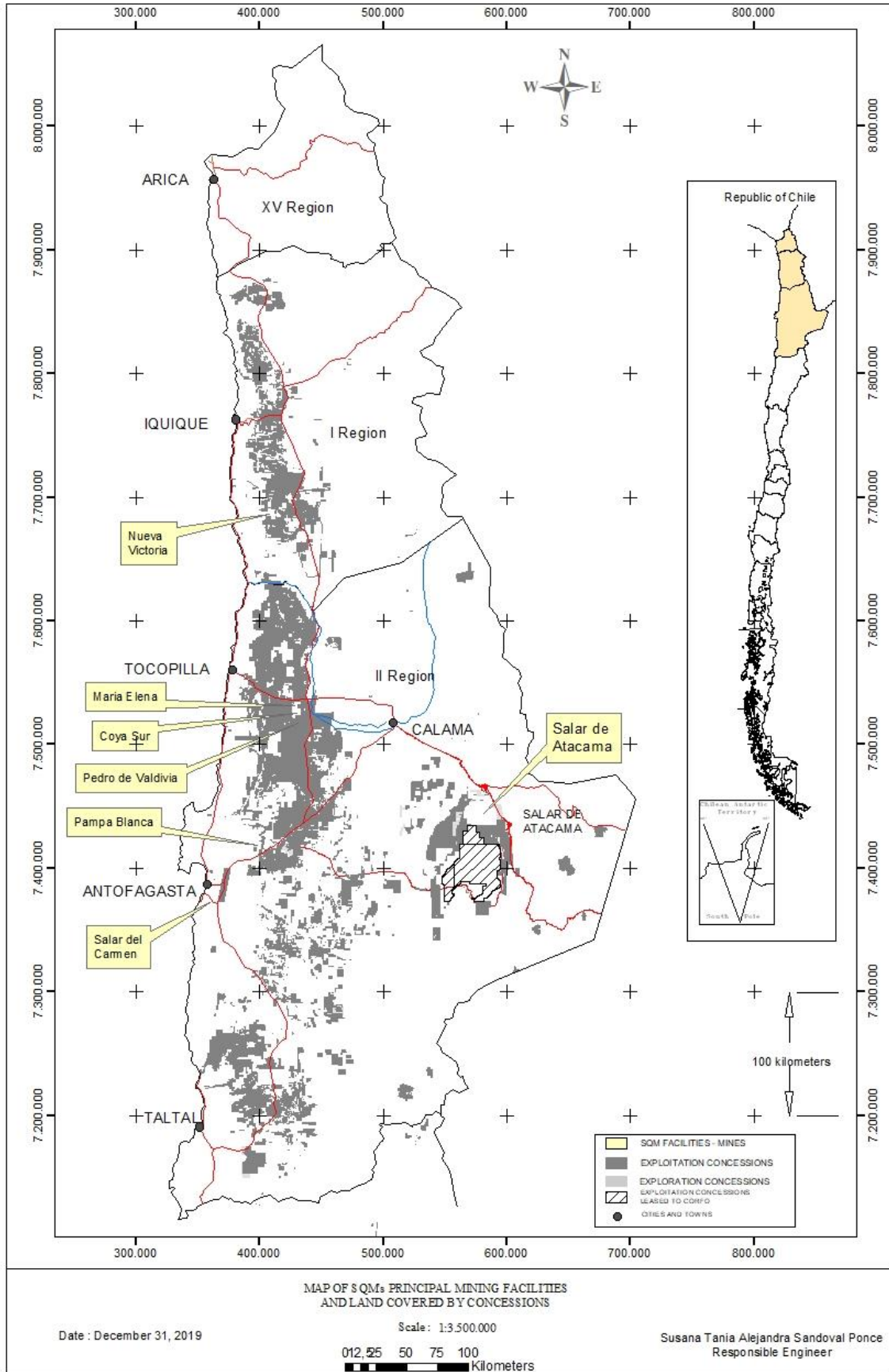
3) D) DESCRIPTION OF BUSINESS ENVIRONMENT: PROPERTY AND FACILITIES

3) DESCRIPTION OF BUSINESS ENVIRONMENT

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

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

3) DESCRIPTION OF BUSINESS ENVIRONMENT



Mining Concessions

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

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

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

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

As of December 31, 2019, the surface area covered by Mining Exploitation Concessions that have been granted in relation to the caliche resources of our mining sites is approximately 558,801 hectares. In addition, as of December 31, 2019, the surface area covered by Mining Exploration Concessions in relation to the caliche resources of our mining sites is approximately 300 hectares. We have not requested additional mining rights.

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

As of December 31, 2019, 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 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.

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 236,692 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 4,980 hectares in areas near the Salar de Atacama.

3) DESCRIPTION OF BUSINESS ENVIRONMENT

In addition, as of December 31, 2019, SQM Salar held Mining Exploration Concessions covering approximately 16,900 hectares and had applied for additional Mining Exploration Concessions of approximately 1,600 hectares. Exploration rights are valid for a period of two years, after which we can (i) request a Mining Exploitation Concession for the land, (ii) request an extension of the Mining Exploration Concession for an additional two years (the extension only applies to a reduced surface area equal to 50% of the initial area) or (iii) allow the concession to expire.

According to the terms of the Lease Agreement, with respect to lithium production, the CCHEN established a total accumulated extraction limit set as amended by the Corfo Arbitration Agreement in January 2018, up to 349,553 metric tons of lithium metallic equivalent (1,860,670 tons of lithium carbonate equivalent), which is in addition to the approximately 64,816 metric tons of lithium metallic equivalent (345,015 tons of lithium carbonate equivalent) remaining from the originally authorized amount in the aggregate for all periods while the Lease Agreement is in force. As of December 31, 2019, only 11 years remain on the term of the Lease Agreement.

Concessions Generally

As of December 31, 2019, approximately 99% of SQM's mining interests were held pursuant to Mining Exploitation Concessions and 1% pursuant to Mining Exploration Concessions. Of the Mining Exploitation Concessions, approximately 97% already have been granted pursuant to applicable Chilean law, and approximately 3% are in the process of being granted. Of the Mining Exploration Concessions, approximately 76% already have been granted pursuant to applicable Chilean law, and approximately 24% are in the process of being granted.

In 2019, we made payments of approximately US\$7.7 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, 2019:

	Exploitation Concessions		Exploration Concessions		Total	
	Total Number	Hectares	Total Number	Hectares	Total Number	Hectares
Region I.....	2,831	534,996	4	1,000	2,835	535,996
Region II.....	8,805	2,309,591	94	36,100	8,899	2,345,691
Region III and others.....	486	109,776	2	1,100	488	110,876
Total.....	12,122	2,954,363	100	38,200	12,222	2,992,563

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

Geological studies over mining properties that were requested primarily for non-metallic mining purposes may show that the concession area is of interest for metallic mining purposes, in which case we must inform the Sernageomin, indicating that the type of substance contained by such Mining Concessions has changed, for purposes of the annual payment for these rights.

Caliche: Facilities and Reserves

Caliche: Facilities

During 2019, our mining operations concentrated in the First Region where we mainly worked in the mining sector Tente en el Aire and in the mining sectors Nueva Victoria Oeste, Norte and Sur. In November 2015, the mining and nitrate operations at Pedro de Valdivia were suspended, and iodine production was reduced at the Pedro de Valdivia site, in order to take advantage of the highly efficient production facilities at Nueva Victoria. Operations at the Pampa Blanca site were suspended in 2010, and heap leaching operations at the María Elena site were suspended in October 2013, although iodine processing continued until 2017.

Nueva Victoria

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

Pampa Blanca

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

Pedro de Valdivia

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

María Elena

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

Caliche: Reserves

Our in-house staff of geologists and mining engineers prepares our estimates of caliche ore reserves. The Proven and Probable Reserve figures presented below are estimates, and may be subject to modifications due to natural factors that affect the distribution of mineral grades, which would, in turn, modify the

recovery of nitrate and iodine. Therefore, no assurance can be given that the indicated levels of recovery of nitrates and iodine will be realized.

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

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

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

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

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

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

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

Probable Reserves are the economically mineable part of an Indicated Resource and in some cases a Measured Resource. The calculation of the reserves includes the application of mining parameters including maximum overburden, minimum thickness of caliche ore, stripping ratio, cutoff grade and

3) DESCRIPTION OF BUSINESS ENVIRONMENT

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

The estimates of Proven Reserves of caliche ore at each of our mines as of December 31, 2019 are set forth below. The Company holds 100% of the concession rights for each of these mines.

Mine	Proven Reserves (1) (millions of metric tons)	Nitrate Average Grade (percentage by weight)	Iodine Average Grade (parts per million)	Cutoff Grade Average for Mine (2)
Pedro de Valdivia	91.9	6.9%	424	Nitrate 6.0 %
María Elena	83.3	7.2%	436	Iodine 300 ppm
Pampa Blanca	54.7	5.7%	538	Iodine 300 ppm
Nueva Victoria	324.7	5.5%	445	Iodine 300 ppm

In addition, the estimates of our Probable Reserves of caliche ore at each of our principal mines as of December 31, 2019, are as follows:

Mine	Probable Reserves (3) (millions of metric tons)	Nitrate Average Grade (percentage by weight)	Iodine Average Grade (parts per million)	Cutoff Grade Average for Mine (2)
Pedro de Valdivia	240.9	6.2%	414	Nitrate 6.0 %
María Elena	148.8	7.2%	381	Iodine 300 ppm
Pampa Blanca	535.5	5.3%	497	Iodine 300 ppm
Nueva Victoria	984.7	5.2%	421	Iodine 300 ppm

Notes on reserves:

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

The complete technical supporting documentation for the information set forth in the table above is contained in the report “Methodology, Procedure, and Classification of SQM’s Nitrate and Iodine Resources and Reserves for the Year 2019,” was prepared for each mine by the geologist Vladimir Tejerina and other engineering professionals employed by SQM and validated by Mr. Sergio Alarcón and Mr. Marco Lema.

Mr. Sergio Alarcón is a geologist with more than 35 years of experience in the field. He is currently employed by SQM as a Senior Geologist in the Mining Production area. Mr. Alarcón is a Competent Person (Persona Competente), as that term is defined under Chilean Law No. 20,235, known as the Law that Regulates the Position of Competent Persons and Creates the Qualifying Committee for Competencies in Mining Resources and Reserves (*Ley que Regula la Figura de las Personas Competentes*

3) DESCRIPTION OF BUSINESS ENVIRONMENT

y *Crea la Comisión Calificadora de Competencias de Recursos y Reservas Mineras* or “Competent Person Law”). He is registered under No. 164 in the Public Registry of Competent Persons in Mining Resources and Reserves in accordance with the Competent Person Law and related regulations. He has worked as a geologist with both metallic and non-metallic deposits, with vast experience in the latter.

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

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



CERTIFICATE OF QUALIFIED COMPETENCY

The Chilean **Comisión Calificadora de Competencias en Recursos y Reservas Mineras**¹, certifies that **Mr. Sergio Alarcón Rubilar**, National Id. Nr 8.678.370-3, Geologist, is registered in the Public Registry of Competent Persons in Mining Resources and Reserves from March 2012, under Nr. 0164, with specialization in **Geology**, and that her competencies and experience as a Competent Person allow her to inform and report on mineral resources and reserves

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

UNITED STATES - SECURITIES AND EXCHANGE COMMISSION FORM 20-F, for the fiscal year ended December 31, 2019

Gladys Hernández
Executive Secretary



Santiago, March 10, 2020
CM - 907 - 03 2020

Information:

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

¹ The Comisión Calificadora de Competencias en Recursos y Reservas Mineras is a member of the Committee for Mineral Resources International Reporting Standards (CRIRSCO) that groups the organizations Australia (JORC), Brazil (CDBM), Canada (CIM / 143-301), Colombia (OCRI), Chile (Comisión Minera CH2025), USA (SME), Europe (PEEC), India (NAACI), Indonesia (ICMI), Kazakhstan (KAZRRC), Mongolia (MPPRM), Russia (OFRN), South Africa (SAMCODRES) and Tanzania (TANREK), which cooperate to a common international ruling to inform and report explorative prospects, mining resources and reserves.



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



CERTIFICATE OF QUALIFIED COMPETENCY

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

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

**UNITED STATES - SECURITIES AND EXCHANGE COMMISSION
FORM 20-F, for the fiscal year ended December 31, 2019**


Gladys Hernández S.
Executive Secretary



Santiago, March 10, 2020
CM - 969 - 03 2020

Information:

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

¹ The Comisión Calificadora de Competencias en Recursos y Reservas Mineras is a member of the Committee for Mineral Reserves International Reporting Standards (CIRRS) that groups the organizations Australia (JORC), Brazil (CBRC), Canada (CIM / NI 43-101), Colombia (CCRM), Chile (Comisión Minera CH2025), ECU (SME), Europa (PERC), India (NACRI), Indonesia (KCM), Kazakhstan (KAZRC), Mongolia (MFIGM), Rusia (CIERS), Sud Africa (SAMCODES) and Turquía (UMREK), which respond to a common international ruling to inform and report exploration prospects, mining resources and reserves.



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

The proven and probable reserves shown above are the result of the evaluation of approximately 21% 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 79% of this area has not been explored or has had limited reconnaissance, which is not sufficient to determine the potential and hypothetical resources. In 2019, we did not carry out basic reconnaissance of new mining properties. With respect to detailed explorations, in 2019, we carried out recategorizations of indicated resources in the Tente en el Aire and Hermosa Norte sectors, totaling 4,456 hectares, which is still in process. Our 2020 exploration program includes the exploration of the Tente en el Aire sector, which totals 658 hectares, and the basic study of 4,100 hectares of the Mina Oeste and Tente en el Aire Oeste sectors. The reserves shown in these tables are calculated based on properties that are not involved in any legal disputes between SQM and other parties.

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

	2019		2018		2017	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Iodine and Derivatives.....	38%	US\$29/kg	33%	US\$24/kg	21%	US\$20/kg
Specialty Plant Nutrition .	21%	US\$695/ton	22%	US\$722/ton	20%	US\$722/ton
Industrial Chemicals.....	33%	US\$768/ton	33%	US\$797/ton	32%	US\$809/ton

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

Brines from the Salar de Atacama: Facilities and Reserves

Salar de Atacama: Facilities

Salar de Atacama

Our facilities at the Salar de Atacama are located 208 kilometers to the east of the city of Antofagasta and 188 kilometers to the southeast of the city of María Elena. At this site we use brines extracted from the salar to produce potassium chloride, potassium sulfate, boric acid, magnesium chloride salts and lithium solutions, which are subsequently sent to our lithium carbonate plant at the Salar del Carmen for processing. The main production plants at this site include the potassium chloride flotation plants (MOP-H I and II), the potassium carnallite plants (PC I and extension), the potassium sulfate flotation plant (SOP-H), the boric acid plant (ABO), the potassium chloride drying plant (Dual Plant or MOP-S), the potassium chloride compacting plant (MOP-G), the potassium sulfate drying plant (SOP-S) and the potassium sulfate compacting plant (SOP-G). Solar energy is the primary energy source used for the Salar de Atacama operations.

Salar de Atacama: Reserves

Our in-house staff of hydrogeologists and geologists prepares our estimates of the reserve base of potassium, sulfate, lithium and boron dissolved in brines at the Salar de Atacama. We have exploitation concessions covering an area of 81,920 hectares, in which we have carried out geological exploitation, brine sampling and geostatistical analysis. We estimate that our proven and probable reserves as of December 31, 2019, based on law, geological exploitation, brine sampling and geostatistical analysis up to a depth of 300 meters of our total exploitation concessions, are as follows:

	Proven Reserves (1)	Probable Reserves (1)	Total Reserves

3) DESCRIPTION OF BUSINESS ENVIRONMENT

	<i>(millions of metric tons)</i>	<i>(millions of metric tons)</i>	<i>(millions of metric tons)</i>
Potassium (K+) (2)	55.2	37.3	92.5
Sulfate (SO4-2) (3)	44.3	36.0	80.3
Lithium (Li+) (4)	5.7	3.4	9.2
Boron (B3+) (5)	1.6	1.2	2.8

Notes on reserves:

- (1) Metric tons of potassium, sulfate, lithium and boron considered in the proven and probable reserves are shown before losses from evaporation processes and metallurgical treatment. The recoveries of each ion depend on both brine composition and the process applied to produce the desired commercial products.
- (2) Recoveries for potassium vary from 47% to 77%.
- (3) Recoveries for sulfate vary from 27% to 45%.
- (4) Recoveries for lithium vary from 28% to 40%.
- (5) Recoveries for boron vary from 28% to 32%.

The information set forth in the table above was validated in February 2020 by Messrs. Andrés Fock and Orlando Rojas using information that was prepared by SQM's hydrogeologists, geologists and engineers and external advisors.

Mr. Fock is a geologist with more than 15 years of experience in the field of mining hydrogeology. He is currently employed by SQM as Superintendent of Geology and Exploration, in the Salar Hydrogeology department. He is a Competent Person and is registered under No. 226 in the Public Registry of Competent Persons in Mining Resources and Reserves, in accordance with the Competent Person Law. As a hydrogeologist in Chile and abroad, he has evaluated multiple brine-based projects and has experience evaluating resources and reserves.

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

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



CERTIFICATE OF QUALIFIED COMPETENCY

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

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

**UNITED STATES - SECURITIES AND EXCHANGE COMMISSION
FORM 20-F, for the fiscal year ended December 31, 2019**

**Gladys Hernández
Executive Secretary**



Santiago, March 10, 2020
CM - 910 - 03 2020

Information:

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

¹ The Comisión Calificadora de Competencias en Recursos y Reservas Mineras is a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) that groups the organizations Australia (JORC), Brazil (CBRC), Canada (CIM / NI 43-101), Colombia (CCRM), Chile (Comisión Minera CH2023), EE.UU (SME), Europa (PERC), India (NACRI), Indonesia (KCM), Kazakhstan (KAZRC), Mongolia (MBSGM), Rusia (CERN), Sud Africa (SAMCODES) and Tailandia (IMRRC), which respond to a common international ruling to inform and report exploration prospects, mining sections and reserves.



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



CERTIFICATE OF QUALIFIED COMPETENCY

The Chilean **Comisión Calificadora de Competencias en Recursos y Reservas Míneras¹**, certifies that **Mr. Orlando Rojas Verceletti**, National Id. Nr 6.209.299-8, Mining Engineer, is registered in the Public Registry of Competent Persons in Mining Resources and Reserves from August 2011, under Nr. 0118, with specialization in **Mining**, and that her competencies and experience as a Competent Person allow her to inform and report on mineral resources and reserves

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

**UNITED STATES - SECURITIES AND EXCHANGE COMMISSION
FORM 20-F, for the fiscal year ended December 31, 2019**


Gladys Hernández S.
Executive Secretary



Santiago, March 10, 2020
CM - 988 - 03 2020

Information:

- a. The Certificate of Qualified Competency proves the validity of the party's competencies to inform or report about a specific matter or subject in the context of mining resources and reserves in accordance with the competencies and experience of a Competent Person.
- b. Law No. 20.235, Article 8º: For the preparation of the technical and public reports, the Competent Persons must adhere strictly to the rules, regulations, criteria and procedures established in the Code, and likewise to all other rules of technical character that the Mining Commission enacts using their legal faculties.²
- c. Application of CH 20.235 code and use of this certificate is the sole responsibility of the person concerned, according to the technical criteria and ethical standards set forth in Law No. 20.235.
- d. For all legal purposes, the Certificate of Good Standing shall be valid only for the management requested.

¹ The Comisión Calificadora de Competencias en Recursos y Reservas Míneras is a member of the Committee for Mineral Reserves International Reporting Standards (COMIRIS) that groups the organizations Australia (JORC), Brazil (CIBRE), Canada (CIM / NI 43-101), Colombia (CCRE), Chile (Comisión Mínera CM2020), EEUU (SME), Europa (PERC), India (NACRI), Indonesia (ICMI), Kazakhstan (KAZINC), Mongolia (MPPGM), Russia (CCRM), Sud Africa (SAMCODES) and Tailandia (IMREKA), which respond to a common international mining to inform and report exploration prospects, mining processes and reserves.



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

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

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

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

Based on the chemical characteristics, and the volume of brine, we determine the number of metric tons for each of the chemical ions being evaluated. Reserve classification is finally achieved by using geostatistical criteria and hydrogeological knowledge of the units that have been explored, as an indicator between proven and probable reserves.

Proven reserves are defined as hydrogeological units with proven historical brine yield production, and a quality and piezometric brine monitoring network to control brine evolution over time.

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

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

Complementing the reserves 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, we have performed hydrogeological simulations using numeric flow and transport models to estimate changes in the volume and quality of the brine during the life of the project, considering the ponds infrastructure projected and existing on January 1, 2020. According to these simulations, a total of 1.19 million metric tons of lithium and 14.41 million metric tons of potassium will be extracted from the producing wells. On the other hand, the proven and probable base reserve in situ, within the authorized area of environmental extraction (RCA 226/06), corresponds to 4.89 million metric tons of lithium and 34.8 million metric tons of potassium, enough to satisfy the demand of the project until the end of the concession.

Brines from the Salar de Atacama are the key raw material used in the production of potassium chloride and potassium sulfate, and lithium and its derivatives. The following gross margins for the business lines

3) DESCRIPTION OF BUSINESS ENVIRONMENT

specified were calculated on the same basis as cut off grades used to estimate our reserves. We expect costs to remain relatively stable in the near future.

	2019		2018		2017	
	Gross Margin	Price	Gross Margin	Price	Gross Margin	Price
Potassium Chloride and Potassium Sulfate.	17%	US\$355/ton	19%	US\$322/ton	17%	US\$282/ton
Lithium and Derivatives	39%	US\$11,212/ton	57%	US\$16,289/ton	71%	US\$12,970/ton

Other Production Facilities

Coya Sur

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

Salar del Carmen

The Salar del Carmen site is located approximately 14 kilometers to the east of Antofagasta. The production plants at this facility include the lithium carbonate plant, with a production capacity of 70,000 metric tons per year, and the lithium hydroxide plant, with a production capacity of 13,500 metric tons per year. Electricity and natural gas are the main sources of energy for our Salar del Carmen operation.

3) DESCRIPTION OF BUSINESS ENVIRONMENT

The following table provides a summary of our production facilities:

Facility	Type of Facility	Approximate Size (hectares) ⁽¹⁾	Nominal Production Capacity (thousands of metric tons/year)	Weighted Average Age (years) ⁽²⁾	Gross Book Value (millions of US\$) ⁽²⁾
Coya Sur ⁽³⁾⁽⁴⁾	Nitrates production	1.518	Potassium nitrate: 1,300 Crystallized nitrates: 1,200 Prilled nitrates: 360	10.1	635.8
María Elena ⁽⁵⁾⁽⁶⁾	Nitrates and iodine production	35.830	Nitrates: n/a Iodine: 1.6 Prilled nitrates: 300	16.4	415.9
Nueva Victoria ⁽⁵⁾⁽⁷⁾	Concentrated nitrate salts and iodine production	47.492	Iodine: 13.0	9.4	543.4
Pampa Blanca ⁽⁵⁾⁽⁷⁾⁽⁸⁾	Concentrated nitrate salts and iodide production	10.441	Nitrates: n/a Iodine: n/a	11.9	8.1
Pedro de Valdivia ⁽³⁾⁽⁹⁾	Nitrates and iodine production	253.880	Nitrates: n/a Iodine: 3.2	14.3	225.0
Salar de Atacama ⁽³⁾⁽¹⁰⁾	Potassium chloride, potassium sulfate, lithium chloride, and boric acid production	35.911	Potassium chloride: 2,680 Potassium sulfate: 245 Boric acid: 15	11.2	1,915.7
Salar del Carmen, Antofagasta ⁽³⁾	Lithium carbonate and lithium hydroxide production	126	Lithium carbonate: 70 Lithium hydroxide: 13.5	9.3	317.8
Tocopilla ⁽¹¹⁾	Port facilities	22	-	12.6	168.2

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

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

Extraction Yields

The following table shows certain operating data relating to each of our mines for 2018, 2017 and 2016:

<i>(in thousands, unless otherwise stated)</i>	2019	2018	2017
Pedro de Valdivia⁽¹⁾			
Metric tons of ore mined	–	–	–
Average grade nitrate (% by weight)	–	–	–
Iodine (parts per million (ppm))	–	–	–
Metric tons of crystallized nitrate produced	–	–	–
Metric tons of iodine produced	1.4	1.0	0.9
María Elena⁽²⁾			
Metric tons of ore mined	–	–	–
Average grade nitrate (% by weight)	–	–	–
Iodine (ppm)	–	–	–
Metric tons of crystallized nitrate produced	–	–	–
Metric tons of iodine produced	–	–	–
Coya Sur⁽³⁾			
Metric tons of crystallized nitrate produced	763	699	613
Pampa Blanca⁽²⁾			
Metric tons of ore mined	–	–	–
Iodine (ppm)	–	–	–
Metric tons of iodine produced	–	–	–
Nueva Victoria			
Metric tons of ore mined	42,196	42,753	36,383
Iodine (ppm)	465	461	458
Metric tons of iodine produced	10.7	10.2	8.8
Salar de Atacama⁽⁴⁾			
Metric tons of lithium carbonate produced	62.3	50.4	45
Metric tons of potassium chloride and potassium sulfate and potassium salts produced	1,049	1,505	1,881

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

Transportation and Storage Facilities

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

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

The nitrate finished products are produced at our Coya Sur facilities and then transported via trucks to the Port of Tocopilla terminal where they are stored and shipped, either packaged (polypropylene bags, polyethylene or polypropylene FIBC big bags) or in bulk. The potassium chloride is produced at our Salar de Atacama facilities and we transport it by truck, either to the Port of Tocopilla terminal or the Coya Sur facility. The product transported to Coya Sur is an intermediate product that is used as a raw material for the production of potassium nitrate. On the other hand, the product transported to the Port of Tocopilla is a final product that will be shipped or transported to the client or affiliate. The raw material of nitrate for the production of potassium nitrate in Coya Sur is currently produced at Nueva Victoria and the remaining raw material is provided from historical stock stored in Coya Sur that was produced at the Pedro de Valdivia facility when it was operating. This raw material is obtained from the processing of caliche that is extracted from our mines.

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

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

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

3) DESCRIPTION OF BUSINESS ENVIRONMENT

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

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

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

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

Computer System

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

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

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

3) E) DESCRIPTION OF BUSINESS ENVIRONMENT: RISK FACTORS

Risk Factors

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

Risks Relating to our Business

We could be subject to numerous risks in the U.S. and Chile as a result of ongoing investigations by the Chilean Internal Revenue Service and the Chilean Public Prosecutor in relation to certain payments made by SQM between the tax years 2009 and 2015

In 2015, the Chilean Internal Revenue Service (*Servicio de Impuestos Internos* or “SII”) and the Chilean Public Prosecutor brought a number of criminal and administrative proceedings following investigations related to the payment of invoices by SQM and its subsidiaries SQM Salar S.A. (“SQM Salar”) and SQM Industrial S.A., for services that may not have been properly supported or that may not have been necessary to generate corporate income, against (i) Patricio Contesse G., the Company’s former CEO whose employment was terminated in May 2015, (ii) Mr. Contesse and the Company’s then-current CEO, Patricio de Solminihac, and CFO (now CEO), Ricardo Ramos, in their capacities as the Company’s tax representatives and (iii) five then-current and former members of the Company’s Board of Directors. All the claims against Messrs. de Solminihac and Ramos were subsequently dismissed. The lawsuits against Mr. Contesse continue and the five Board members are appealing the fines of approximately US\$36,000 imposed on each of them.

On October 14, 2015, two class action complaints then pending against the Company, our former CEO and then-current CEO and CFO, alleging violations of the U.S. securities laws in connection with the subject matter of the investigations described above, were consolidated into a single action in the United States District Court for the Southern District of New York. On November 13, 2015, our former CEO and then-current CEO and CFO were voluntarily dismissed from the case without prejudice. On January 15, 2016, the lead plaintiff filed a consolidated class action complaint exclusively against the Company. On January 10, 2018, the lead plaintiff filed a motion to certify a class consisting of all persons who purchased SQM American Depositary Shares (“ADS”) between June 30, 2010 and March 18, 2015, and such motion remains pending before the court.

During 2015, the ad-hoc committee of the Board of Directors (the “ad-hoc Committee”) established in February 2015 to conduct an internal investigation into the matters that were the subject of the SII and Chilean Public Prosecutor investigation also conducted an investigation into whether the Company faced possible liability under the Foreign Corrupt Practices Act (“FCPA”). The ad-hoc Committee engaged its own separate counsel, Shearman & Sterling LLP, which presented a report to the Board of Directors on December 15, 2015.

Following the presentation by the ad-hoc Committee of its findings to the Board of Directors, the Company voluntarily shared the findings of the ad-hoc Committee investigation with authorities in Chile and the U.S. (including the U.S. Securities and Exchange Commission (“SEC”) and the U.S. Department of Justice (“DOJ”).

On January 13, 2017, the Company and the DOJ reached agreement on the terms of a Deferred Prosecution Agreement (“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. 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. Upon successful completion of the three (3) year term of the DPA, all charges against the Company will be dismissed. On the same date, the SEC agreed to resolve its inquiry through an administrative cease and desist order, arising out of the alleged violations of the same accounting provisions of the FCPA. Among other terms, the SEC order called for the Company to pay an additional monetary penalty of US\$15 million.

In the event that the applicable regulatory authorities believe that the terms of the DPA or the deferred prosecution agreement with the Chilean Public Prosecutor are not complied with, it is possible that such regulatory authorities may reinstate the suspended proceedings against us and may bring further action against us, including in the form of additional inquiries or legal proceedings. Responding to our regulators’ inquiries and any future civil, criminal or regulatory inquiries or proceedings diverts our

management's attention from day-to-day operations. Additionally, expenses that may arise from responding to such inquiries or proceedings, our review of responsive materials, any related litigation or other associated activities may continue to be significant. Current and former employees, officers and directors may seek indemnification, advancement or reimbursement of expenses from us, including attorneys' fees, with respect to the current inquiry or future proceedings related to this matter. The occurrence of any of the foregoing or adverse determination in litigation or other proceedings or similar actions could materially and adversely affect our business, financial condition, cash flows, results of operations and the prices of our securities.

Our mineral exploitation rights under the Lease Agreement and the Project Agreement relating to the Salar de Atacama concession, upon which our business is substantially dependent, will expire in December 2030. If we are not able to extend or renew these rights beyond 2030, it 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 (the "Lease Agreement"), and (ii) the Salar de Atacama project agreement between Corfo and SQM Salar (the "Project Agreement"). The Lease Agreement provides for SQM Salar to (i) make quarterly lease payments to Corfo based on product sales from leased mining properties and annual contributions to research and development, to local communities, to the Antofagasta Regional Government and to the municipalities of San Pedro de Atacama, María Elena and Antofagasta, (ii) maintain Corfo's rights over the mining exploitation concessions and (iii) make annual payments to the Chilean government for such concession rights. The Lease Agreement expires on December 31, 2030.

Our business is substantially dependent on the exploitation rights under the Lease Agreement and the Project Agreement, since all of our products originating from the Salar de Atacama are derived from our extraction operations under the Lease Agreement. For the year ended December 31, 2019, revenues related to products originating from the Salar de Atacama represented 37%, 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, 2019, only 11 years remain on the term of the Lease Agreement and we had extracted approximately 25% 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, the prices of our products may be subject to substantial volatility. High volatility or a substantial decline in the prices or sales volumes of one or more of our products could have a material adverse effect on our business, financial condition and results of operations.

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

We sell our products in approximately 110 countries around the world. In 2019, approximately 39% of our sales were made in emerging market countries: 8% in Latin America (excluding Chile); 6% in Africa and the Middle East (excluding Israel); 10% in Chile and 15% in Asia and Oceania (excluding Australia, Japan, New Zealand, South Korea and Singapore). In Note 26.1 to our consolidated financial statements, we reported revenues from Chile, Latin America and the Caribbean and Asia and others of US\$1.1 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 and economic activity and policies in those countries. 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 increase 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.

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.

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.

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. 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 16% in 2019. 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 reserves 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 reserves estimates and our Salar de Atacama brine mining reserve estimates are prepared by our own geologists and hydrogeologists and are not subject to review by external geologists or an external auditing firm. 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 the quantity 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.

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.

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.

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.

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 91% of our employees are employed in Chile, of which approximately 66% were represented by 21 labor unions as of December 31, 2019. As in past years, we renegotiated four collective bargaining agreements with four unions by December 31, 2019, one year before the expiration of the agreements other than the collective bargaining agreement with Soquimich Comercial S.A., which was completed one month before its expiration date. The new collective bargaining agreements were renegotiated for a three- year period from the date they were signed. We are exposed to labor strikes and illegal work stoppages that could impact our production levels. 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.

Chilean Law No. 20,123, known as the Subcontracting Law, provides that when a serious workplace accident occurs, the company in charge of the workplace must halt work at the site where the accident took place until authorities from either the National Geology and Mining Service (Servicio Nacional de Geología y Minería or “Sernageomin”), the Labor Board (*Dirección del Trabajo* or “Labor Board”), or the National Health Service (*Servicio Nacional de Salud*), inspect the site and prescribe the measures such company must take to minimize the risk of similar accidents taking place in the future. Work may not be resumed until the applicable company has taken the prescribed measures, and the period of time before work may be resumed may last for a number of hours, days, or longer. The effects of this law could have a material adverse effect on our business, financial condition and results of operations.

On September 8, 2016, Chilean Law No. 20,940 was published and modified the Labor Code by introducing, among other things, changes to the formation of trade unions, the election of inter-company union delegates, the presence of women on union boards, anti-union practices and related sanctions, and collective negotiations. Due to these changes to the labor regulations, we may face an increase in our expenses that may have a significant adverse effect on our business, financial condition, and results of operations.

Lawsuits and arbitrations could adversely impact us

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

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

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

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

Our operations in Chile are subject to national and local regulations relating to environmental protection. In accordance with such regulations, we are required to conduct environmental impact studies or statements before we conduct any new projects or activities or significant modifications of existing projects that could impact the environment or the health of people in the surrounding areas. We are also required to obtain an environmental license for certain projects and activities. The Environmental Evaluation Service (*Servicio de Evaluación Ambiental*) evaluates environmental impact studies submitted for its approval. The public, government agencies or local authorities may review and challenge projects that may adversely affect the environment, either before these projects are executed or once they are operating, if they fail to comply with applicable regulations. In order to ensure compliance with environmental regulations, Chilean authorities may impose fines up to approximately US\$9 million per infraction, revoke environmental permits or temporarily or permanently close facilities, among other enforcement measures.

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

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

The success of our current investments at the Salar de Atacama and Nueva Victoria is dependent on the behavior of the ecosystem variables being monitored over time. If the behavior of these variables in future years does not meet environmental requirements, our operation may be subject to important restrictions by the authorities on the maximum allowable amounts of brine and water extraction. For example, on December 13, 2017, the First Environmental Court of Antofagasta ordered the temporary and partial closure of certain water extraction wells located in the Salar de Llamara. These wells allow us to extract approximately 124 liters per second of water, almost 15% of the water used in our operations in the First Region of Chile for iodine and nitrate production. In October 2018, the First Environmental Court of Antofagasta accepted our claim, and dismissed the restrictions without prejudice. It is possible that third parties could seek to reinstate these restrictions in the future. In addition, on December 26, 2019, the First Environmental Court of Antofagasta ruled that the environmental compliance plan presented by SQM Salar S.A. with respect to the Salar de Atacama and approved by Chilean Environmental Authority (*Superintendencia del Medio Ambiente*) or SMA, in January 2019 did not comply with certain proposed measures of the completeness and efficiency requirements of the Chilean environmental legislation. In January 2020, the SMA announced that it would appeal the environmental court's ruling. We believe that the environmental compliance plan, which was evaluated by the relevant regulatory authorities, safeguards the protection of the environment and are evaluating all courses of action available under applicable law with respect to this ruling.

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

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

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.

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

As of December 31, 2019, two principal shareholder groups held in the aggregate 57.86% of our total outstanding shares, including a majority of our Series A common shares, and have the power to elect six of our eight directors. The interests of the two principal shareholder groups may in some cases differ from those of other shareholders and of each other.

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 currently owns 32% of the total outstanding shares of SQM. As reported to the CMF by Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation (“Tianqi”), on December 5, 2018, Inversiones TLC SpA currently owns 25.86% of the total shares of SQM.

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

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

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

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

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

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

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

We rely on various computer and information technology systems, and on third party developers and contractors, in connection with our operations, including two networks that link our principal subsidiaries to our operating and administrative facilities in Chile and other parts of the world and ERP software systems, which are used mainly for accounting, monitoring of supplies and inventories, billing, quality control, research activities, and production process and maintenance control. In addition, we use cloud technologies, which allows us to support new business processes and respond quickly and at low cost to changing conditions in our business and of the markets. Our information technology systems are susceptible to disruption, damage or failure from a variety of sources, including errors by employees or contractors, computer viruses, cyber-attacks, misappropriation of data by outside parties, and various other threats. We have taken certain measures to identify and mitigate these risks, including conducting a cybersecurity review and initiating process automation and digitalization projects at various sites 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 recent 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 business, financial condition and results of operations.

Disease outbreaks and other public health conditions, such as the global outbreak of the coronavirus currently being experienced, in markets in which we, our customers and our suppliers operate, could have a significant negative impact on our revenues, profitability and business. Due to the coronavirus outbreak, there has been a substantial curtailment and disruption of business activities around the world. These curtailments and disruptions include: manufacturing and other work stoppages, factory and other business closings, slowdowns or delays; restrictions and limitations placed on workers and factories, including quarantines and other limitations on the ability to travel and return to work; shortages and delays in production or shipment of products or raw materials; and border closures. We have seen some impacts related to the shipment of products in and out of various countries and regions, which could further negatively impact our ability to ship products to customers and receive supplies from suppliers. We have already seen decreased demand in our businesses, especially our lithium business. Furthermore, it could disrupt the supply chain for materials we need to implement the planned expansions of our production capacity.

While the coronavirus outbreak is still developing globally, international financial markets have begun to reflect 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 coronavirus outbreak. This could result in an economic downturn that could affect demand for the products of our customers by their end-users and, in turn, demand from our customers for our products.

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. Due to the riots and political unrest that affected Chile in October and November 2019, the Chilean peso exchange rate reached a historic level of Ch\$828.25 per U.S. dollar on November 28, 2019. As of December 31, 2019, the Chilean peso exchange rate was Ch\$748.74 per U.S. dollar, while as of December 31, 2018 the Chilean peso exchange rate was Ch\$694.77 per U.S. dollar. The Chilean peso therefore depreciated against the U.S. dollar by 7.8% in 2019.

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 announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021, and it appears likely that LIBOR will be discontinued or modified by 2021. This and other 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. The replacement benchmarks, and the timing of and mechanisms for implementation have not yet been confirmed by central banks. Although as of December 31, 2019 we had approximately US\$70 million short- and long-term debt that use a LIBOR benchmark, it is not currently possible to determine whether, or to what extent, any such changes would affect us. However, the discontinuation or reformation of existing benchmark rates or the implementation of alternative benchmark rates may have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Chile

As we are a company based in Chile, we are exposed to Chilean political risks

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

We are exposed to economic and political volatility and civil unrest in Chile. Changes in social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in Chile, as well as crises and political uncertainties in Chile, could adversely affect economic growth in Chile. In October and November 2019, Chile experienced riots and widespread mass demonstrations in Santiago and other major cities in Chile, triggered by an increase in public transportation fares in the city of Santiago, which involved violence and significant property damage and caused commercial disruptions throughout the country. As a result, on October 18, 2019 the Chilean government declared a 15-day period state of emergency and imposed a nighttime curfew in the greater

Santiago region and other cities. The state of emergency has since been lifted and the Chilean government has introduced several social reforms, including (i) an immediate 20% increase in government-subsidized pensions; (ii) new insurance programs to cover catastrophic illnesses and medication; (iii) a guaranteed minimum monthly income for wage earners of Ch\$350,000 (approximately US\$460.95), with the difference between such guaranteed minimum monthly income and the minimum monthly wage (Ch\$301,000) to be borne by the Chilean government; (iv) the reversal of a previously announced 9.2% price increase in energy tariffs; and (v) a 40% income tax bracket for individuals earning over Ch\$15.0 million (approximately US\$19,755.04) a month, increased from 35%. In addition, President Piñera announced a pay cut for members of the Chilean Congress and the highest-paid civil servants and replaced eight ministers of his government. On November 15, 2019, representatives of Chile's leading political parties agreed to hold a referendum in April 2020, allowing Chileans to vote on whether to replace the Chilean Constitution. This referendum was delayed from April 2020 to October 2020 in an effort to reduce the spread of the coronavirus. Demonstrations continue in Chile with respect to a number of social and economic concerns, including the cost of healthcare and education, pensions and income inequality. We cannot give any assurance that these reforms and proposals will resolve the protests or whether the protests will continue or worsen. Although our operations have not been materially affected to date, the continuation of mass protests or civil unrest in Chile and government responses to them may have an adverse effect on general economic conditions in Chile, our business, financial condition and results of operations.

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

In response to the riots and mass demonstrations that occurred during October and November 2019, the Chilean government has approved calling a national referendum in April 2020 to decide whether to create a new Chilean Constitution, and if so, whether members of the Chilean Congress along with citizens elected for that task ("Elected Citizens") or a special constituent assembly comprised entirely of Elected Citizens would draft the new Chilean Constitution. The timetable contemplates that if it is decided to create a new Chilean Constitution, all Elected Citizens will be elected in October 2020 and that the draft Chilean Constitution will be delivered by the drafters in September or December 2021 (depending on whether an extension is requested) for approval by the Chilean citizens in November 2021 or March 2022 (depending on whether an extension is requested). It is expected that the final draft of the new Chilean Constitution will be submitted to a public referendum for approval. Since then, the referendum timetable has been delayed from April 2020 to October 2020, in an effort to reduce the spread of the coronavirus. The existing Chilean Constitution has been in place since 1980 and any new Chilean Constitution could change the political situation of Chile, potentially changing a wide range of rights, including mining rights, water rights and property rights generally, which could affect the Chilean economy and the business outlook for the country generally and our business, financial condition and results of operations in particular.

Changes in regulations regarding, or any revocation or suspension of our concessions could negatively affect our business

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

Changes in mining or port concessions could affect our business, financial condition and results of operations

We conduct our mining operations, including brine extraction, under exploitation and exploration concessions granted in accordance with provisions of the Chilean Constitution and related laws and

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

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

Any significant adverse changes to any of these concessions could have a material adverse effect on our business, financial condition and results of operations.

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

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

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

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

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

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

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

Chile, a member of the International Labor Organization (“ILO”), has ratified the ILO’s Convention 169 (the “Indigenous Rights Convention”) concerning indigenous and tribal people. The Indigenous Rights Convention established several rights for indigenous people and communities. Among other rights, the Indigenous Rights Convention states that (i) indigenous groups should be notified and consulted prior to the development of any project on land deemed indigenous, although veto rights are not mentioned, and (ii) indigenous groups have, to the extent possible, a stake in benefits resulting from the exploitation of natural resources in indigenous land. The extent of these benefits has not been defined by the Chilean government. The Chilean government has addressed item (i) above through Supreme Decree No. 66, issued by the Social Development Ministry. This decree requires government entities to consult indigenous groups that may be directly affected by the adoption of legislative or administrative measures, and it also defines criteria for the projects or activities that must be reviewed through the environmental evaluation system that also require such consultation. To the extent that the new rights outlined in the Indigenous Rights Convention become laws or regulations in Chile, judicial interpretations of the convention of those laws or regulations could affect the development of our investment projects in lands that have been defined as indigenous, which could have a material adverse effect on our business, financial condition and results of operations. The Chilean Supreme Court has consistently held that consultation processes must be carried out in the manner prescribed by Indigenous Rights Convention.

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

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

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

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

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, receipt of stolen property, sanctions 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, receipt of stolen property or anti-money laundering 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.

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. The most recent major earthquakes in Chile, which occurred in January 2019 and April 2017 in the Coquimbo and Valparaiso regions, had a magnitude of 6.7 and 6.9, respectively, on the Richter scale. There were also earthquakes in 2016, 2015, 2014 and 2010 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 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 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. Depending on our capital structure at the time of such acquisitions or joint ventures, we may need to raise significant debt and/or equity which will affect our financial condition and future cash flows. Any change in our financial condition could affect our results of operations, negatively impacting our share or ADS price.

ADS holders may be unable to enforce rights under U.S. Securities Laws

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

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

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

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

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

If we issue preemptive rights, United States holders of ADSs would not be able to exercise their rights unless a registration statement under the Securities Act were effective with respect to such rights and the shares issuable upon exercise of such rights or an exemption from registration were available. We cannot assure holders of ADSs that we will file a registration statement or that an exemption from registration will be available. We may, in our absolute discretion, decide not to prepare and file such a registration statement. If our holders were unable to exercise their preemptive rights because we did not file a registration statement, the ADS depository would attempt to sell their rights and distribute the net proceeds from the sale to them, after deducting the depository's fees and expenses. If the depository could not sell the rights, they would expire and have no further value and holders of ADSs would not realize any value from them. In either case, ADS holders' equity interests in us would be diluted in proportion to the increase in our capital stock.

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

We believe that we were not classified as a Passive Foreign Investment Company ("PFIC") for 2019. Characterization as a PFIC could result in adverse U.S. tax consequences to a U.S. investor in our shares or ADSs. For example, if we (or any of our subsidiaries) are a PFIC, our U.S. investors may become subject to increased tax liabilities under U.S. tax laws and regulations and will become subject to burdensome reporting requirements. The determination of whether or not we (or any of our subsidiaries or portfolio companies) are a PFIC is made on an annual basis and will depend on the composition of our (or their) income and assets from time to time.

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

Cash dividends paid by the Company with respect to the shares, including shares represented by ADS, 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 2019 earnings of the Company and distributed during the same period was 21.58037%.

Under the shareholder taxation regime, shareholders bear the tax on dividends upon payment, but they will only be permitted to credit against such shareholder taxes a portion of the Chilean corporate tax paid by us on our earnings. Foreign shareholders resident in a jurisdiction with a tax treaty in force with Chile will be credited with 100% of the Chilean corporate tax paid by us against the final taxes at the shareholder level.

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

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

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

3) DESCRIPTION OF BUSINESS ENVIRONMENT

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 2019, we continued the development of the Mt. Holland project and completed the definitive feasibility study. Following the completion of the definitive feasibility study, we decided, together with Wesfarmers, to defer the final investment decision until the first quarter 2021. In 2019, we also expanded our lithium carbonate capacity in Chile, reaching capacity 70,000 metric tons per year.

Our capital expenditures for the years ended December 31, 2019, 2018 and 2016 were as follows:

(in millions of U.S. dollars)	2019	2018	2017
Capital Expenditures	321.3	244.7	142.1

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

- Capacity expansion projects related to the completion of the increase of our lithium carbonate production to 70,000 metric tons per year and the commencement of our lithium carbonate expansion project to reach 120,000 metric tons per year.
- Capacity expansion of lithium hydroxide production from 13,500 metric tons per year to 21,500 metric tons per year in Chile;
- Investments to increase iodine capacity to 14,800 metric tons per year in the Nueva Victoria mine; and
- Capacity expansion and optimization projects related to potassium nitrate production plants II, III and IV in Coya Sur.

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

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

During 2017, we had total capital expenditures of US\$142.1 million, primarily related to:

- Capacity expansion projects related to lithium carbonate and lithium hydroxide production in Chile;
- Investments in mining workshop and operations centers to relocate operations from Nueva Victoria mine to mining sector Tente en el Aire;
- Capacity expansion project related to potassium nitrate production;
- General maintenance of all production units and Tocopilla port in order to ensure the fulfillment of production and sales targets.

The Board of Directors has approved a capital expenditure framework for 2020 of approximately US\$450 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

3) DESCRIPTION OF BUSINESS ENVIRONMENT

lithium hydroxide capacity expansions and nitrates and iodine capacity in Chile and development of our lithium project in Australia. We expect our installed capacity of lithium carbonate in Chile to reach approximately 120,000 metric tons by the second half of 2021, an increase of 50,000 metric tons compared to our current capacity of 70,000 metric tons. We have decided to complete our previously announced lithium hydroxide expansion of 16,000 metric tons in Chile, with two modules of 8,000 metric tons each, and believe the first stage should be completed in the first half of 2021. We will continue to do studies related to the Mt. Holland lithium project in Australia and expect to make a final investment decision in the beginning of 2021.

We do not expect that our 2020 capital investment program will require external financing. However, we always have the option to access capital markets in order to optimize our financial position.

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

At December 31, 2019, SQM does not have a “controlling group” as such term is defined in Title XV of Chilean Law No. 18,045.

ii) IDENTIFICATION OF NON-CONTROLLING MAJORITY SHAREHOLDERS

SQM has been informed that, as of December 31, 2019, Mr. Julio Ponce Lerou (ID No. 4.250.719-9) and related persons control 100% of Inversiones SQYA Ltda. (“SQYA”) and 100% of Inversiones SQ Ltda. These two companies control indirectly 32.00% of all shares of SQM (consisting of 71,871,838 Series A shares and 12,341,049 Series B shares), as follows: (i) Inversiones SQ Ltda. controls 0.0258% of Norte Grande S.A. (“Norte Grande”) and SQYA controls 67.59% of Norte Grande, which controls 76.82% of Sociedad de Inversiones Oro Blanco S.A., which controls 88.64% of Sociedad de Inversiones Pampa Calichera S.A. (“Pampa Calichera”), which controls 21.75% of SQM, as of December 31, 2019; (ii) Pampa Calichera controls 99.99% of Inversiones Global Mining Chile Limitada, which controls 3.34% of SQM and (iii) Norte Grande controls 76.34% of Nitratos de Chile S.A., which controls 98.89% of Potasios de Chile S.A., which controls 10.07% of Pampa Calichera and 6.91% of SQM. Thus, Pampa Calichera and its related companies, Inversiones Global Mining Chile Limitada and Potasios de Chile S.A. (together, “Pampa Group”), control 32.00% of SQM.

As reported by Depósito Central de Valores S.A. (“DCV”), which keeps formal records of the shareholders of the Company, as of December 31, 2019, Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation (“Tianqi”), is a direct owner of 62,556,568 of SQM’s shares, equivalent to 23.77% of SQM’s total shares.¹

As of December 31, 2019, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A., and Kowa Holding America Inc. (together, “Kowa Group”) are owners of 2.33% of all shares in SQM.

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

iii) IDENTIFICATION OF 12 LARGEST SHAREHOLDERS

As of December 31, 2019, the 12 largest shareholders including both Series A and Series B shares were:

Series A + Series B	Taxpayer ID	Number of Shares	% Ownership
INVERSIONES TLC SPA	76,902,021-7	62,556,568	23.77%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA	96,511,530-7	48,687,306	18.50%
THE BANK OF NEW YORK MELLON ADRS	59,030,820-K	38,311,788	14.56%
POTASIOS DE CHILE SA	76,165,311-3	18,179,147	6.91%
INV GLOBAL MINING CHILE LTDA	96,863,960-9	8,798,539	3.34%

¹ As reported to the CMF by Inversiones TLC SpA on December 5, 2018, Inversiones TLC SpA owns 25.86% of SQM’s total shares.

4) OWNERSHIP AND SHARES

BANCO ITAU CORPBANCA POR CTA DE INVERSIONISTAS EXTRANJEROS	97,023,000-9	7,373,216	2.80%
BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	97,004,000-5	6,842,855	2.60%
BANCO SANTANDER POR CUENTA DE INV EXTRANJEROS	97,036,000-K	6,618,416	2.51%
AFP HABITAT S A	98,000,100-8	5,337,680	2.03%
EUROAMERICA C DE B S.A.	89,899,230-9	4,866,523	1.85%
BANCHILE C DE B S A	96,571,220-8	4,777,425	1.82%
INVERSIONES LA ESPERANZA CHILE LIMITADA	79,798,650-K	4,193,763	1.59%
Subtotal 12 Largest Shareholders, Series A and B		216,543,226	82.27%
Total Shares, Series A and B		263,196,524	100%

- (1) The Bank of New York Mellon is the depository bank for the Company's ADSs traded on the New York Stock Exchange. Information about ADS holders is provided at the end of this section.
- (2) Total Sociedad de Inversiones Pampa Calichera S.A. 57,235,201 Series A and B shares; 8,547,895 Series B shares are in the custody of various brokers.

As of December 31, 2019, the 12 largest shareholders of Series A shares were:

Series A	Taxpayer ID	Number of Shares	% Ownership
INVERSIONES TLC SPA	76,902,021-7	62,556,568	43.80%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA	96,511,530-7	44,894,152	31.43%
POTASIOS DE CHILE SA	76,165,311-3	18,179,147	12.73%
INV GLOBAL MINING CHILE LTDA	96,863,960-9	8,798,539	6.16%
INVERSIONES LA ESPERANZA CHILE LIMITADA	79,798,650-K	4,147,263	2.90%
KOCHI SA	96,518,570-4	874,192	0.61%
KOWA CO LTD	59,046,730-8	781,429	0.55%
BANCHILE C DE B S A	96,571,220-8	491,729	0.34%
TANNER C DE B S A	80,862,600-8	384,689	0.27%
KOWA HOLDINGS AMERICA INC	59,023,690-K	227,550	0.16%
SOC ADM DE FDOS DE CESANTIA DE CHILE II SA FDO SOLIDARIO	76,237,243-6	194,959	0.14%
BANCO DE CHILE POR CUENTA DE CITI NA NEW YORK CLIE	97,004,000-5	177,463	0.12%
Subtotal 12 Largest Shareholders, Series A		141,707,680	99.22%
Total Shares, Series A		142,819,552	100%

4) OWNERSHIP AND SHARES

As of December 31, 2019, the 12 largest shareholders of Series B shares were:

Series B	Taxpayer ID	Number of Shares	% Ownership
THE BANK OF NEW YORK MELLON ADRS	59,030,820-K	38,311,788	31.83%
BANCO ITAU CORPBANCA POR CTA DE INVERSIONISTAS EXTRANJEROS	97,023,000-9	7,373,216	6.13%
BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	97,004,000-5	6,842,746	5.68%
BANCO SANTANDER POR CUENTA DE INV EXTRANJEROS	97,036,000-K	6,618,416	5.50%
AFP HABITAT S A	98,000,100-8	5,337,680	4.43%
EUROAMERICA C DE B S.A.	96,899,230-9	4,863,467	4.04%
BANCHILE C DE B S A	96,571,220-8	4,285,696	3.56%
AFP PROVIDA S.A.	76,265,736-8	4,002,653	3.33%
SOCIEDAD DE INVERSIONES PAMPA CALICHERA SA	96,511,530-7	3,793,154	3.15%
AFP CUPRUM S A	76,240,079-0	3,594,402	2.99%
AFP CAPITAL S A	98,000,000-1	3,221,037	2.68%
BOLSA DE COMERCIO DE SANTIAGO BOLSA DE VALORES	90,249,000-0	3,077,930	2.56%
Subtotal 12 Largest Shareholders, Series B		91,322,185	75.86%
Total Shares, Series B		120,376,972	100%

- (1) The Bank of New York Mellon is the depository bank for the Company's ADSs traded on the New York Stock Exchange. Information about ADS holders is provided at the end of this section.
- (2) Total Sociedad de Inversiones Pampa Calichera S.A. 12,341,049 Series B shares; 8,247,895 Series B shares are in the custody of various brokers.

4) OWNERSHIP AND SHARES

The Bank of New York Mellon is the depository bank for the Company's ADSs traded on the New York Stock Exchange. According to public 13F filings with the U.S. Securities and Exchange Commission, the 12 largest ADS holders as of December 31, 2019 were:

ADSs (Series B)	Taxpayer ID	Number of ADSs	% Ownership Series B	% Ownership Total Shares
EARNEST PARTNERS, LLC	N/A	2,154,961	1.79%	0.82%
ABERDEEN STANDARD INVESTMENTS (U.K.)	N/A	1,968,200	1.64%	0.75%
CLEARBRIDGE INVESTMENTS, LLC	N/A	1,567,932	1.30%	0.60%
GLOBAL X MANAGEMENT CO. LLC	N/A	1,567,725	1.30%	0.60%
EVOLUTION WEALTH ADVISORS, LLC	N/A	1,432,355	1.19%	0.54%
MACQUARIE INVESTMENT MANAGEMENT	N/A	1,282,352	1.07%	0.49%
THE VANGUARD GROUP, INC.	N/A	1,196,108	0.99%	0.45%
MORGAN STANLEY & CO. INTERNATIONAL, PLC	N/A	1,190,964	0.99%	0.45%
GRANTHAM MAYO VAN OTTERLOO & CO., LLC	N/A	973,112	0.81%	0.37%
STATE STREET GLOBAL ADVISORS	N/A	881,509	0.73%	0.33%
SEI INVESTMENTS MANAGEMENT CORPORATION	N/A	679,693	0.56%	0.26%
BOSTON COMMON ASSET MANAGEMENT, LLC	N/A	634,082	0.53%	0.24%
Subtotal 12 Largest ADS Holders		15,528,993	12.90%	5.90%
Total ADSs as of December 31, 2016		38,311,788	31.83%	14.56%

iv) TOTAL NUMBER OF SHAREHOLDERS

The following table shows the total number of SQM's shareholders as of December 31, 2019:

	Shareholders Registry	ADS Holders Registry	Total Holders
Total Number of Shareholders, Series A and B	1,385	74	1,459
Total Number of Shareholders, Series A	358	-	358
Total Number of Shareholders, Series B	1,302	74	1,376

v) SIGNIFICANT CHANGES IN SHARE OWNERSHIP

There has not been any significant change in share ownership of the Company during 2019. The last important change in share ownership of the Company happened during 2018 when Nutrien Ltd., which was one of the main shareholder groups with 32% of SQM's total shares as of December 31, 2017, divested all its ownership in SQM. This was through the sale of its Series B shares on the Chilean securities market in May 2018, and a sale of its Series A shares on the Chilean securities market to Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation, in December 2018. As of December 31, 2018, Nutrien Ltd. had 0% of the total shares of SQM, and Inversiones TLC SpA had 25.86% of the total shares issued by SQM.

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

Tianqi Extrajudicial Agreement with the FNE

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

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

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

During the approval process for the Extrajudicial Agreement before the FNE, the Company expressed its concerns to the Chilean Antitrust Court regarding the measures contained in the Extrajudicial Agreement of since (i) it could not effectively resolve the risks that Tianqi and the FNE sought to mitigate, (ii) the restrictions are not correctly oriented to avoid the access to Sensitive Information that, in the possession of a competitor, could damage the Company and the proper functioning of the market and (iii) it could contradict the Chilean Corporations Act (Law No. 18,046 on Corporations). The Extrajudicial Agreement was approved in October 2018 by the Chilean Antitrust Court. A copy of the Extrajudicial Agreement, in Spanish, has been made publicly available on the Company's website at <http://ir.sqm.com/English/investor-relation/press-releases/press-release-details/2018/Agreement-between-FNE-and-Tianqi-Lithium/default.aspx> and is also available on the FNE's website at <http://www.fne.gob.cl/wp-content/uploads/2018/09/Acuerdo-Extrajudicial-FNE-Tianqi-con-firma-27.08.18.pdf>.

Pampa Group and Tianqi Shareholders' Agreement

On April 10, 2019, the Pampa Group and Inversiones TLC SpA, a subsidiary of Tianqi, entered into a shareholders' agreement, with respect to certain corporate governance matters. The matters addressed by the shareholders' agreement include: (i) the management of the business and affairs of the Company by the Board of Directors, (ii) the election of replacement directors in the event of resignation of any of the directors elected by each party to the Board of Directors as director elected by Series A, (iii) election of certain directors elected by Tianqi to the Company's Directors' Committee, Corporate Governance Committee and Safety, Health and Environmental Committee, (iv) access for Tianqi's internal or external auditors to SQM's management and internal and external auditors for purposes of fulfilling Tianqi's accounting and disclosure obligations with respect to its investment in SQM, (v) support for having a bilingual (Spanish/English) translator attend all SQM Board and Committee meetings to assist directors who are not bilingual and (vi) support of the Company's dividend policy for 2019, as proposed by the Board of Directors in March 2019 for approval at the 2019 annual ordinary shareholders' meeting. The agreement has a term of one year. An English language copy of the agreement is included in an essential fact (*hecho esencial*) filing made by Sociedad de Inversiones Pampa Calichera S.A. with the CMF on April 11, 2019 available on the CMF's website at www.cmfchile.cl.

Board Protocol for Presentation and Use of Sensitive Information

Following the acquisition by Tianqi of SQM's shares from Nutrien Ltd. and Tianqi entering into the Extrajudicial Agreement with the FNE, the Company's Board of Directors deemed it necessary to adopt measures aimed at achieving the purpose of the Extrajudicial Agreement, avoiding greater points of contact between Sensitive Information and Tianqi, to complement the Extrajudicial Agreement. On January 23, 2019, the Board of Directors approved a protocol for the presentation and use of Sensitive Information, which amendment was subsequently approved by the Board on September 30, 2019. The complete version of the protocol is presented in the Note 34.2 to our consolidated financial statements and is available on the Company's website at http://s1.q4cdn.com/793210788/files/doc_news/2019/September/PR_Information-Protocol-September_30sep2019_eng.pdf.

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

i) DESCRIPTION OF SERIES OF SHARES

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

Article 5 of the Company's By-laws establishes that Series B shares may in no case exceed fifty percent of the issued, outstanding and paid shares of SQM. Series B shares have a restricted right to vote as they can only elect one Director of the Company, regardless of their capital stock's share. Series B shares have the right to call for an Ordinary or Extraordinary Shareholders' Meeting when the shareholders of at least 5% of the Series B shares request so and to call for an Extraordinary Board of Directors Meeting without the Chairman's authorization when it is requested by the Director elected by the shareholders of the Series B shares. Series A shares have the option to exclude the Director elected by Series B shareholders from the voting process in which the Chairman of the Board is to be elected, if there is a tie in the first voting process. The second transitory article and articles 31 and 31 bis of the Company's By-laws establish that in General Shareholders' Meetings each shareholder will have a right to one vote for each share he owns or represents and (a) that no shareholder will have the right to vote for himself or on behalf of other shareholders of the same Series A or Series B shares representing more than 37.5% of the total outstanding shares with right to vote of each Series and (b) that no shareholder will have the right to vote for himself

or on behalf of other shareholders representing more than 32% of the total outstanding shares with a right to vote. In calculating a single shareholder's ownership of Series A or B shares, the shareholder's stock and those pertaining to third parties related to them are to be added.

The second transitory article provides as follows:

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

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

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

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

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

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

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

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

Total number of shares:

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

ii) DIVIDEND POLICY

SQM's dividend policy for 2019, which was announced at the General Ordinary Shareholders' Meeting on April 25, 2019, was to distribute to the SQM's shareholders as a final dividend a percentage of our net income that is determined as per following financial parameters:

- 100% of the 2019 net income, when the following financial parameters are met: (a) that the total current assets, divided by the total current financial liabilities is equal to or greater than 2.5 times, and (b) the sum of the total current liabilities and total non-current liabilities, excluding both cash and cash equivalents and other current financial assets, divided by the total equity is equal to or less than 0.8 times.
- 80% of the 2019 net income, when the following financial parameters are met: (a) that the total current assets, divided by the total sum of the total current financial liabilities is equal to or greater than 2.0 times, and (b) the total sum of the current liabilities and total non-current liabilities, excluding both cash and cash equivalents and other current financial assets divided by the total equity is equal to or less than 0.9 times.
- 60% of the 2019 net income, when the following financial parameters are met: (a) that the total current assets, divided by the total sum of the total current financial liabilities is equal to or greater than 1.5 times, and (b) the total sum of the current liabilities and total non-current liabilities, excluding both cash and cash equivalents and other current financial assets divided by the total equity is equal to or less than 1.0 times.

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 2019 net income.

According to the dividend policy for 2019, the dividends are distributed and paid during 2019, in the form of three interim dividends (*dividendos provisorios*) that will be charged against the final dividend. At the ordinary shareholders meeting that will be held in 2020, the Board of Directors shall propose a final dividend pursuant to the financial parameters expressed above, discounting the total amount of the interim dividends previously distributed during 2019.

On May 22, 2019, the Board of Directors agreed to pay and distribute on June 12, 2019 a provisional dividend of US\$81 million, equivalent to US\$0.30598 per share, to be charged against the 2019 net income.

On August 21, 2019, the Board of Directors agreed to pay and distribute on September 12, 2019 a provisional dividend of US\$70 million, equivalent to US\$0.26669 per share, to be charged against the 2019 net income.

On November 20, 2019, the Board of Directors agreed to pay and distribute on December 12, 2019 a provisional dividend of US\$61 million, equivalent to US\$0.22987 per share, to be charged against the 2019 net income.

iii) (1) STATISTICAL INFORMATION: DIVIDENDS

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

Payout Year	US\$ Total (in millions)	US\$/Share
2017	53.3	0.20248
2017 (Interim)	103.2	0.39222
2017 (Interim)	101.2	0.38432
2017 (Interim)	112.9	0.42879
2018	110.5	0.41968
2018 (Special)	100.0	0.37994
2018 (Interim)	113.8	0.43247
2018 (Interim)	133.9	0.50864
2018 (Interim)	83.5	0.31726
2019	108.6	0.41274
2019 (Interim)	80.5	0.30598
2019 (Interim)	70.2	0.26669
2019 (Interim)	60.5	0.22987

iii) (2) STATISTICAL INFORMATION: SHARE TRANSACTIONS

SQM's Series A and Series B shares are traded on the Santiago Stock Exchange and the Santiago Electronic Stock Exchange, and also had been traded on the Valparaíso Stock Exchange until it ceased operations on October 8, 2018. The Company's Series B shares have been traded as ADSs on the New York Stock Exchange since September 20, 1993.

Information on SQM's shares on Chilean stock exchanges:

	Average Price (Ch\$/Share)		Number of Shares Traded		Amount Traded (Millions of Ch\$)	
	SQM-A	SQM-B	SQM-A	SQM-B	SQM-A	SQM-B
2019	22,210.71	22,457.56	1,113,090	90,152,285	24,317	2,031,897
I Quarter	27,167.11	27,317.70	251,390	25,474,477	6,978	692,485
II Quarter	22,872.03	23,202.03	51,802	21,774,687	1,180	500,379
III Quarter	19,375.08	19,437.57	157,359	19,579,815	2,962	379,225
IV Quarter	19,302.92	19,745.86	652,539	23,323,306	13,197	459,809

Source: Bloomberg, Composite Exchange

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

	Average Price (US\$/ADS)	Number of Shares Traded	Amount Traded (Millions of US\$)
	SQM-B	SQM-B	SQM-B
2019	32.14	195,792,998	6,245
I Quarter	40.87	48,837,462	1,988
II Quarter	34.11	44,751,788	1,519
III Quarter	27.59	49,896,658	1,371
IV Quarter	26.34	52,307,090	1,368

Source: Bloomberg, Composite Exchange

5) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

5) A) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN THE BOARD OF DIRECTORS AS OF DECEMBER 31, 2019

i) NUMBER OF PERSONS BY GENDER

Number of female directors	0
Number of male directors:	8

ii) NUMBER OF PERSONS BY NATIONALITY

Number of Chilean directors:	6
Number of foreign directors:	2

iii) NUMBER OF PERSONS BY AGE

Number of directors whose age is:

Under 30 years:	0
30 to 40 years:	1
41 to 50 years:	2
51 to 60 years:	2
61 to 70 years:	3
Over 70 years:	0

iv) NUMBER OF PERSONS BY YEARS OF SERVICE

Number of directors who, as of December 31, 2019, have held the position of director of SQM for:

Less than 3 years:	6
Between 3 and 6 years:	2
More than 6 and less than 9 years:	0
Between 9 and 12 years:	0
More than 12 years:	0

5) B) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN EXECUTIVE MANAGEMENT AS OF DECEMBER 31, 2019

i) NUMBER OF PERSONS BY GENDER

Number of female executive officers:	2
Number of male executive officers:	9

ii) NUMBER OF PERSONS BY NATIONALITY

Number of Chilean executive officers:	10
Number of foreign executive officers:	1

iii) NUMBER OF PERSONS BY AGE

Number of executive officers whose age is:

Under 30 years:	0
30 to 40 years:	5
41 to 50 years:	4
51 to 60 years:	1
61 to 70 years:	1
Over 70 years:	0

iv) NUMBER OF PERSONS BY YEARS OF SERVICE

Number of executive officers who, as of December 31, 2019, have worked at SQM for:

Less than 3 years:	2
Between 3 and 6 years:	2
More than 6 and less than 9 years:	1
Between 9 and 12 years:	0
More than 12 years:	6

5) C) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: DIVERSITY WITHIN THE ORGANIZATION AT DECEMBER 31, 2019**i) NUMBER OF PERSONS BY GENDER**

Total number of female employees:	937
Total number of male employees:	4,804

ii) NUMBER OF PERSONS BY NATIONALITY

Total number of Chilean employees:	5,167
Total number of foreign employees:	574

iii) NUMBER OF PERSONS BY AGE

Total number of employees whose age is:

Under 30 years:	924
30 to 40 years:	2.226
41 to 50 years:	1.486
51 to 60 years:	844
61 to 70 years:	250
Over 70 years:	11

iv) NUMBER OF PERSONS BY YEARS OF SERVICE

Total number of employees who, as of December 31, 2019, have worked at SQM for:

Less than 3 years:	1.944
Between 3 and 6 years:	1.788
More than 6 and less than 9 years:	591

5) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Between 9 and 12 years:	604
More than 12 years:	814

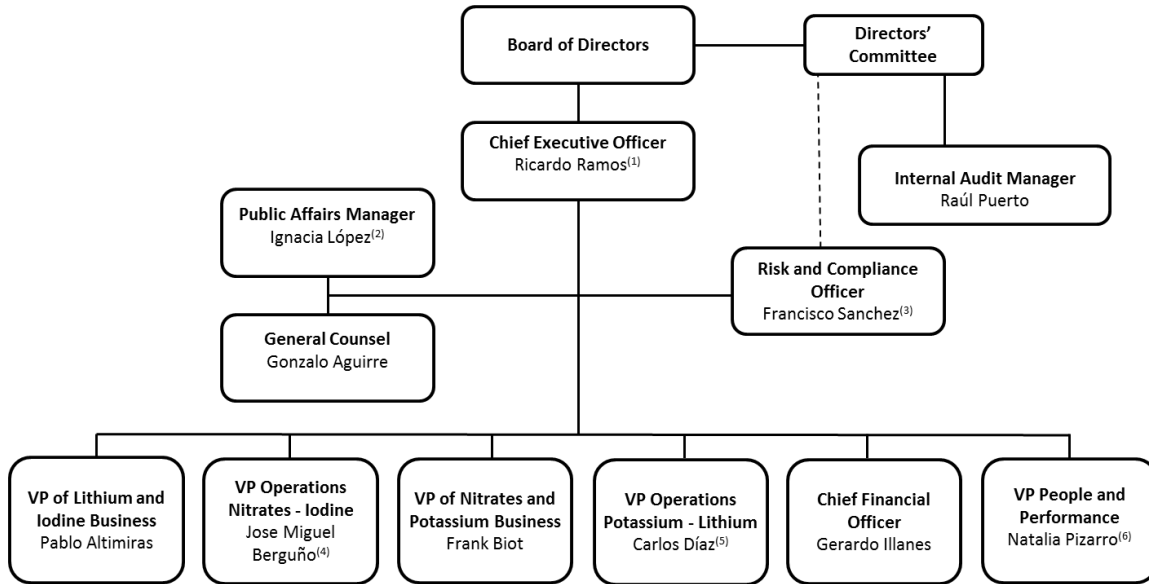
5) D) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT: SALARY GAP BY GENDER

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

5) SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Position Type	Hay Methodology Group Level⁽¹⁾	Female Employees (%)
Chief Executive Officer	26 ⁽³⁾	
Vice President	20	84%
	21 ⁽³⁾	
	22 ⁽³⁾	
	23 ⁽³⁾	
Manager	19 ⁽³⁾	
Sales Manager	20 ⁽³⁾	
Operations Manager	19 ⁽³⁾	
	20 ⁽³⁾	
Deputy Manager	16	100%
	17	82%
	18	108%
	19 ⁽³⁾	
Head of Department	15	108%
	16	100%
Manager	13	96%
	14	107%
	15	103%
	16	101%
Senior professional	14	91%
	15	72%
	16	76%
Professional	12 ⁽²⁾	
	13	93%
	14	95%
	15	114%
Supervisor	13	82%
Sales representative	13	59%
Technical operator	12	112%
	13	104%
Administrator	12	109%
	13 ⁽²⁾	
Operator	11	91%
	12	88%
	13	100%

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

6) MANAGEMENT AND PERSONNEL**6) A) MANAGEMENT AND PERSONNEL: ORGANIZATIONAL CHART****Organizational Chart**

- (1) On January 8, 2019, Ricardo Ramos became CEO of SQM S.A.
 (2) On October 14, 2019, Ignacia López joined SQM as Public Affairs Manager.
 (3) On April 1, 2019, Francisco Sanchez V. became Risk and Compliance Officer.
 (4) On March 22, 2019, Jose Miguel Berguño became Vice President of Operations Nitrates – Iodine.
 (5) On March 22, 2019, Carlos Díaz became Vice President of Operations Potassium – Lithium.
 (6) On April 29, 2019, Natalia Pizarro became Vice President of People and Performance.

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

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

ii) IDENTIFICATION OF THE BOARD MEMBERS

Directors as of December 31, 2019:

Name	Title	Profession	Chilean Taxpayer ID	Date of Original Election	Date of Last Reelection
Alberto Salas Muñoz	Chairman	Civil Engineer	6.616.233-0	Apr. 2018	Apr. 2019
Patricio Contesse Fica	Vice Chairman	Lawyer	15.315.085-0	Apr. 2018	Apr. 2019

6) MANAGEMENT AND PERSONNEL

Georges de Bourguignon Arndt	Director	Economist	7.269.147-4	Apr. 2019	N/A
Hernán Büchi Buc	Director	Civil Engineer	5.718.666-6	Apr. 2017	Apr. 2019
Laurence Golborne Riveros	Director	Industrial Civil Engineer	8.170.562-3	Apr. 2018	Apr. 2018
Gonzalo Guerrero Yamamoto	Director	Lawyer	10.581.580-8	Apr. 2016	Apr. 2017
Francisco Ugarte Larrain	Director	Lawyer	10.325.736-0	Apr. 2019	N/A
Robert J. Zatta	Director	Business Administration	N/A	Apr. 2019	N/A

Directors not on the Board as of December 31, 2019 but who were on the Board within the last two years:

Name	Title	Profession	Chilean Taxpayer ID	Date of Original Election	Date of Last Reelection	Date Left Board
Joanne L. Boyes	Director	Chartered Professional Accountant	48.188.014-9	Apr. 2015	Apr. 2017	Jan. 2018
Mark F. Fracchia	Director	Chemical Engineer	N/A	Feb.2018	Apr. 2018	Dec.2018
Gerardo Jofré Miranda	Vice Chairman	Business Administrator	5.672.444-3	Apr. 2017	N/A	Apr. 2018
Robert A. Kirkpatrick	Director	Lawyer	48.187.982-5	Apr. 2015	Apr. 2017	Jan. 2018
Fernando Massu Tare	Director	Business Administrator	6.783.826-2	Apr. 2017	N/A	Apr. 2018
Eugenio Ponce Lerou	Chairman	Mechanical Engineer	5.370.715-7	Apr. 2016	Apr. 2017	Apr. 2018
Arnfinn F. Prugger	Director	Geoscientist	48.187.981-7	Apr. 2015	Apr. 2018	Apr. 2019
Darryl Stann	Director	Chartered Professional Accountant	N/A	Jan. 2018	Apr. 2018	Dec. 2018

iii) REMUNERATIONS OF THE DIRECTORS

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

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

Summary of remunerations paid to members of the Board of Directors between January and December 2018 (in Ch\$):

Directors	Board of Directors SQM S.A.		Directors' Committee SQM S.A.		Corporate Governance Committee SQM S.A.	Safety, Health and Environment Committee SQM S.A.	Total	Board of Directors SQMC S.A.	Total
	Fixed	Variable	Fixed	Variable	Fixed	Fixed		Fixed	
Alberto Salas Muñoz	76,419,796		21,588,591				98,008,387		98,008,387
Patricio Contesse Fica	66,867,323					9,552,476	76,419,799		76,419,799
Joanne L. Boyes	10,724,616	116,115,257	4,021,732	38,705,088			169,566,693		169,566,693
Hernán Büchi Buc	93,770,985	154,820,339	21,588,590		16,278,392	6,725,916	293,184,222		293,184,222
Mark Fracchia	83,046,367	38,705,088			9,552,476		131,303,931		131,303,931
Laurence Golborne Riveros	66,867,323		21,588,591				88,455,914		88,455,914
Gonzalo Guerrero Yamamoto	88,411,355	154,820,206				14,938,485	258,170,046		258,170,046
Gerardo Jofré Miranda	26,903,660	154,820,206	10,088,874	51,606,534	6,725,916		250,145,190		250,145,190
Robert A. Kirkpatrick	10,724,616	116,115,257			2,681,154		129,521,027		129,521,027
Fernando Massu Taré	21,518,920	154,820,206	8,069,596	51,606,534			236,015,256		236,015,256
Luis Eugenio Ponce Lerou	43,088,064	387,051,117					430,139,181	9,790,063	439,929,244
Arnfinn F. Prugger	93,770,983	154,820,338				16,278,392	264,869,713		264,869,713
Darryl Stann	83,046,367	38,705,088	6,067,142	12,901,694	13,597,238		154,317,529		154,317,529
TOTAL	765,160,375	1,470,793,102	93,013,116	154,819,850	48,835,176	47,495,269	2,580,116,888	9,790,063	2,589,906,951

iv) ADVISORY SERVICES CONTRACTED BY THE BOARD OF DIRECTORS

During 2019, the Board of Directors contracted the following advisory services:

Entity	Type of Service	Amount (US\$)
PriceWaterhouseCoopers	Financial statement audit	US\$1.44 million
Others	Legal and other	US\$0.04 million
TOTAL		US\$1.48 million

v) BOARD OF DIRECTORS TRAINING

During 2019, the Board of Directors received training in the following areas:

- (1) Orientation for new Board members
- (2) Foreign Corrupt Practices Act

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

As of December 31, 2019, the Company had a Directors' Committee to carry out the functions established under Article 50, part two, of Law No, 18,046.

ii) IDENTIFICATION OF MEMBERS OF THE DIRECTORS' COMMITTEE

As of December 31, 2019, the Company's Directors' Committee was comprised of three Directors: Georges de Bourguignon A., Laurence Golborne R. and Alberto Salas M. Under the regulations in force as of December 31, 2019, Messrs. Golborne and Salas held and continue to hold the position of Independent Director. Mr. Salas held and continues to hold the position of Chairman of the Directors' Committee.

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

iii) REMUNERATIONS OF THE DIRECTORS' COMMITTEE

On April 25, 2019, it was agreed at the SQM Ordinary Shareholders' Meeting that each Director sitting on the Directors' Committee would receive monthly remunerations of 200 UF, and annual remunerations equivalent to 0,02% of the Company's liquid net earnings for the 2019 financial year. This compensation package is fixed regardless of the number of sessions held by the Committee during the period, and separate to the remunerations received by the members in their capacity as members of the Company's Board of Directors.

For further information about remunerations paid to the members of the Directors' Committee during 2019 and 2018, see section 5) B) iii) Remunerations of the Directors.

iv) ACTIVITIES OF THE DIRECTORS' COMMITTEE

During 2019, the Directors' Committee of SQM (the "Committee") analyzed (i) the Company's Unaudited Financial Statements and Reports; (ii) the Company's Audited Financial Statements and Reports; (iii) the

Reports and proposals of external auditors, accounts inspectors and independent risk rating agencies for the Company; (iv) the proposal to SQM's Board of Directors about the external auditors and independent rating agencies that the Board could recommend to the respective shareholders' meeting for their subsequent appointment; (v) the tax and other services, other than audit services, provided by the Company's external auditors and its subsidiaries in Chile and abroad; (vi) the remuneration and compensation plans for the Company's main executives; (vii) the Company's risk matrix; (viii) the activity related to the Company's compliance program; (ix) the report on internal control of the Company and (x) the various matters referred to in the Chapter titled "Directors' Committee" included in SQM's Financial Statements at December 31, 2019.

Regarding the above, the Committee:

- (a) Examined the information regarding the financial statements of SQM for the 2019 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 2019 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, (ii) reviewed the expenses of the Company's CEO, and (iii) reviewed the reports from the Company's internal audit and risk and compliance areas.

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

During 2019, there were no transactions with related parties that required the Committee's review in accordance with the requirements and procedures established in Title XVI of the Chilean Corporations Act.

On April 25, 2019, 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\$825,000. The activities carried out by the Committee, as well as the expenses incurred by it, are disclosed at the General Shareholders Meeting.

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

v) ADVISORY SERVICES CONTRACTED BY THE DIRECTORS' COMMITTEE

During 2019, the Committee incurred expenses of approximately US\$660,000 related to the advisory services of Internal Audit and SOX Audit.

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

As of December 31, 2019, the following executives served on the Company's executive management team:

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

ii) REMUNERATIONS OF MAIN EXECUTIVES

Remunerations for the main executives for 2019 and 2018 were as follows:

Year	Number of Executives (1)	Fixed Salary (Millions of Ch\$)	Variable Salary (Millions of Ch\$)	Total Salary (Millions of Ch\$)
2019	124	13,421	3,916	17,337
2018	123	13,635	5,431	19,066

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

iii) COMPENSATION PLANS

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

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

SQM Executive Officers: the Company provides executives with an annual and a long-term bonus plan. Their incentives are based on target achievement, individual contribution to the Company's operating results, and the Company's performance. These incentives are structured in a minimum and maximum gross remuneration and are paid once a year. SQM also operates a compensation plan designed to retain its

executives by providing bonuses linked to the Company's share price, which is payable in cash during the first quarter of 2021.

6) E) MANAGEMENT AND PERSONNEL: NUMBER OF EMPLOYEES

As of December 31, 2019, SQM and its subsidiaries had 5,741 employees, detailed as follows:

Employee Type	Parent	Subsidiaries	Total
Executives	30	91	121
Professionals	110	1,170	1,280
Technicians and operators	282	3,481	3,763
Foreigners	17	560	577
Total	439	5,302	5,741

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

We have been informed that the following Directors own shares of SQM as of December 31, 2019:

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

We have been informed that the following executive officers own shares of SQM as of December 31, 2019:

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

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

Type of company:	Corporation
Capital:	US\$133,600
Ownership:	99.999% SQMC S.A. 0.001% minority interest
Investment as % of SQM S.A.'s individual assets:	0.00996%
Corporate purpose:	Sales and distribution of fertilizers, pesticides and agricultural inputs
Board of Directors:	Rodrigo Millán Riffo Rodrigo Real Ibaceta Enrique Olivares Carlini
CEO:	Rodrigo Real Ibaceta
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, 3 rd Floor, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 3883
Fax:	(56) 2 2425 2068

AJAY-SQM CHILE S.A.:

Type of company:	Corporation
Capital:	US\$5,313,794
Ownership:	51% SQM S.A. 49% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.23860%
Corporate purpose:	Iodine derivatives production, sales and marketing
Board of Directors:	Carlos Díaz O.* Felipe Smith de A. Alec Poitevint Matt Webb
CEO:	Marco Orellana L.
Relationship with parent company:	Production and distribution
Contracts with parent company:	Commercial agreement
Address:	Avda Pdte. Eduardo Frei N° 4900, Renca, Santiago, Chile
Telephone:	(56) 2 2443 7110
Fax:	(56) 2 2443 7114

ALMACENES Y DEPOSITOS LTDA.:

Type of company:	Limited liability corporation
Capital:	US\$1,037,878
Ownership:	99% SQM Potasio S.A. 1% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.00707%
Corporate purpose:	General deposit activities

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Board of Directors:	None
CEO:	Ricardo Ramos R. *
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268

COMERCIAL AGRORAMA LTDA

Type of company:	Limited liability corporation
Capital:	US\$1,068,800
Ownership:	70% SQMC S.A. 30% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.02268%
Corporate purpose:	Sales and distribution of fertilizers, pesticides and agricultural inputs
Board of Directors:	Rodrigo Real Ibaceta Rodrigo Millán R. Enrique Olivares C. Tullio Callegari P. Alejandro Bitrán M.
CEO:	Rodrigo Real Ibaceta
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, office 1106, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2068

COMERCIAL HYDRO S.A.:

Type of company:	Corporation
Capital:	US\$4,818,186
Ownership:	99.9999% SQMC S.A. 0.0001% Agrorama S.A.
Investment as % of SQM S.A.'s individual assets:	0.07171%
Corporate purpose:	Import and marketing of fertilizers
Board of Directors:	Carlos Ríos M. Roberto Campusano B. Rodrigo Real Ibaceta
CEO:	Rodrigo Real Ibaceta
Relationship with parent company:	Support
Contracts with parent company:	None
Address:	El Trovador 4285, 3 rd Floor, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268

EXPLORACIONES MINERAS S.A.:

Type of company:	Corporation
Capital:	US\$30,100,000
Ownership:	0.269103% SQM S.A.

* (*) Director, CEO o Executive Office of SQM S.A.

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

	99.730897% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	0.83987%
Corporate purpose:	Operation of other mines and quarries
Board of Directors:	José Miguel Berguño C.* Ricardo Ramos R.* Gerardo Illanes G.*
CEO:	Ricardo Ramos R.*
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2434

INSTITUCION DE SALUD PREVISIONAL NORTE GRANDE LTDA.:

Type of company:	Limited liability corporation
Capital:	US\$66,880
Ownership:	99% SQM Industrial S.A. 1% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.03472%
Corporate purpose:	Administration of health matters for SQM S.A.
Board of Directors:	Not applicable
CEO:	Humberto Riquelme
Relationship with parent company:	Support
Contracts with parent company:	Support
Address:	Aníbal Pinto N° 3228, Antofagasta, Chile
Telephone:	(56) 5 5241 2621
Fax:	(56) 5 5241 2632

ORCOMA ESTUDIOS SPA:

Type of company:	Joint stock company
Capital:	US\$4,631,507
Ownership:	51% SQM S.A. 49% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.05862%
Corporate purpose:	Exploration, measurement, prospection and research of mineral deposits for extraction, production and mineral processing
Legal representative:	Ricardo Ramos R.* José Miguel Berguño C.*
Relationship with parent company:	Not applicable
Contracts with parent company:	None
Address:	Apoquindo 3721, office 131, Las Condes, Santiago, Chile
Telephone:	(56) 2 367 3000

ORCOMA SPA:

Type of company:	Joint stock company
Capital:	US\$2,357,731
Ownership:	100% SQM S.A.
Investment as % of SQM S.A.'s	

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

individual assets: 0.05800%
 Corporate purpose: Exploration, measurement, prospection, research, development and operation of mineral deposits for extraction, production and processing
 Legal representative: Ricardo Ramos R.*
 José Miguel Berguño C.*
 Relationship with parent company: Not applicable
 Contracts with parent company: None
 Address: Apoquindo 3721, office 131, Las Condes, Santiago, Chile
 Telephone: (56) 2 367 3000

SERVICIOS INTEGRALES DE TRANSITOS Y TRANSFERENCIAS S.A.:

Type of company: Corporation
 Capital: US\$9,873,573
 Ownership: 99.99966% SQM Industrial S.A.
 0.00034% SQM S.A.
 Investment as % of SQM S.A.'s
 individual assets: 1.35988%
 Corporate purpose: Transport and storage of merchandise
 Board of Directors: José Miguel Berguño B.*
 Ricardo Ramos R.*
 Pablo Altimiras C.*
 Gerardo Illanes G.*
 Carlos Diaz O.*
 CEO: Ricardo Ramos R.*
 Relationship with parent company: Distribution
 Contracts with parent company: Not applicable
 Address: Arturo Prat N° 1060, Tocopilla, Chile
 Telephone: (56) 5 5241 4452
 Fax: (56) 5 5241 4488

SOCIEDAD PRESTADORA DE SERVICIOS DE SALUD CRUZ DEL NORTE S.A.:

Type of company: Corporation
 Capital: US\$66,800
 Ownership: 99% SQM Industrial S.A.
 1% SQM Potasio S.A.
 Investment as % of SQM S.A.'s
 individual assets: 0.01852%
 Corporate purpose: Provision of health-related services
 Board of Directors: Mauricio Guerra Oliveros
 Sergio Figueroa Rodriguez
 David Zapata Figueroa
 CEO: David Zapata Figueroa
 Relationship with parent company: Support
 Contracts with parent company: Support
 Address: El Trovador 4285, Las Condes, Santiago, Chile
 Telephone: (56) 2 2425 2000
 Fax: (56) 2 2425 2068

SOQUIMICH COMERCIAL S.A.:

Type of company: Open stock corporation
 Capital: US\$61,745,898
 Ownership: 60.6383212% SQM Industrial S.A.

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

	0.0000004% SQM S.A.
	39.3616784% Non-related parties
Investment as % of SQM S.A.'s individual assets:	2.23882%
Corporate purpose:	Production and marketing of fertilizers
Board of Directors:	Bogdan Borkowski S. Carlos Diaz O.* Alfredo Doberti D. Francisco Javier Fontaine S. Gerardo Illanes G. * Christian Lüders M. Eugenio Ponce L. Rodrigo Real Ibaceta
CEO:	Distribution
Relationship with parent company:	Supply
Contracts with parent company:	El Trovador 4285, 3 rd Floor, Las Condes, Santiago, Chile
Address:	(56) 2 2425 2525
Telephone:	(56) 2 2425 2268
Fax:	
SQM INDUSTRIAL S.A.:	
Type of company:	Corporation
Capital:	US\$715,066,287
Ownership:	99.047043% SQM S.A. 0.952957% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	39.30018%
Corporate purpose:	Operation of extraction plants, holdings and transfer of mineral substances and raw materials
CEO:	Ricardo Ramos R.*
Board of Directors:	José Miguel Berguño C.* Ricardo Ramos R.* Carlos Diaz O.*
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2525
Fax:	(56) 2 2425 2268
SQM MAG SPA:	
Type of company:	Joint stock company
Capital:	US\$10,000
Ownership:	100% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	0.06313%
Corporate purpose:	Mining exploration and exploitation
Board of Directors:	None
CEO:	None
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	Los Militares 4290, 1st floor, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2467
SQM NITRATOS S.A.:	

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Type of company:	Corporation
Capital:	US\$30,349,981
Ownership:	99.9999782% SQM S.A. 0.0000218% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	10.07855%
Corporate purpose:	Production and sale of fertilizers
Board of Directors:	José Miguel Berguño C.* Ricardo Ramos R.* Pablo Altimiras C.* Carlos Diaz O.* Gerardo Illanes G.*
CEO:	Ricardo Ramos R.*
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268
SQM POTASIO S.A.:	
Type of company:	Corporation
Capital:	US\$257,010,492
Ownership:	99.999999% SQM S.A. 0.000001% Non-related parties
Investment as % of SQM S.A.'s individual assets:	24.41261%
Corporate purpose:	Extraction of minerals for fertilizer and chemical production
Board of Directors:	José Miguel Berguño C.* Ricardo Ramos R.* Carlos Diaz O.* Pablo Altimiras C.* Carlos Diaz O.*
CEO:	Ricardo Ramos R.*
Relationship with parent company:	Production
Contracts with parent company:	Not applicable
Address:	El Trovador 4285, Las Condes, Santiago, Chile
Telephone:	(56) 2 2425 2000
Fax:	(56) 2 2425 2268
SQM SALAR S.A.:	
Type of company:	Corporation
Capital:	US\$38,000,000
Ownership:	81.82% SQM Potasio S.A. 18.18% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	39.82988%
Corporate purpose:	Exploitation and marketing of potassium, lithium and other products
Board of Directors:	Alberto Salas M.* Patricio Contesse F.* Gonzalo Guerrero Y.* Ricardo Ramos R.* Laurence Golborne R.*

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

CEO: Ricardo Ramos R.*
Relationship with parent company: Production
Contracts with parent company: Not applicable
Address: El Trovador 4285, Las Condes, Santiago, Chile
Telephone: (56) 2 2425 2000
Fax: (56) 2 2425 2268

International Subsidiaries

ADMINISTRACION Y SERVICIOS SANTIAGO S.A. DE C.V.:

Type of company: Variable capital corporation
Capital: US\$6,612
Ownership: 99.998% SQM Industrial S.A.
0.002% SQM North America Corporation

Investment as % of SQM S.A.'s
individual assets: 0.00752%
Corporate purpose: Services
Board of Directors: Christian Lüders M.
Ricardo Ramos R.*
Frank Biot*
Gerardo Illanes G.*
Gonzalo Aguirre T.*
Alvaro Fernandez G.
Patricio de Solminihac T.*
Domingo Aguirre F.

CEO: Christian Lüders M.
Relationship with parent company: Support
Contracts with parent company: Not applicable
Address: Av. Moctezuma 144-4, Ciudad del Sol, CP 45050, Zapopan,
Jalisco, Mexico
Telephone: (52 33) 35401100
Fax: (52 33) 35401100

COMERCIAL CAIMÁN INTERNACIONAL S.A.:

Type of company: Corporation
Capital: US\$1,000
Ownership: 100% SQM Investment Corporation N.V.

Investment as % of SQM S.A.'s
individual assets: 0.00628%
Corporate purpose: Marketing, importing and exporting
Board of Directors: Christian Lüders M.
Andrés Yaksic B.*
Matías Murillo G.

CEO: Christian Lüders M.
Relationship with parent company: Support
Contracts with parent company: Not applicable
Address: Edificio Plaza Bancomer, Calle 50, Panama, Republic of
Panama
Telephone: (52 33) 35101100
Fax: (52 33) 35101100

NITRATOS NATURAIS DO CHILE SERVICIOS LTDA.:

Type of company: Limited liability corporation

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Capital: US\$774,294
 Ownership: 29.18% SQM Industrial S.A.
 70.82% SQM Brasil Ltda.
 Investment as % of SQM S.A.'s
 individual assets: 0.00337%
 Corporate purpose: Marketing advisory services, representation of other foreign
 and local companies, administrative support in general
 Board of Directors: None
 Legal representative: Martim de Almeida Sampaio
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: Calçada das Margaridas, nº 163, sala 02, Centro Comercial de
 Alphaville, Alphaville, Barueri, CEP 06453-038, Sao Paulo,
 Brazil
 Telephone: (55 11) 4195 6315

NORTH AMERICAN TRADING COMPANY:

Type of company: Corporation
 Capital: US\$338,124
 Ownership: 100% SQM North America Corporation
 Investment as % of SQM S.A.'s
 individual assets: 0.00741%
 Corporate purpose: Investment company
 Board of Directors: Gerardo Illanes G.*
 Pablo Altimiras C.*
 President: Pablo Hernandez
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta,
 GA 30339
 Telephone: (1 770) 916 9400
 Fax: (1 770) 916 9401

ROYAL SEED TRADING A.V.V.:

Type of company: Limited liability corporation
 Capital: US\$6,000
 Ownership: 1.67% SQM S.A.
 98.33% SQM Potasio S.A.
 Investment as % of SQM S.A.'s
 individual assets: 0.00108%
 Corporate purpose: Investment and marketing of moveable property and real
 estate
 Board of Directors: IMC International Management & Trust Company N.V.
 CEO: IMC International Management & Trust Company N.V.
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: Caya Dr. J.E.M. Arends 18-A, Oranjestad, Aruba
 Telephone: 297 582 3301
 Fax: 297 583 6454

RS AGRO CHEMICAL TRADING CORP. A.V.V.:

Type of company: Limited liability corporation
 Capital: US\$6,000

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Ownership: 98.3333% SQM S.A.
 1.6667% SQM Potasio S.A.
 Investment as % of SQM S.A.'s individual assets: 0,12667%
 Corporate purpose: Investment and marketing of moveable property and real estate
 Board of Directors: IMC International Management & Trust Company N.V.
 CEO: IMC International Management & Trust Company N.V.
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: Caya Dr. J.E.M. Arends 18-A, Oranjestad, Aruba
 Telephone: 297 582 3301
 Fax: 297 583 6454

SOQUIMICH EUROPEAN HOLDINGS B.V.:

Type of company: Limited liability corporation
 Capital: US\$15,815,547
 Ownership: 100% SQM Corporation N.V.
 Investment as % of SQM S.A.'s individual assets: 4.44311%
 Corporate purpose: Investment company
 Board of Directors: Kris Van den Bruel
 Patrick Vanbeneden
 Paul van Duuren
 Dennis Beets
 CEO: None
 Relationship with parent company: Distribution
 Contracts with parent company: Not applicable
 Address: Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam Zuid-Oost, Netherlands
 Telephone: (31 20) 5755600
 Fax: (31 20) 6730016

SOQUIMICH S.L.R. ARGENTINA:

Type of company: Limited liability corporation
 Capital: US\$1,656,500
 Ownership: 99.99906% SQM Investment Corporation
 0.00094% SQM Industrial S.A.
 Investment as % of SQM S.A.'s individual assets: 0.00139%
 Corporate purpose: Import, export, sales and marketing of fertilizers, sodium nitrate, iodine, iodine salts, sodium sulfate, potassium nitrate and all classes of agricultural and industrial inputs
 Board of Directors: None
 CEO: Dr. Carlos Mario Balter
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Legal address: Cecilia Grierson 255 – Floor 6 - Ciudad Autónoma de Buenos Aires – C1107CPE.Bs.As
 Tax address: Espejo 65 – Oficina 6 – 5500 Mendoza, Argentina
 Telephone: (54 261) 429 9237
 Fax: (54 261) 429 9237

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

SQI CORPORATION N.V.:

Type of company:	Corporation
Capital:	US\$62,000
Ownership:	99.98413% SQM Potasio S.A. 0.01587% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.00219%
Corporate purpose:	Investment in moveable goods and real estate
Board of Directors:	TMF Group
CEO:	TMF Group
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Schout bij Doormanweg 40, Damacor Office Building 2nd Floor, Curaçao
Telephone:	(59) (99) 4612544
Fax:	(59) (99) 4612647

SQM AFRICA:

Type of company:	Limited liability corporation
Capital:	US\$70,699
Ownership:	100% Soquimich European Holdings B.V.
Investment as % of SQM S.A.'s individual assets:	1.45875%
Corporate purpose:	Marketing of specialty plant nutrients and industrial products
Board of Directors:	Frank Biot* Patrick Vanbeneden Emmanuel de Marez
Public Officer:	Ettienne Strydom
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Building 33 Waterford Office Park, Waterford Drive, 2055 Fourways, Johannesburg, South Africa
Telephone:	(27 11) 6580018
Fax:	(27 11) 6581101

SQM AUSTRALIA PTY LTD:

Type of company:	Limited liability corporation
Capital:	US\$119,955,000
Ownership:	100% SQM Potasio S.A.
Investment as % of SQM S.A.'s individual assets:	2.95310%
Corporate purpose:	Mining – Specifically lithium
Board of Directors:	Jay Leary Pablo Altimiras C.* Gonzalo Aguirre T.* Gerardo Illanes G.*
CEO:	Jay Leary
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Level 16 201 Elizabeth street, Sydney NSW 2000
Telephone:	(61 412) 558911
Fax:	(61 293) 479221

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

SQM (BEIJING) COMMERCIAL CO. LTDA.:

Type of company:	Limited liability corporation
Capital:	US\$1,600,000
Ownership:	100% SQM Industrial S.A.
Investment as % of SQM S.A.'s individual assets:	0,28856%
Corporate purpose:	Commission agent and marketing of chemical products
Board of Directors:	Patricio de Solminihac T.* Frank Biot* Ricardo Ramos R.*
CEO:	Victor Larrondo G.
Relationship with parent company:	Distribution
Contracts with parent company:	Commercial agency agreement
Address:	Room 1502, CBD International Mansion No. 16 Yong An Dong Li, Jian Wai Ave Beijing, 100022, P.R. China,
Telephone:	(86 10) 6461 8950
Fax:	(86 10) 8454 0885

SQM BRASIL SERVICIOS LTDA.:

Type of company:	Limited liability corporation
Capital:	US\$2,620,000
Ownership:	99.16% SQM Industrial 0.84% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.00476%
Corporate purpose:	Marketing advisory services, representation of other foreign and domestic companies, administrative support in general
Board of Directors:	None
Legal representative:	Martim de Almeida Sampaio
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Calçada das Margaridas, nº 163, sala 02, Centro Comercial de Alphaville, Alphaville, Barueri, CEP 06453-038, Sao Paulo, Brazil
Telephone:	(55 11) 4195 6315

SQM COLOMBIA LTDA.:

Type of company:	Join stock company
Capital:	US\$1,291,915
Ownership:	100% SQM Industrial
Investment as % of SQM S.A.'s individual assets:	0,23729%
Corporate purpose:	Manufacturing, import, sales and export of fertilizers
Board of Directors:	Christian Luders M. Matias Murillo G. Patricio de Solminihac T.* Gonzalo Aguirre T.* Gerardo Illanes G.* Frank Biot* Sebastian Sanchez
Legal representative:	Christian Luders M. Matias Murillo G.

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: Calle 72 No. 10-07 oficina 401
 Telephone: (+57) 1 746 1000
 Fax: (+57) 1 746 1000

SQM COMERCIAL DE MEXICO S.A. de C.V.:

Type of company: Variable capital corporation
 Capital: US\$22,044,533
 Ownership: 99.94% SQM Industrial S.A.
 0.05% SQM Potasio S.A.
 0.01% SQM S.A.

Investment as % of SQM S.A.'s individual assets: 2.69472%
 Corporate purpose: Import, export and marketing of fertilizers
 Board of Directors: Christian Lüders M.
 Ricardo Ramos R.*
 Frank Biot*
 Gerardo Illanes G.*
 Gonzalo Aguirre T.*
 Alvaro Fernandez G.
 Patricio de Solminihac T.*
 Matías Murillo G.

CEO: Christian Lüders M.
 Relationship with parent company: Distribution
 Contracts with parent company: Not applicable
 Address: Av. Moctezuma 144-4, Ciudad del Sol, CP 45050, Zapopan, Jalisco, Mexico
 Telephone: (52 33) 35401100
 Fax: (52 33) 35401100

SQM CORPORATION N.V.:

Type of company: Corporation
 Capital: US\$12,939,718
 Ownership: 99.9794% SQM Industrial S.A.
 0.0204% SQI Corporation N.V.
 0.0002% SQM S.A.

Investment as % of SQM S.A.'s individual assets: 4.13001%
 Corporate purpose: Investment in moveable goods and real estate
 Board of Directors: TMF Group
 CEO: TMF Group
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: Schout bij Doormanweg 40, Damacor Office Building 2nd Floor, Curaçao
 Telephone: (59) (99) 4335119
 Fax: (59) (99) 4335119

SQM ECUADOR S.A.:

Type of company: Corporation
 Capital: US\$416,900
 Ownership: 99.996% SQM Industrial S.A.

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

	0.004% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.79403%
Corporate purpose:	Wholesale fertilizer sales
Board of Directors:	None
CEO:	Christian Luders M.
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Av. Constitución y Av. Juan Tanca Marengo, Edificio Executive Center, Piso 3 Oficina 304-305, Guayaquil, Ecuador
Telephone:	(593 4) 2158639
Fax:	(593 4) 2158639 ext 11
SQM EUROPE N.V.:	
Type of company:	Corporation
Capital:	US\$18,656,745
Ownership:	99.42% Soquimich European Holdings B.V. 0.58% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	10.67744%
Corporate purpose:	Distribution and marketing of specialty plant nutrients and industrial products in Europe, Northern Africa and the Middle and Far East
Board of Directors:	Ricardo Ramos R.* Gonzalo Aguirre T.* Pablo Altimiras C.* Gerardo Illanes G.*
CEO:	Frank Biot*
Relationship with parent company:	Support and Distribution
Contracts with parent company:	Not applicable
Address:	Houtdok-Noordkaai 25a, 2030, Antwerp, Belgium
Telephone:	(32 3) 2039700
Fax:	(32 3) 2312782
SQM FRANCE S.A.	
Type of company:	Corporation
Capital:	US\$204,061
Ownership:	100% Soquimich European Holdings NV
Investment as % of SQM S.A.'s individual assets:	0.00863%
Corporate purpose:	Distribution
Board of Directors:	
Legal representative:	Oliver Lecaplain
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Zac Des Pommiers, 27930 Fauville, France
Telephone:	None
SQM IBERIAN S.A.	
Type of company:	Corporation
Capital:	US\$133,127
Ownership:	100% Soquimich European Holdings B.V.

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Investment as % of SQM S.A.'s individual assets:	1.35395%
Corporate purpose:	Distribution and marketing of specialty plant nutrients and technical products in Spain
Board of Directors:	Frank Biot* Erik Borghys Gerardo Illanes G.*
CEO:	José Andrés Cayuela Enrique Torras Erik Lütken R.
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Provenza 251 Principal 1a CP 08008 Barcelona, Spain
Telephone:	(34 93) 4877806
Fax:	(34 93) 4872344
SQM INDONESIA S.A.:	
Type of company:	Corporation
Capital:	US\$30,905
Ownership:	80% Soquimich European Holding B.V. 20% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.00006%
Corporate purpose:	Import trading and distribution services
Board of Directors:	Frank Biot* (President) Patrick Vanbeneden Rudy Ismanto
CEO:	Not applicable
Relationship with parent company:	Not applicable
Contracts with parent company:	Not applicable
Address:	Perumahanbumi Dirgantara Permai, Jl. Suryadarma Blok Aw No. 15, Rt. 01/09, 17436 Jatisari Pondok Gede, Indonesia
Telephone:	(62 21) 86607760
Fax:	(62 21) 86607761
SQM INTERNATIONAL N.V.:	
Type of company:	Corporation
Capital:	US\$3,079,827
Ownership:	99.42% Soquimich European Holdings B.V. 0.52% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	1,01930%
Corporate purpose:	Distribution and sales of specialty plant nutrients and industrial products in Europe, North Africa and the Middle and Far East
Board of Directors:	Ricardo Ramos R.* Gonzalo Aguirre T.* Pablo Altimiras C.* Gerardo Illanes G.*
CEO:	Frank Biot*
Relationship with parent company:	Support and distribution
Contracts with parent company:	Not applicable
Address:	Houtdok-Noordkaai 25a, 2030, Antwerp, Bélgica
Telephone:	(32 3) 2039700

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Fax: (32 3) 2312782

SQM INVESTMENT CORPORATION N.V.:

Type of company: Corporation
 Capital: US\$50,000
 Ownership: 99.00% SQM Potasio S.A.
 1.00% SQM S.A.
 Investment as % of SQM S.A.'s individual assets: 1.09835%
 Corporate purpose: Investment and marketing of moveable goods and real estate
 Board of Directors: TMF Group
 CEO: TMF Group
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: Schout bij Doormanweg 40, Damacor Office Building 2nd Floor, Curaçao
 Telephone: (59) (99) 4335119
 Fax: (59) (99) 4335119

SQM ITALIA SRL:

Type of company: Limited liability corporation
 Capital: US\$285,939
 Ownership: 100% Soquimich European Holdings NV
 Investment as % of SQM S.A.'s individual assets: 0.02844%
 Corporate purpose: Distribution
 Board of Directors: None
 CEO: Silvio Maria Parri
 Frank Biot*
 Relationship with parent company: Support
 Contracts with parent company: Not applicable
 Address: Via A. Meucci, N°5, 50012 – Bagno A Ripoli –Firenze, Italy
 Telephone: +39 055 644 418
 Fax: None

SQM JAPAN CO. LTD.:

Type of company: Limited liability corporation
 Capital: US\$87,413
 Ownership: 15.8147% SQM Potasio S.A.
 84.0256% Soquimich European Holdings B.V.
 0.1597% SQM S.A.
 Investment as % of SQM S.A.'s individual assets: 1.69630%
 Corporate purpose: Marketing of products in Asia/Oceania and marketing assistance
 Board of Directors: Pablo Altimiras C.*
 Alvaro Fernandez
 Andrés Stocker
 CEO: Andrés Stocker
 Relationship with parent company: Distribution and marketing
 Contracts with parent company: Commercial agency agreement
 Address: From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minatoku, Tokyo, Japan 107-0062

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Telephone: (81 3) 5778 3311
Fax: (81 3) 5778 3312

SQM LITHIUM SPECIALTIES LIMITED PARTNERSHIP, L.L.P.:

Type of company: Limited liability partnership
Capital: US\$33,712,430
Ownership: 99% SQM Virginia LLC
1% North American Trading Co.

Investment as % of SQM S.A.'s
individual assets: 0,38713%
Corporate purpose: Production and marketing of lithium derivatives
Board of Directors: None
President: Pablo Hernandez
Relationship with parent company: Support
Contracts with parent company: Not applicable
Address: 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta,
GA 30339

Telephone: 1 (770) 916 9400
Fax: 1 (770) 916 9401

SQM NITRATOS MEXICO S.A. de C.V.:

Type of company: Variable capital corporation
Capital: US\$5,636
Ownership: 99.998% SQM Industrial S.A.
0.002% SQM North America Corporation

Investment as % of SQM S.A.'s
individual assets: 0,00390%
Corporate purpose: Services
Board of Directors: Christian Lüders M.
Ricardo Ramos R.*
Frank Biot*
Gerardo Illanes G.*
Gonzalo Aguirre T.*
Alvaro Fernandez G.
Patricio de Solminihac T.*
Domingo Aguirre F.
CEO: Christian Lüders M.
Relationship with parent company: Support
Contracts with parent company: Not applicable
Address: Av. Moctezuma 144-4, Ciudad del Sol, CP 45050, Zapopan,
Jalisco, Mexico

Telephone: (52 33) 35401100
Fax: (52 33) 35401100

SQM NORTH AMERICA CORPORATION:

Type of company: Corporation
Capital: US\$79,576,550
Ownership: 51% SQM Industrial S.A.
40% SQM S.A.
9% Soquimich European Holdings B.V.

Investment as % of SQM S.A.'s
individual assets: 3.33149%

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Corporate purpose:	Marketing of nitrates, fertilizers, iodine and lithium in North America
Board of Directors:	Gonzalo Aguirre T.* Pablo Altimiras C.* Frank Biot* Gerardo Illanes G.* Ricardo Ramos R.*
President:	Pablo Hernandez
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	(1 770) 916 9400
Fax:	(1 770) 916 9401

SQM OCEANIA PTY LIMITED:

Type of company:	Limited liability corporation
Capital:	US\$1
Ownership:	100% SQM Soquimich European Holdings B.V.
Investment as % of SQM S.A.'s individual assets:	0.13367%
Corporate purpose:	Import, export and distribution of fertilizers and industrial products
Board of Directors:	Frank Biot* Patrick Vanbeneden Gerardo Illanes G.* Carlos Díaz O.* Geoffrey Walker Stefan Debruyne
CEO:	None
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Level 16 201 Elizabeth street, Sydney NSW 2000
Telephone:	(61 412) 558911
Fax:	(61 293) 479221

SQM PERÚ S.A.:

Type of company:	Corporation
Capital:	US\$1,110,627
Ownership:	99.99093% SQM Industrial S.A. 0.00907% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	0.00072%
Corporate purpose:	Marketing of agricultural and industrial inputs
Board of Directors:	None
CEO:	None
Legal representative:	Abdon Jesus Rojas Lagos
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	Avenida Camino Real N° 390 of 801, San Isidro, Lima, Peru
Telephone:	(511) 6112121
Fax:	(511) 6112122

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

SQM (THAILAND) LIMITED:

Type of company:	Limited liability corporation
Capital:	US\$3,364,341
Ownership:	99.996% SQM European Holdings NV 0.004% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.12097%
Corporate purpose:	Marketing of fertilizers and industrial chemicals
Board of Directors:	Alvaro Fernandez Patrick Vanbeneden Andrés Stocker Pattamakan Suparp
Legal representative:	Aaron Duyck
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Unit 2962, Level 29, No, 388, Exchange Tower, Sukhumvit Road, Klongtoey District, Bangkok, Thailand
Telephone:	(66) 2104 9136

SQM SHANGHAI CHEMICALS CORPORATION:

Type of company:	Corporation
Capital:	US\$2,499,995
Ownership:	100% SQM Industrial S.A.
Investment as % of SQM S.A.'s individual assets:	0,89404%
Corporate purpose:	Sales, import and export. Sales of chemical products.
Board of Directors:	Gonzalo Aguirre T.* Gerardo Illanes G.* Daniel Jimenez S.
Legal representative:	Daniel Jimenez S.
Relationship with parent company:	Distribution
Contracts with parent company:	Not applicable
Address:	Huaihai Road 300, Room 33, floor 47, Huangpu District, Shanghai, China
Telephone:	(86) 21 5116 2843
Fax:	Not applicable

SQM VIRGINIA L.L.C.:

Type of company:	Limited liability corporation
Capital:	US\$33,375,305
Ownership:	100% SQM North America Corporation
Investment as % of SQM S.A.'s individual assets:	0.71625%
Corporate purpose:	Investment company
Board of Directors:	Pablo Altimiras C.* Gerardo Illanes G.*
President:	Pablo Hernandez
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	(1 770) 916 9400
Fax:	(1 770) 916 9401

SQMC HOLDING CORPORATION:

Type of company:	Corporation
Capital:	US\$3,000,000
Ownership:	99.9% SQM Potasio S.A. 0.1% SQM S.A.
Investment as % of SQM S.A.'s individual assets:	1.10768%
Corporate purpose:	Investment company
Board of Directors:	Carlos Diaz O.* Felipe Smith de A.
President:	Pablo Hernandez
Relationship with parent company:	Support
Contracts with parent company:	Not applicable
Address:	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA 30339
Telephone:	(1 770) 916 9400
Fax:	(1 770) 916 9401

International Associates**ABU DHABI FERTILIZER INDUSTRIES CO. W.L.L. (U.A.E.):**

Type of company:	Limited liability corporation
Capital:	US\$1,443,047
Ownership:	37% SQM Corporation N.V. 63% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.28526%
Corporate purpose:	Production, distribution, sales and marketing of specialty plant nutrients
Board of Directors:	Emmanuel De Marez Patrick Vanbeneden Ahmed Almehairy Khalid Almehairy Abdullah Almehairy
CEO:	Not applicable
Relationship with parent company:	Production and distribution
Contracts with parent company:	Commercial agreement
Address:	PO Box 71871, Abu Dhabi, United Arab Emirates
Telephone:	(971) 25511700
Fax:	(971) 25511702

ABU DHABI FERTILIZER INDUSTRIES CO. W.L.L. (OMAN):

Type of company:	Limited liability corporation
Capital:	US\$387,228
Ownership:	70% Abu Dhabi Fertilizer Industries Co. W.L.L. 30% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.07388%
Corporate purpose:	Distribution, sales and marketing of specialty plant nutrients
Board of Directors:	Patrick Vanbeneden (legal representative)
CEO:	Rajab Khalil
Relationship with parent company:	Distribution

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Contracts with parent company:	None
Address:	P.O. Box 148, Postal Code 31, Al-Suwaiq Sultanate of Oman
Telephone:	(968) 26860477
Fax:	(968) 26860577
AJAY EUROPE SARL:	
Type of company:	Limited liability corporation
Capital:	US\$3,975,721
Ownership:	50% Soquimich European Holdings B.V. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.18309%
Corporate purpose:	Production and distribution of iodine derivatives
Board of Directors:	José Antonio Merino Andrés Fontannaz Alec Poitevint Matt Webb Michel Pichon
CEO:	Michel Pichon
Relationship with parent company:	Production and distribution
Contracts with parent company:	Commercial agreement
Address:	Z.I. du Grand Verger BP 227 53602, Evron Cedex, France
Telephone:	(33 24) 3013535
Fax:	(33 24) 3017618
AJAY NORTH AMERICA L.L.C.:	
Type of company:	Limited liability corporation
Capital:	US\$10,383,786
Ownership:	49% SQMC Holding Corporation 51% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.36045%
Corporate purpose:	Production, sales and marketing of iodine derivatives
Board of Directors:	José Antonio Merino Andrés Fontannaz Alec Poitevint Matt Webb Matt Webb
CEO:	Matt Webb
Relationship with parent company:	Production and distribution
Contracts with parent company:	Commercial agreement
Address:	1400 Industry Road, Power Springs, GA 30129
Telephone:	1 (770) 943 6202
Fax:	1 (770) 439 0369
COVALENT LITHIUM PTY LTD:	
Type of company:	Limited liability corporation
Capital:	US\$7
Ownership:	50% SQM Australia Pty Ltd 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.00098%
Corporate purpose:	Administration, design, execution, construction and operation of projects

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Board of Directors: Ian Hansen
Pablo Altimiras C.*
Eugenio Ponce L.
CEO: Mark Fones
Relationship with parent company: Administration, design, execution, construction and operation of projects services
Contracts with parent company: Not applicable
Address: L18, 109 St Georges Tce Perth WA 6000, Australia
Telephone: (61) 8 9230 5400
Fax: None

DOKTOLAB A.Ş:

Type of company: Limited liability corporation
Capital: US\$133,124
Ownership: 100% Doktor Tarsa Tarim Sanayi A.S.
Investment as % of SQM S.A.'s individual assets: 0.31945%
Corporate purpose: Physical and chemical analysis of soil, plants and specialty plant nutrients
Board of Directors: Ali Çetin Karakaya
Kamuran Pabuçcu
Elif Uluşahin
CEO: Ali B. Özman
Relationship with parent company: Laboratory analysis
Contracts with parent company: None
Address: Organize Sanayi Bolgesi, İkinci Kisim, 22. Cadde No: 10, TR07100 Antalya, Turkey
Telephone: (90) 242 249 46 46
Fax: (90) 242 249 46 00

DOKTOR TARSA TARIM SANAYI A.S.:

Type of company: Corporation
Capital: US\$32,147,829
Ownership: 50% Soquimich European Holdings B.V.
50% Non-related parties
Investment as % of SQM S.A.'s individual assets: 0.63890%
Corporate purpose: Distribution, sales, marketing and production of specialty fertilizers
Board of Directors: Frank Biot*
Ali B. Özman
Esther Özman
CEO: Ali B. Özman
Relationship with parent company: Production and distribution
Contracts with parent company: Commercial agreement
Address: Organize Sanayi Bolgesi, İkinci Kisim, 22. Cadde No: 10, TR07100 Antalya, Turkey
Telephone: (90) 242 249 46 46
Fax: (90) 242 249 46 00

INTERNATIONAL TECHNICAL AND TRADING AGENCIES CO. W.L.L. (JORDAN):

Type of company: Limited liability corporation
Capital: US\$141,000

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Ownership: 50% Abu Dhabi Fertilizer Industries Co. W.L.L.
50% Non-related parties

Investment as % of SQM S.A.'s individual assets: 0.05277%

Corporate purpose: Distribution, sales and marketing of specialty fertilizers

Board of Directors: Not applicable

CEO: Not applicable

Relationship with parent company: Not applicable

Contracts with parent company: Not applicable

Address: N/A

Telephone: (962) 796448244

Fax: (962) 796448244

KORE POTASH PLC:

Type of company: Limited liability corporation

Capital: US\$860,852

Ownership: 19.67% SQM S.A.
80.33% Non-related parties

Investment as % of SQM S.A.'s individual assets: 0.60789%

Corporate purpose: Exploration of mineral resources and project development

Board of Directors: David Hathorn
Timothy Keating
José Antonio Merino M.
David Netherway
Bradley Sampson
Jonathan Trollip

CEO: Bradley Sampson

Relationship with parent company: Support

Contracts with parent company: None

Address: 25 Moorgate, London, United Kingdom EC2R 6AY

Telephone: (44) 20 7131 4000

Fax: None

PLANTACOTE NV:

Type of company: Limited liability corporation

Capital: US\$3,005,898

Ownership: 100% Doktor Tarsa Tarim Sanayi A.S.

Investment as % of SQM S.A.'s individual assets: 0.31945%

Corporate purpose: Production, distribution, sales and marketing of specialty fertilizers

Board of Directors: Ali B. Özman
Patrick Vanbeneden
Frank Biot*

CEO: Toon Vanderhallen

Relationship with parent company: Production and distribution

Contracts with parent company: Commercial agreement

Address: Houtdok-Noordkaai 25a – 2030 Antwerp - Belgium

Telephone: (32) 3 203 97 17

Fax: (32) 3 203 97 72

(OK) DOCTOCHEM TARIM SANAYI TICARET LTD.ŞTİ.:

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

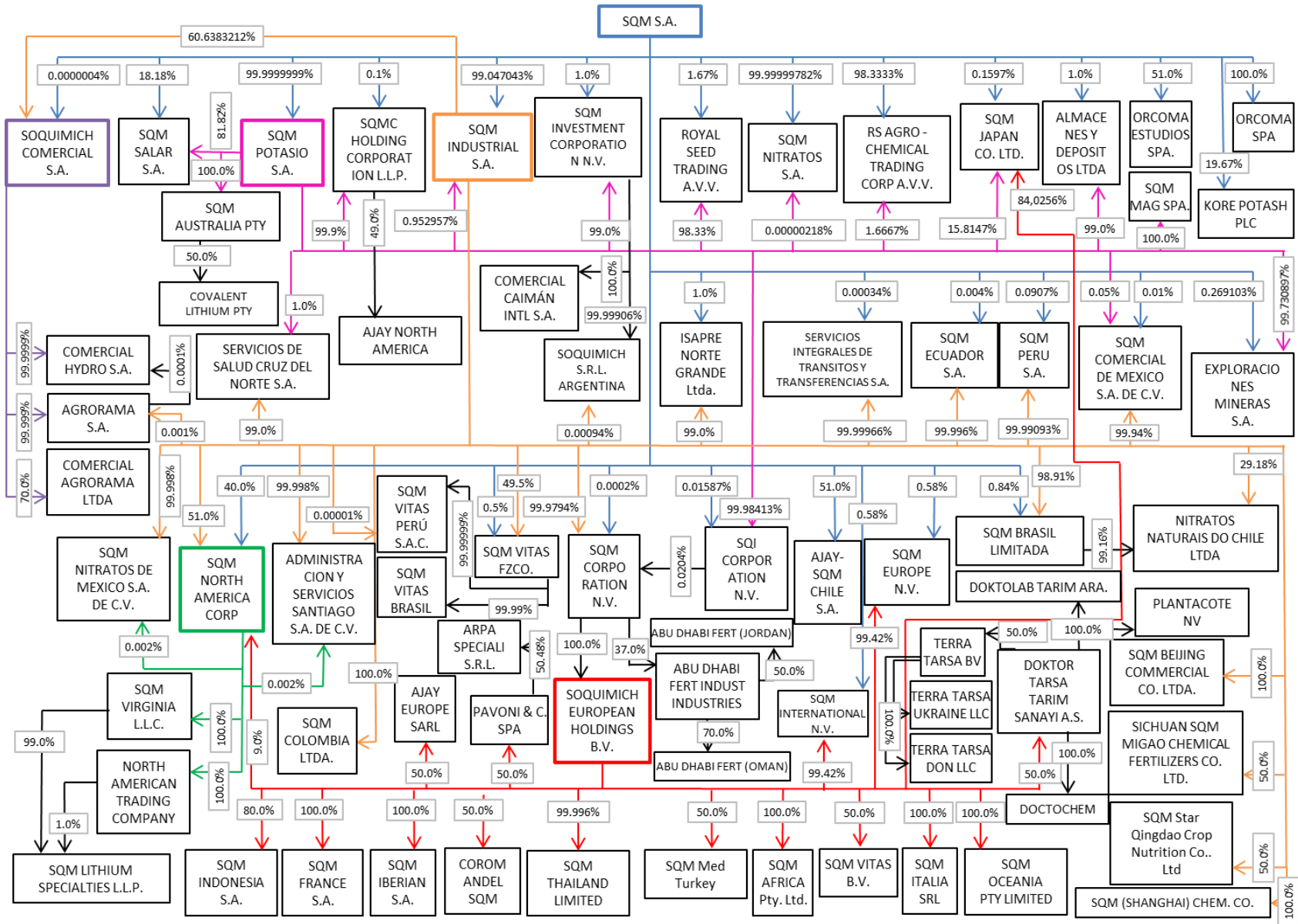
Type of company:	Limited liability corporation
Capital:	US\$574,883
Ownership:	100% Doktor Tarsa Tarim Sanayi A.S.
Investment as % of SQM S.A.'s individual assets:	0.31945%
Corporate purpose:	Production, distribution, sales and marketing of specialty fertilizers
Board of Directors:	None
CEO:	Ali B. Özman
Relationship with parent company:	Production and distribution
Contracts with parent company:	Commercial agreement
Address:	Houtdok-Noordkaai 25a – 2030 Antwerp - Belgium
Telephone:	(32) 3 203 97 17
Fax:	(32) 3 203 97 72

SQM EAST MED A.Ş:

Type of company:	Corporation
Capital:	US\$186,959
Ownership:	50% Soquimich European Holdings B.V. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0,01531%
Corporate purpose:	Production of specialty fertilizers
Board of Directors:	Patrick Vanbeneden Ali B. Özman Esther Özman
CEO:	Ali B. Özman
Relationship with parent company:	Production
Contracts with parent company:	Commercial agreement
Address:	Antalya Serbest Bölgesi Liman Mahallesi, 1. Cadde 4. Sokak No:15, 07130 Konyaaltı/Antalya, Turkey
Telephone:	(90 2) 422494646
Fax:	(90 2) 422494600

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

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



7) B) INFORMATION ABOUT OTHER INVESTEES**Joint Ventures or Joint Control****ARPA SPECIALI S.R.L.:**

Type of company: Limited liability corporation
 Capital: US\$24,022
 Ownership: 50.48% Pavoni & C. SPA
 49.52% Non-related parties

Investment as % of SQM S.A.'s
 individual assets: 0.00226%
 Corporate purpose: Distribution, sales and marketing of specialty fertilizers
 Board of directors: Sara Pavoni
 Riccardo Carbone
 Giulio Guastalla
 CEO: Giulio Guastalla
 Relationship with parent company: Distribution
 Contracts with parent company: Commercial agreement
 Address: Via Cremona 27 Int.5 46100 Mantova (MN)
 Telephone: (39) 0376 262483
 Fax: (39) 0376 1994113

COROMANDEL (SQM INDIA) P LTD.:

Type of company: Limited liability corporation
 Capital: US\$1,566,490
 Ownership: 50% Soquimich European Holdings NV
 50% Non-related parties

Investment as % of SQM S.A.'s
 individual assets: 0.03853%
 Corporate purpose: Production, distribution, sales and marketing of specialty fertilizers
 Board of directors: Patrick Vanbeneden
 Emmanuel De Marez
 Narayanan Vellaya
 Sameer Goel
 CEO: S. Murthy
 Relationship with parent company: Production and distribution
 Contracts with parent company: Commercial agreement
 Address: Coromandel House 1-2-10, Sardar Patel Road, Secunderabad-500 003,
 Andhra Pradesh, India
 Telephone: 91-40-27842034

QINGDAO SQM-STAR CROP NUTRITION CO. LTD.:

Type of company: Limited liability corporation
 Capital: US\$2,000,000
 Ownership: 50% SQM Industrial S.A.
 50% Non-related parties

Investment as % of SQM S.A.'s
 individual assets: 0.08512%
 Corporate purpose: Production, sales and marketing of soluble fertilizers
 Board of directors: Li Xiang
 Alfredo Doberti
 Wan Taibin
 Alvaro Fernandez

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

CEO: Li Xiang
Relationship with parent company: Production and distribution
Contracts with parent company: Commercial agreement
Address: No. 36, Road 7 Longquan River, Longquan Town, Jimo City, Qingdao Municipality, Shangdong Province, China
Telephone: (86) 532 809 65 366

SICHUAN SQM-MIGAO CHEMICAL FERTILIZER CO. LTD.:

Type of company: Limited liability corporation
Capital: US\$28,000,000
Ownership: 50% SQM Industrial S.A.
 50% Migao Corporation

Investment as % of SQM S.A.'s individual assets: 0.04895%
Corporate purpose: Production, distribution, sales and marketing of specialty fertilizers
Board of directors: Alfredo Doberti
 Frank Biot*
 Liu Yaqin
 Sun Pingfu

CEO: Sun Pingfu
Relationship with parent company: Production and distribution
Contracts with parent company: Commercial agreement
Address: Huangjin Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province, China
Telephone: (86) 532 809 65 366

PAVONI & C. SPA.:

Type of company: Limited liability corporation
Capital: US\$7,140,808
Ownership: 50% Soquimich European Holdings B.V.
 50% Otros no relacionados

Investment as % of SQM S.A.'s individual assets: 0.16866%
Corporate purpose: Production, distribution, sales and marketing of specialty fertilizers
Board of directors: Patrick Vanbeneden
 Frank Biot*
 Giuseppe Casubolo
 Aldo Bonaccorsi
 Giulio Guastalla
 Sara Pavoni

CEO: Sara Pavoni
Relationship with parent company: Production and distribution
Contracts with parent company: Commercial agreement
Address: Corso Italia, 172, 95129 Catania (Ct)
Telephone: (39) 095 7931440
Fax: (39) 095 654512

SQM VITAS BRASIL:

Type of company: Limited liability corporation
Capital: US\$4,300,597
Ownership: 99.99% SQM Vitas FZCO
 0.01% Non-related parties

Investment as % of SQM S.A.'s

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

individual assets:	0.131397%
Corporate purpose:	Production, distribution and marketing of specialty plant nutrients
Board of directors:	Patrick Vanbeneden Karina Kuzmak-Bourdet Alfredo Doberti
CEO:	Leandro Ries
Relationship with parent company:	Production and distribution
Contracts with parent company:	Commercial agreement
Address:	Via Candeias, Km, 01, Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia – Brazil CEP 43,805 – 190, Caixa Postal 138
Telephone:	(55) 71 3602 3056
Fax:	None

SQM VITAS HOLLAND:

Type of company:	Limited liability corporation
Capital:	US\$114,390
Ownership:	50% Soquimich European Holdings NV 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.03204%
Corporate purpose:	Investment company
Board of directors:	Soquimich European Holdings NV Vitas Roullier S.A.S.
CEO:	Not applicable
Relationship with parent company:	Support
Contracts with parent company:	Commercial agreement
Address:	Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam Zuid-Oost, Netherlands
Telephone:	(31 20) 5755600
Fax:	(31 20) 6730016

SQM VITAS FZCO:

Type of company:	Free zone company
Capital:	US\$1,415,820
Ownership:	49.5% SQM Industrial S.A. 0.5% SQM S.A. 50% Non-related parties
Investment as % of SQM S.A.'s individual assets:	0.22388%
Corporate purpose:	Production, distribution and marketing of specialty plant nutrients
Board of directors:	Patrick Vanbeneden Karina Kuzmak-Bourdet Frank Biot*
CEO:	Patrick Vanbeneden
Relationship with parent company:	Production and distribution
Contracts with parent company:	Commercial Agreement
Address:	Jebel Ali Free Zone, PO Box 18222, Dubai, United Arab Emirates
Telephone:	(971 4) 8838506
Fax:	(971 4) 8838507

SQM VITAS PERÚ S.A.C.:

Type of company:	Corporation
Capital:	US\$4,063,802

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Ownership: 99.99999% SQM Vitas FZCO
 0.00001% SQM Industrial S.A.
 Investment as % of SQM S.A.'s individual assets: 0.04804%
 Corporate purpose: Production, distribution, sales and marketing of specialty fertilizers
 Board of directors: Patrick Vanbeneden
 Karina Kuzmak-Bourdet
 Alfredo Doberti
 CEO: Diego San Martin
 Relationship with parent company: Production and distribution
 Contracts with parent company: Commercial agreement
 Address: Avenida Circunvalación del Club Golf Los Incas N°154, Oficina 1401, Santiago de Surco, Lima, Peru
 Telephone: (511) 611 2121
 Fax: (511) 611 2121

TERRA TARSA BV:

Type of company: Limited liability corporation
 Capital: US\$547,560
 Ownership: 50% Doktor Tarsa Tarim Sanayi A.S.
 50% Non-related parties
 Investment as % of SQM S.A.'s individual assets: 0.15973%
 Corporate purpose: Investment company
 Board of directors: Ali B. Özman
 Andrii Gogolev
 Dennis Beets
 Paul van Duuren
 CEO: Not applicable
 Relationship with parent company: Support
 Contracts with parent company: Commercial agreement
 Address: Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam Zuid-Oost, Netherlands
 Telephone: (31 20) 5755600
 Fax: (31 20) 6730016

TERRA TARSA UKRAINE LLC:

Type of company: Limited liability corporation
 Capital: US\$602,091
 Ownership: 100% Terra Tarsa BV
 Investment as % of SQM S.A.'s individual assets: 0.15973%
 Corporate purpose: Production, distribution, sales and marketing of specialty fertilizers
 Board of directors: Not applicable
 CEO: Andrii Gogolev
 Relationship with parent company: Production and distribution
 Contracts with parent company: Commercial agreement
 Address: 74800 Ukraine, Kakhovka, Pivdena str. 4
 Telephone: (380) 5536-55-109

TERRA TARSA DON LLC:

Type of company: Limited liability corporation
 Capital: US\$29,477

7) INFORMATION ABOUT SUBSIDIARIES AND ASSOCIATES

Ownership:	100% Terra Tarsa BV
Investment as % of SQM S.A.'s individual assets:	0.15973%
Corporate purpose:	Distribution, sales and marketing of specialty fertilizers
Board of directors:	Not applicable
CEO:	Alina Moiseeva
Relationship with parent company:	Distribution
Contracts with parent company:	Commercial agreement
Address:	344090 Russian Federation, Rostov-on-Don, Zorge str.17
Telephone:	7 (863) 300-76-27

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

Relevant or Essential Facts Pertaining to SQM S.A.

The following events occurred or were reported as essential events or events of interest to the CMF, the Stock Exchanges and included on the Company's website:

On January 8, 2019, it was informed that yesterday the resignation of CEO, Mr. Patricio de Solminihac became effective. As of today, Mr. Ricardo Ramos Rodriguez has assumed the position of CEO of the Company.

On January 23, 2019, it was informed that today the Board of Directors of SQM approved the following SQM Board Protocol for the presentation and use of sensitive information:

SQM BOARD PROTOCOL FOR THE PRESENTATION AND USE OF SENSITIVE INFORMATION

I. Background

(a) On July 26, 2017, the Board of Directors of Sociedad Química y Minera de Chile S.A. (respectively the "Board of Directors" and "the Company") approved a list of the main competitors, suppliers and customers of the Company, where Tianqi Lithium Corporation ("Tianqi") was included as a competitor of the Company.

(b) In May 2018, Tianqi and Nutrien Ltd. announced that Tianqi agreed to acquire from Nutrien Ltd. the amount of 62,556,568 Series A shares of the Company, which corresponds to approximately 24% of the total shares issued by the Company.

(c) On August 27, 2018, Tianqi and the Chilean National Economic Prosecutor Office (the "FNE") signed an out-of-court settlement (the "Agreement"), pursuant to which the FNE sought to implement behavioral measures in order to (i) maintain the competitive conditions of the lithium market, (ii) mitigate the risks described in the Agreement and (iii) limit the possibility of accessing certain information related to the Company and its subsidiaries, which is defined as sensitive under the Agreement (the "Sensitive Information") by Tianqi (the "Purpose").

(d) The Antitrust Court (the "TDLC") approved the Agreement by resolution of October 4, 2018, which was finalized on October 30, 2018. In Agreement approval process, the Company expressed its concerns to the TDLC regarding the measures described in the Agreement as (i) not effectively resolving the risks that Tianqi and the FNE wanted to mitigate, (ii) not being correctly oriented to avoid the access to Sensitive Information that, could damage the Company and the correct functioning of the market when in the possession of a competitor, and (iii) contradicting Law 18,046 on Corporations (the "Corporations Act") and other regulatory bodies applicable to the Company.

(e) On December 5, 2018, the Company learned that Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corporation, acquired 62,556,568 Series A shares of the Company, representing approximately 23.77% of the total shares issued by the Company (the "Acquisition"). Before the Acquisition, and after the approval of the Agreement by the TDLC, the Board of Directors had deemed it necessary to adopt measures aimed at achieving the Purpose, avoiding greater points of contact between the Sensitive Information and Tianqi, in a complementary manner, and not contradictory with the Agreement.

(f) In consideration of the foregoing, on January 23, 2019, the Board of Directors unanimously resolved to adopt, the following protocol on the presentation and use of information in the Board of Directors, in the committees of the Board of Directors and in the Boards of Directors of Company's subsidiaries (the "Protocol"):

II. Protocol

1. Managing of information in the Board of Directors

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

1.1. The Board of Directors has defined that the directors and senior executives of the Company have the duty and responsibility to cooperate with the fulfillment of the Purpose, subject to compliance with the Corporations Act and other applicable regulations.

1.2. Therefore, in order for the Board of Directors to comply with its purposes and duties according to the Purpose, the Board of Directors agrees to delegate - in accordance with article 40, subsection 2 of the Public Limited Companies Law - all its powers in relation to administration, knowledge and resolution of the matters that refer to the lithium business of the Company, which means knowledge of Sensitive Information, in the committee indicated below.

1.3. Directors nominated or elected by a Competitor Shareholder (the "Directors elected by Competitor") have the right to receive Sensitive Information that has been dealt with or known in the Board of Directors or in any of its committees. Notwithstanding this, in the event that a Director chosen by Competitor wants to access Sensitive Information, he or she must request it in writing from the CEO of the Company. The CEO must inform the Head of the Antitrust Division of the FNE, the event that Sensitive Information is being requested by the Director elected by Competitor.

1.4. For the purposes of section 1.3 above, a "Competitor Shareholder" is understood to be one who has been identified as a competitor of the Company in the lithium business, by any of the following persons or entities: (i) the shareholder himself, (ii) the Board of Directors, (iii) the FNE, the TDLC or any other antitrust authority that exercises jurisdiction over the Company or said shareholder, or (iv) the Agreement or any other instrument that modifies or replaces it.

2. Lithium Committee

2.1. The Board of Directors creates a Lithium Committee (the "Committee"). The Board delegates to the Committee the power to impose, review and manage all Sensitive Information; assist and guide senior executives of the Company in the ordinary management of the lithium business; review and recommend necessary policies and strategies related to the lithium business to the Board; and represent the Company, with the authority to evaluate, negotiate and subscribe acts, contracts or operations related to the lithium business and leading to knowledge of Sensitive Information.

2.2. The delegation of powers to the Committee does not imply the limitation or revocation of powers granted prior to this date by the Company that have not been specifically limited or revoked and, in addition, may coexist with future delegations of powers made by the Board, without implying a limitation of these, unless specifically agreed otherwise.

2.3. The Committee may be composed of all the directors of the Company who so express during the first meeting of the Board of Directors held after any Shareholders Meeting in which the Board of Directors has been renewed. Upon the request of a Director Elected by Competitor to be part of the Committee, the CEO must communicate this circumstance to the Head of the FNE Antitrust Division. Among the members of the Committee, a chairman must be elected, who will have the deciding vote. As agreed in advance by the shareholders at the Ordinary Shareholders Meeting of the Company, the members of the Committee may be remunerated for their duties related to the Committee,

2.4. The Committee will meet monthly, immediately following the ordinary meetings of the Board of Directors or as often as agreed by the members of the Committee. At the request of the Chairman of the Committee or the CEO, the Committee may meet in an extraordinary manner, by sending an email notice to its members at least 24 hours in advance.

2.5. Necessary information will be available to the members of the Committee, but not the Board. The Company must ensure that such information is of a restricted nature and is only available to the members of the Committee and the executives of the Company who should receive it. With respect to Sensitive Information, The Committee is

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

fully empowered to establish all types of remote or online access restrictions, so that such information can only be received by members of the Committee.

3. Boards of Directors of Subsidiaries

3.1. The Board of Directors does not contemplate making changes in the manner in which the boards of the Company's subsidiaries are carried out and structured.

3.2. The directors of the Company may attend the meetings of the boards of the Company's subsidiaries with the right to speak, and they will be empowered to impose on the books and records of said subsidiaries. Upon the requirement of a Director Elected by Competitor to participate in the board of a subsidiary, the CEO must inform the Head of the FNE Antitrust Division about such circumstance.

3.3. The Board of Directors agrees to authorize the full exchange of information between its subsidiaries SQM Salar S.A. and SQM Potasios S.A., in order to allow the executives of the Company and the members of the board of both subsidiaries to have consolidated and detailed information of their businesses, for the best management of these and in the best interest of the Company, in accordance with the guidelines established by the Board from time to time.

4. Right to Information

4.1. The directors of the Company have the right to be fully informed of everything related to the Company at any time in a documented manner, and by the CEO.

4.2. The CEO cannot deny Sensitive Information to a director, nor information that has been treated or known in the Committee or in subsidiaries of the Company, unless this is ordered by a competent authority.

5. Incidents Report

5.1. Given the risks identified by the FNE with respect to the Acquisition, any director, senior executive or employee of the Company is obliged to inform the CEO and the Compliance Officer of the Company about any breach of this Protocol or the Agreement.

5.2. It will be the responsibility of each Director Elected by Competitor, to inform the CEO as soon as he becomes aware of having known Sensitive Information involuntarily.

5.3. The CEO, after becoming aware of any of the circumstances indicated in sections 5.1 or 5.2 above, must communicate this circumstance to the head of the FNE Antitrust Division, as well as adopt the measures he deems necessary to prevent or mitigate a damage to the Company.

5.4. The communications that under this Protocol are made to the head of the FNE Antitrust Division, do not imply that the Company assumes any type of responsibility or obligations under the Agreement.

5.5. This Protocol may be modified or rendered ineffective by the Board of Directors, at any time, as it may decide. In this case, it will be communicated according to section 7 below.

6. Deferred Term

The term of the present Protocol shall be indefinite starting from the time when the next Ordinary Shareholders Meeting of the Company is concluded.

7. Communication

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

The Board of Directors agreed that this Protocol is (i) informed as an essential fact to the Commission for the Financial Markets, (ii) informed to the Head of the FNE Antitrust Division, (iii) informed and distributed to each of the Vice Presidencies and management of the Company and its subsidiaries, and (iv) published immediately on the Company's website www.sqm.com.

On March 11, 2019, it was informed that CEO, Ricardo Ramos, held an interview with local press. As part of this discussion, he commented on the topics described below.

Ricardo Ramos stated, “The objectives of the Company in the lithium market have not changed. We are, and we will continue to be one of the main players in the lithium industry. Company decisions will not be managed by market share goals; market share is just the relation between our sales volumes and the market demand at any given time. We will continue being one of the major players in the lithium market as we have the capacity, the team, the technology, the financial resources and high-quality natural resources necessary in place.”

In 2019, it is expected that market demand will reach approximately 350,000 metric tons, well over the market demand in 2018. We believe our sales volumes in 2019 will be slightly higher than those reported in 2018, probably under 50,000, and definitely less than 60,000 metric tons. We expect to produce over 60,000 metric tons in 2019.

Mr. Ramos continued by saying, “We are going to sell the volumes defined by our commercial and production strategy. The price is and will be the balance between supply and demand. SQM is not going to limit its sales volumes in order to sustain prices. In any case, we are optimistic about prices, if we consider the growth rates that are expected for demand in the coming years”. Additionally, the Company will rebuild inventories, allowing us to have two to three months of inventory. Mr. Ramos continued by saying, “over the last few years we have been selling more than our installed capacity, pressuring our lithium production process along with our entire supply chain, taking away the flexibility needed to respond to our customers. Producing levels slightly higher than what we expect to sell this year will allow us to recover part of our inventories, which will give us greater flexibility to face the market and the expansion challenges of our plants”.

We expect our installed capacity in Chile to reach 120,000 metric tons by the end of 2020², an increase of 50,000 metric tons compared to our current capacity of 70,000 metric tons. From that point, we will continue to work to reach an installed capacity of 180,000 metric tons in Chile in the future. The capex associated with this expansion should be in the range of approximately US\$4,000 per ton, or about US\$400 million. From this capacity, we expect to sell annually 150,000 metric tons of lithium by 2025, which is more than triple our sales volumes today. We expect market demand will be at least 1 million metric tons in 2025. Of course, we continue to invest in the Mount Holland lithium project in Australia as well.

We have increased our long-term debt in order to finance the expansion projects related to lithium, nitrates and iodine. Our debt to equity ratio has increased slightly. However, we have a strong balance sheet with low debt levels in relation to our cash generation and high liquidity, this will allow us to embark on our expansion goals without problem.

On March 27, 2019, it was informed that SQM announced today that in accordance with Articles 9 and 10, and General Rule N° 30 of the Commission for the Financial Market (CMF), it informs the following as an essential fact (hecho esencial):

Today, the Board of Directors of SQM in an Ordinary Board Meeting unanimously agreed to recommend to the shareholders at the next Annual Ordinary Shareholders' Meeting which is to be held on April 25, 2019, the payment of a final dividend representing 100% of the Company's 2018 net income. The final dividend will be calculated on a distributable net income of US\$439,829,980, which corresponds to US\$1.67111 per share. Nevertheless,

² Note: In the interview published in the newspaper El Mercurio, by mistake, it appears that the installed capacity in Chile is expected to reach 120,000 metric tons by the beginning of 2020 and not by the end of that year.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

US\$1.25837 per share must be deducted from the final dividend, as it was already paid in the form of interim dividends, leaving balance due of US\$0.41274 per share.

Said amount shall be paid in the equivalent in Chilean national currency according to the value of the "Observed Dollar" or "US Dollar" that appears published in the Official Gazette on April 25, 2019. The payment of these dividends shall be made in favor of the Company's shareholders, in person or through their duly authorized representatives, starting at 9:00am on May 9, 2019, who are registered with the respective registry on the fifth business day before the day on which the payment shall be made.

On April 11, 2019, it was informed that today the administration of SQM became aware of the agreement entered into between the Pampa Group and Inversiones TLC SpA, a subsidiary of Tianqi Lithium Corp. The Agreement was made public by Sociedad de Inversiones Pampa Calichera S.A. to the Chilean market through an essential fact (hecho esencial) according to the Chilean regulation. A copy of the agreement is published on our website at http://s1.q4cdn.com/793210788/files/doc_news/2019/March/PR_ShareholdersAgreement_11abr2019_ing.pdf.

On April 15, 2019, it was informed that today the Extraordinary Board of Directors of SQM approved to amend the SQM Board Protocol for the presentation and use of sensitive information. A copy of the protocol is published on our website at http://s1.q4cdn.com/793210788/files/doc_news/2019/March/PR_Information-Protocol_15abr2019_ing.pdf.

On April 17, 2019, it was informed that SQM announced today that it has filed its Annual Report on Form 20-F for the fiscal year ended December 31, 2018, with the U.S. Securities and Exchange Commission (the "SEC").

SQM's Form 20-F can be accessed by visiting either the SEC's website at www.sec.gov or the investor relations section of the Company's website at www.sqm.com.

On April 25, 2019, it was informed that SQM announced the following information:

1. Today, the Company held its 44th Annual General Meeting and agreed to, among others, the following items:
 - (a) To approve the Company's Balance Sheet, the Financial Statements, the Annual Report, the Account Inspectors' Report, and the External Auditors' Report for the year ending on December 31, 2018.
 - (b) To appoint PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada as the Company's External Auditors for the period January 1 through December 31, 2019.
 - (c) To approve the distribution of a final dividend as recommended by the Board of Directors and communicated as an essential fact (hecho esencial) on March 27, 2019.
 - (d) Company Board elections, it was decided that the Board would be composed of the following members: Gonzalo Guerrero Yamamoto, Georges de Bourguignon Arndt, Francisco Ugarte Larraín, Robert J. Zatta, Hernán Büchi Buc, Patricio Contesse Fica, Laurence Golborne Riveros and Alberto Salas Muñoz, with the last two members being independent.
 - (e) To approve the remuneration structure for the Board members, and the members of the Board committees, and expenses associated with each.
2. In an extraordinary Board meeting on the same day, the Board agreed to appoint Mr. Alberto Salas Muñoz as Chairman of the Board; and Mr. Patricio Contesse Fica as Vice Chairman of the Board.
3. At the same time, the Board agreed that the composition of the Board Committees would be as follows:
 - (a) Audit/Directors' Committee: Georges de Bourguignon Arndt, Laurence Golborne Riveros and Alberto Salas Muñoz;
 - (b) Corporate Governance Committee: Hernán Büchi Buc, Patricio Contesse Fica and Francisco Ugarte Larraín

Safety, Health and Environment Committee: Patricio Contesse Fica, Gonzalo Guerrero Yamamoto and Robert J. Zatta.

On April 26, 2019, it was informed that SQM held its Annual General Shareholders' Meeting. During the meeting and discussing later that day with the press that covered the meeting, Alberto Salas, the Chairman of the Board, and Ricardo Ramos, CEO of the Company, commented on the Company's performance.

SQM believes that the lithium market remains strong, and that the market could reach one million MT in 2025, at which time SQM hopes to have a market share of approximately 15-20%, given its ambitious growth plans. It is expanding its lithium carbonate plant from 70,000 MT of capacity today to approximately 180,000 MT in the future. The Company also plans to increase its lithium hydroxide capacity in Chile by approximately 16,000 MT, which will include two plants of 8,000 MT of capacity each. The capex associated with this lithium hydroxide expansion is expected to be around US\$100 million. SQM keeps moving forward with its expansion plans in Australia. As the Company has previously disclosed, the Company's management believes that the lithium market will see increased supply this year, impacting SQM's ability to maintain price premiums in 2019 compared to its competitors and that lithium sales volumes in 2019 are expected to be less than 50,000 MT. In addition, the Company expects first quarter 2019 lithium results compared to the same period last year to be adversely affected as a result of i) the previously disclosed increases in costs related to the CORFO lease payment rates, which became effective in April 2018, as the costs reported for the first quarter 2018 did not consider the new lease payment structure, and ii) the loss of previous price premiums compared to our competitors, which we expect will result in prices being over 10% lower during the first quarter this year compared to the first quarter 2018. Sales volumes in the first quarter are expected to be similar to those reported during the first quarter last year.

The iodine market looks strong; prices recently surpassed US\$25/kg. We recently submitted an application for an environmental permit for the Tente en el Aire project to modify our existing operations in Nueva Victoria, Chile. Our current production capacity of iodine is 14,000 MT/year, and this permit will allow us to increase capacity to support the market growth.

As we have stated in the past, as a result of production limitations as we focus our production efforts in the Salar de Atacama on increasing lithium yields, our sales volumes for 2019 in the potassium chloride business line, will be approximately 500,000 MT. During the first quarter 2019, we expect sales volumes to be significantly lower than sales volumes reported during the first quarter 2018. The lower production of potassium chloride during 2019, should not impact SPN sales volumes during the year. We have seen new supply enter the potassium nitrate market recently, and therefore we expect to see lower prices in 2019 when compared to prices reported in 2018, similar to prices reported in the fourth quarter 2018. During the first quarter 2019, sales volumes are expected to be similar to those reported during the same period last year. The potassium nitrate market is expected to remain strong this year, and we believe it could grow approximately 6%.

On April 26, 2019, it was informed that the Company announced today that it intends, subject to market and other conditions, to offer senior unsecured notes to qualified institutional buyers in the United States in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and to persons outside the United States in accordance with Regulation S under the Securities Act.

SQM currently expects to use the net proceeds from the offering of the notes for general corporate purposes, including funding its capital expenditure program and reducing its outstanding indebtedness.

The notes to be offered have not been and will not be registered under the Securities Act or any state or other jurisdiction's securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions' securities laws.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the notes or any other securities, nor shall there be any offer, solicitation or sale of the notes or any other securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful.

On May 2, 2019, it was informed that the Company announced today that it had agreed to issue and sell US\$450 million principal amount of its senior unsecured notes due 2029. The notes will have an annual interest rate of 4.25%, and the transaction is expected to close on May 7, 2019, subject to customary closing conditions.

SQM currently expects to use the net proceeds from the offering of the notes for general corporate purposes, including capital expenditure and refinancing of existing debt.

The notes are being sold to qualified institutional buyers in the United States in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and to persons outside the United States in accordance with Regulation S under the Securities Act. The notes have not been and will not be registered under the Securities Act or any state or other jurisdiction's securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions' securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the notes or any other securities, nor shall there be any offer, solicitation or sale of the notes or any other securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful.

On May 7, 2019, it was informed that today the Company issued and sold on the international markets US\$450 million principal amount of its senior unsecured notes due 2029 with an annual interest rate of 4.25%.

SQM currently expects to use the net proceeds from the offering of the notes for general corporate purposes, including capital expenditure and refinancing of existing debt.

The notes are being sold to qualified institutional buyers in the United States in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and to persons outside the United States in accordance with Regulation S under the Securities Act. The notes have not been and will not be registered under the Securities Act or any state or other jurisdiction's securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state or other jurisdictions' securities laws.

On May 22, 2019, it was informed that SQM announced in accordance with Articles 9 and 10 of Chilean Market Securities Law and in the form of essential fact (hecho esencial) that today the Board of Directors unanimously approved the following:

To pay an interim dividend equal to US\$0.30598 per share, to be charged against 2019 retained earnings. This amount shall be paid in the equivalent in Chilean pesos according to the value of the "Observed Dollar" or "US Dollar" that appears published in the Official Gazette on May 29, 2019.

This shall be paid to the corresponding shareholders, in person or through their duly authorized representatives, starting at 9:00am on June 12, 2019 to shareholders who are registered on the shareholders' registry of the Company five business days prior to the payment date.

On May 22, 2019, it was informed that that Wesfarmers and Kidman Resources (Kidman), the latter being the owner of 50% of the Mount Holland Lithium Project located in Western Australia, have announced the execution of a scheme implementation deed (SID) where Wesfarmers will acquire 100 per cent of the outstanding shares in Kidman for \$1.90 cash per share, or approximately AUD776 million (US\$535 million). This transaction is expected to be completed by September this year.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

In addition, Wesfarmers and SQM announced that they have entered into a Commitment Deed modifying the Mt Holland lithium project joint venture agreement between SQM and Kidman related to certain technical and commercial matters. These modifications will become effective once the transaction between Wesfarmers and Kidman is completed. The Commitment Deed, contains certain obligations, including that SQM has agreed not to enter into discussions with any party proposing to make an alternative offer for Kidman. The commitment deed satisfies one of the conditions to Wesfarmers entering into a SID to acquire Kidman. The Commitment Deed will terminate if Kidman's board recommends a better offer for 100% of the shares, or if the SID between Wesfarmers and Kidman is terminated without Wesfarmers closing the transaction.

The CEO of SQM, Ricardo Ramos, commented, "Wesfarmers is a conglomerate based in Western Australia, with vast experience in industrial projects across Australia. We are sure that its entry as partners into the Mt Holland project, as well as the agreements reached with them recently, will be beneficial to the development of the Mt. Holland project. " He then added, "Kidman has been our partner for the past 18 months. Its support to SQM and the Mt Holland project has been key to getting the project where it is today."

On August 21, 2019, it was informed that SQM announced in accordance with Articles 9 and 10 of Chilean Market Securities Law and in the form of essential fact (hecho esencial) that today the Board of Directors approved the following:

To pay an interim dividend equal to US\$0.26669 per share, to be charged against 2019 retained earnings. This amount shall be paid in the equivalent in Chilean pesos according to the value of the "Observed Dollar" or "US Dollar" that appears published in the Official Gazette on August 30, 2019.

This shall be paid to the corresponding shareholders, in person or through their duly authorized representatives, starting at 9:00am on September 12, 2019 to shareholders who are registered on the shareholders' registry of the Company five business days prior to the payment date.

On September 30, 2019, it was informed that today the Extraordinary Board of Directors of SQM approved to amend the SQM Board Protocol for the presentation and use of sensitive information, previously approved by the Board on April 15, 2019, as follows:

SQM BOARD PROTOCOL FOR THE PRESENTATION AND USE OF SENSITIVE INFORMATION

Today, the Board of Directors of SQM (the "Board" and the "Company" respectively) approved to amend the SQM Board Protocol for the presentation and use of sensitive information in the Board and its Committees, and in the boards of SQM's subsidiaries, approved on April 15, 2019, (the "Protocol") as follows:

1. Managing of information in the Board of Directors

1.1 The Board of Directors has defined that the directors and main executives of the Company have the duty and responsibility to comply with the Company's [Fair Competition Policy](#) (the "Policy") and cooperate with the objective of the agreement signed on August 27, 2018, between Tianqi Lithium Corporation and the Chilean National Economic Prosecutor Office (the "Agreement"), which sought to implement behavioral measures in order to (i) maintain the competitive conditions of the lithium market, (ii) mitigate the risks described in the Agreement

and (iii) limit the possibility of accessing certain information related to the Company and its subsidiaries, which is defined as sensitive under the Agreement (the "Sensitive Information")³, by Tianqi.

1.2 According to the Chilean Corporations Act, all of the Company's Directors, including those nominated or elected by a Competitor Shareholder, have the right to receive all Company information including the Sensitive Information.

1.3 For the purposes of this Protocol, a "Competitor Shareholder" is understood to be one who has been identified as a competitor of the Company in the lithium business, by any of the following persons or entities: (i) the shareholder himself, (ii) the Board of Directors, (iii) the Chilean National Economic Prosecutor Office (the "FNE"), the The Antitrust Court (the "TDLC") or any other antitrust authority that exercises jurisdiction over the Company or said shareholder, or (iv) the Agreement or any other instrument that modifies or replaces it.

1.4 It will correspond to the Risk and Compliance Officer of the Company (the "Compliance Officer") to resolve any doubt or discrepancy about whether certain information corresponds or not to Sensitive Information. In any case, Sensitive Information shall not be understood as that which at the time of being requested was legitimately available to the general public.

2. Board of Directors of Subsidiaries

2.1 The Board of Directors does not contemplate making changes in the manner in which the boards of the Company's subsidiaries are carried out and structured.

2.2 The directors of the Company can attend the meetings of the boards of the Company's subsidiaries with the right to comment and will have the access to the books and records of said subsidiaries.

2.3 The Board of Directors agrees to authorize the full exchange of information between its subsidiaries SQM Salar S.A. and SQM Potasio S.A., in order to allow the executives of the Company and the board directors of both subsidiaries to have consolidated and detailed information of their businesses, for their best management and in the best interest of the Company, in accordance with the guidelines established by the Board from time to time.

3. Right to Information

3.1 The directors of the Company have the right to be fully informed by the CEO of the Company, of everything related to the Company performance at any time in a documented manner.

3.2 Notwithstanding the provisions of sections 1.2 and 3.1 of this Protocol, any request for Sensitive Information that is made outside of a board session by a director of the Company elected by a Competing Shareholder must be made to the CEO or another chief executive of the Company notifying the CEO, the latter must report to the

³ Under the Agreement, "Sensitive Information" is defined as **SQM's Commercially Sensitive Information in the lithium business**, specifically related to its strategic information regarding production quantities, inventory policies, investments, technologies, know how, sales contracts, pricing policies, patents, new exploitation, refining or expansion projects, new businesses, costs and other competitive strategic variables, whether communicated by any means or contained in internal summaries, minutes, presentations, agreements or other documents. In turn, **SQM's lithium business** is defined in the Agreement as present or future business related to the lithium industry, such as the current or future production, processing, marketing and/or distribution of brine, lithium carbonate, hydroxide of lithium and any other lithium compound produced by SQM and / or the companies controlled by said company or on which it exercises a decisive influence. Finally, a **Decisive Influence** is defined in the Agreement as the ability of a person or entity to determine or influence the administration and competitive decisions of another under the terms of letter b) of article 47 of Decree Law No. 211 and in accordance with terms indicated by the Chilean National Economic Prosecutor Office in the Competition Guide.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

Compliance Officer both the Sensitive Information that has been requested, and the Sensitive Information that has been given, for its timely registration.

3.3 The CEO cannot deny Sensitive Information to a director, nor information that has been treated or known in the Committee or in subsidiaries of the Company, unless this is required by the FNE, TDLC, the Commission for the Financial Market (the “CMF”), or any other governmental or judicial authority with the legal power to request such information.

4. Incident Reports

Given the risks of the Agreement, any director or senior executive of the Company is obliged to inform the Compliance Officer of the Company about any breach of this Protocol as soon as reasonably possible.

5. Clarifications

This Protocol does not constitute a change to the Policy, but complements it. Notwithstanding the provisions of paragraph 1.4 above, any doubt, discrepancy or difficulty that arises due to the application, compliance or interpretation of the Protocol must be reported to the Compliance Officer in order to inform the Company’s Directors Committee to promptly submit a solution proposal to the Board of Directors.

6. Annual report, audit and training

6.1 The Compliance Officer must report to the Board of Directors at least once a year on the compliance with the Protocol and ensure that the Company's Internal Audit audits its compliance.

6.2 The Compliance Officer shall also ensure that the trainings that are carried out according to the Policy and the Training Procedure of the Company's Ethics and Compliance Program, account for the purpose and the main obligations that this Protocol contemplates for the directors and Company’s executives.

7. Deferred Term and Modifications

7.1 The term of the present Protocol shall be indefinite starting from today.

7.2 This Protocol can be modified or dissolved at any time by the Board of Directors, according to its discretion. If this happens, it will be communicated as outlined in section 8.

8. Communication

The Board of Directors agreed that this Protocol is (i) informed as an essential fact to the Commission for the Financial Markets, (ii) informed to the Head of the FNE Compliance Inspection Unit, (iii) informed and distributed to each of the Vice Presidencies and management of the Company and its subsidiaries, and (iv) published immediately on the Company's website www.sqm.com.

On November 20, 2019, it was informed that SQM announced in accordance with Articles 9 and 10 of Chilean Market Securities Law and in the form of essential fact (hecho esencial) that today the Board of Directors approved the following:

To pay an interim dividend equal to US\$0.22987 per share, to be charged against 2019 retained earnings. This amount shall be paid in the equivalent in Chilean pesos according to the value of the "Observed Dollar" or "US Dollar" that appears published in the Official Gazette on November 29, 2019.

This shall be paid to the corresponding shareholders, in person or through their duly authorized representatives, starting at 9:00am on December 12, 2019 to shareholders who are registered on the shareholders’ registry of the Company five business days prior to the payment date.

8) INFORMATION ABOUT RELEVANT OR ESSENTIAL FACTS

On December 27, 2019, it was informed that yesterday, December 26, 2019, SQM was served with the decision by the First Environmental Court of Antofagasta, issued in the case R-17-2019, on a claim against the Chilean Environmental Authority (SMA) resolution dated January 7, 2019, which approved the environmental compliance plan presented by SQM Salar S.A.

The First Environmental Court has estimated that the environmental compliance plan presented by SQM Salar S.A., and approved by the SMA, does not comply with certain proposed measures of the completeness and efficiency requirements demanded by the environmental legislation. The company regrets this decision and is convinced that the compliance plan -carefully evaluated by the competent authorities- safeguards the protection of the environment. SQM Salar S.A. is also evaluating the next courses of action available to the company by law.

SQM reaffirms its commitment to the protection of the environment and the Salar de Atacama, along with respect for the neighboring communities. In addition, the company is looking forward to its collaboration with the environmental authorities and incorporating the improvements pertinent to continuous strengthening of its environmental management system.

With the information available to the company at the moment, SQM has not made any adjustments to its production or sales plans.

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

On March 26, 2019, it was reported that the Board of Directors of the Company accepted the voluntary resignation presented by the CEO of the Company, Mr. Daniel Pizarro Rosas, as of May 24, 2019. The Board of Directors recognized and appreciated the important contributions made by Mr. Pizarro to the Company during the time he served as its top executive.

On April 23, 2019, it was reported that the Board of Directors of the Company appointed Mr. Rodrigo Eduardo Real Ibaceta as its legal representative as of May 25, 2019.

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

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

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

Santiago, March 2, 2020

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

We have audited the accompanying consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

PwC Chile, Av. Andrés Bello 2711 - piso 5, Las Condes - Santiago, Chile
RUT: 81.513.400-1 | Teléfono: (56 2) 2940 0000 | www.pwc.cl



Santiago, March 2, 2020
Sociedad Química y Minera de Chile S.A.
2

Opinion

In our opinion, the aforesaid consolidated financial statements present fairly, in all material respects, the financial position of Sociedad Química y Minera de Chile S.A. and subsidiaries as of December 31, 2019 and 2018, and the results of their operations and cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS).

A handwritten signature in blue ink, appearing to be "Bruno Peregón Mella", written over a horizontal line.

The PricewaterhouseCoopers logo, written in a cursive, blue ink style.

Digitally signed by Bruno Peregón Mella RUT: 25.177.440-7. The corresponding certification can be visualized in the electronic version of this document.

Table of Contents –Consolidated Financial Statements

CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION	144
CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION	145
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	147
CONSOLIDATED STATEMENTS OF CASH FLOWS	148
CONSOLIDATED STATEMENTS OF CASH FLOWS	149
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY.....	150
NOTE 1 IDENTIFICATION AND ACTIVITIES OF THE COMPANY AND SUBSIDIARIES	153
1.1 HISTORICAL BACKGROUND	153
1.2 MAIN DOMICILE WHERE THE COMPANY PERFORMS ITS PRODUCTION ACTIVITIES.....	153
1.3 CODES OF MAIN ACTIVITIES.....	153
1.4 DESCRIPTION OF THE NATURE OF OPERATIONS AND MAIN ACTIVITIES.....	153
1.5 OTHER BACKGROUND.....	155
NOTE 2 BASIS OF PRESENTATION FOR THE CONSOLIDATED FINANCIAL STATEMENTS.....	157
2.1 ACCOUNTING PERIOD	157
2.2 CONSOLIDATED FINANCIAL STATEMENTS	157
2.3 BASIS OF MEASUREMENT.....	157
2.4 ACCOUNTING PRONOUNCEMENTS	158
2.5 BASIS OF CONSOLIDATION.....	160
2.6 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES.....	163
NOTE 3 SIGNIFICANT ACCOUNTING POLICIES.....	164
3.1 CLASSIFICATION OF BALANCES AS CURRENT AND NON-CURRENT	164
3.2 FUNCTIONAL AND PRESENTATION CURRENCY	164
3.3 FOREIGN CURRENCY TRANSLATION.....	164
3.4 CONSOLIDATED STATEMENT OF CASH FLOWS	166
3.5 FINANCIAL ASSETS	166
3.6 ACCOUNTING POLICY FOR FINANCIAL LIABILITIES	168
3.7 RECLASSIFICATION OF FINANCIAL INSTRUMENTS.....	168
3.8 FINANCIAL INSTRUMENT DERECOGNITION	168
3.9 DERIVATIVE AND HEDGING FINANCIAL INSTRUMENTS	168
3.10 DERIVATIVE FINANCIAL INSTRUMENTS NOT CONSIDERED AS HEDGES	170
3.11 DEFERRED ACQUISITION COSTS FROM INSURANCE CONTRACTS.....	170
3.12 CLASSIFICATION LEASES.....	170
3.13 INVENTORY MEASUREMENT	172
3.14 TRANSACTIONS WITH NON-CONTROLLING INTERESTS	173
3.15 RELATED PARTY TRANSACTIONS.....	173
3.16 PROPERTY, PLANT AND EQUIPMENT	173
3.17 DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	174
3.18 GOODWILL	174
3.19 INTANGIBLE ASSETS OTHER THAN GOODWILL	175
3.20 RESEARCH AND DEVELOPMENT EXPENSES	176
3.21 EXPLORATION AND EVALUATION EXPENSES.....	176
3.22 IMPAIRMENT OF NON-FINANCIAL ASSETS	176
3.23 MINIMUM DIVIDEND.....	177

3.24	EARNINGS PER SHARE.....	177
3.25	BORROWING COST.....	177
3.26	OTHER PROVISIONS.....	178
3.27	OBLIGATIONS RELATED TO EMPLOYEE TERMINATION BENEFITS AND PENSION COMMITMENTS.....	178
3.28	COMPENSATION PLANS.....	178
3.29	REVENUE RECOGNITION.....	179
3.30	FINANCE INCOME AND FINANCE COSTS.....	179
3.31	CURRENT INCOME TAX AND DEFERRED.....	180
3.32	SEGMENT REPORTING.....	180
3.33	PRIMARY ACCOUNTING CRITERIA, ESTIMATES AND ASSUMPTIONS.....	181
3.34	ENVIRONMENT.....	181
NOTE 4 CHANGES IN ACCOUNTING ESTIMATES AND POLICIES.....		182
4.1	CHANGES IN ACCOUNTING ESTIMATES.....	182
4.2	CHANGES IN ACCOUNTING POLICIES.....	182
NOTE 5 FINANCIAL RISK MANAGEMENT.....		183
5.1	FINANCIAL RISK MANAGEMENT POLICY.....	183
5.2	RISK FACTORS.....	183
5.3	RISK MEASUREMENT.....	186
NOTE 6 BACKGROUND OF COMPANIES INCLUDED IN CONSOLIDATION.....		187
6.1	PARENT'S STAND-ALONE ASSETS AND LIABILITIES.....	187
6.2	PARENT ENTITY.....	187
NOTE 7 BOARD OF DIRECTORS, SENIOR MANAGEMENT AND KEY MANAGEMENT PERSONNEL... 188		
7.1	BOARD OF DIRECTORS AND SENIOR MANAGEMENT.....	188
7.2	KEY MANAGEMENT PERSONNEL COMPENSATION.....	190
NOTE 8 BACKGROUND ON COMPANIES INCLUDED IN CONSOLIDATION AND NON-CONTROLLING INTERESTS.....		191
8.1 BACKGROUND ON COMPANIES INCLUDED IN CONSOLIDATION.....		191
9.3	OTHER INFORMATION.....	203
9.4	DISCLOSURES ON INTEREST IN ASSOCIATES.....	203
10.1	POLICY FOR THE ACCOUNTING OF EQUITY ACCOUNTED INVESTMENT IN JOINT VENTURES.....	204
10.2	DISCLOSURES OF INTEREST IN JOINT VENTURES.....	204
10.3	INVESTMENT IN JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD OF ACCOUNTING.....	205
10.4	ASSETS, LIABILITIES, REVENUE AND EXPENSES FROM JOINT VENTURES:.....	208
10.5	OTHER JOINT VENTURE DISCLOSURES:.....	209
10.6	JOINT VENTURES.....	210
NOTE 11 CASH AND CASH EQUIVALENTS.....		211
11.1	TYPES OF CASH AND CASH EQUIVALENTS.....	211
11.2	SHORT-TERM INVESTMENTS, CLASSIFIED AS CASH EQUIVALENTS.....	211
11.3	INFORMATION ON CASH AND CASH EQUIVALENTS BY CURRENCY.....	212
11.4	AMOUNT RESTRICTED (UNAVAILABLE) CASH BALANCES.....	212
11.5	SHORT-TERM DEPOSITS, CLASSIFIED AS CASH EQUIVALENTS.....	213
11.6	NET DEBT RECONCILIATION.....	215
NOTE 12 INVENTORIES.....		216

NOTE 13 RELATED PARTY DISCLOSURES.....	218
13.1 RELATED PARTY DISCLOSURES.....	218
13.2 RELATIONSHIPS BETWEEN THE PARENT AND THE ENTITY	218
13.3 DETAILED IDENTIFICATION OF RELATED PARTIES AND SUBSIDIARIES.....	219
13.4 DETAIL OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS	222
13.5 TRADE RECEIVABLES DUE FROM RELATED PARTIES, CURRENT:.....	223
13.6 TRADE PAYABLES DUE TO RELATED PARTIES, CURRENT:.....	223
NOTE 14 FINANCIAL INSTRUMENTS.....	224
14.1 TYPES OF OTHER FINANCIAL ASSETS	224
14.2 TRADE AND OTHER RECEIVABLES	225
14.3 HEDGING ASSETS AND LIABILITIES	228
14.4 FINANCIAL LIABILITIES	230
14.5 TRADE AND OTHER PAYABLES.....	243
14.6 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	244
14.7 FINANCIAL ASSET AND LIABILITY CATEGORIES	245
14.8 FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES	247
14.9 ESTIMATED FAIR VALUE OF FINANCIAL INSTRUMENTS AND FINANCIAL DERIVATIVES.....	250
NOTE 15 INTANGIBLE ASSETS AND GOODWILL.....	251
15.1 BALANCES.....	251
15.2 DISCLOSURES ON INTANGIBLE ASSETS AND GOODWILL.....	251
NOTE 16 PROPERTY, PLANT AND EQUIPMENT	260
16.1 TYPES OF PROPERTY, PLANT AND EQUIPMENT	260
16.2 CONCILIATION OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT BY TYPE:.....	262
16.3 CONCILIATION OF CHANGES IN RIGHT OF USE ASSETS, BY CLASSES.....	266
16.4 DETAIL OF PROPERTY, PLANT AND EQUIPMENT PLEDGED AS GUARANTEE.....	267
16.5 IMPAIRMENT OF ASSETS	267
16.6 ADDITIONAL INFORMATION	267
NOTE 17 OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS.....	268
NOTE 18 EMPLOYEE BENEFITS	269
18.1 PROVISIONS FOR EMPLOYEE BENEFITS	269
18.2 POLICIES ON DEFINED BENEFIT PLAN.....	269
18.3 OTHER LONG-TERM BENEFITS	270
18.4 POST-EMPLOYMENT BENEFIT OBLIGATIONS	270
18.5 STAFF SEVERANCE INDEMNITIES	271
18.6 EXECUTIVE COMPENSATION PLAN.....	272
NOTE 19 PROVISIONS AND OTHER NON-FINANCIAL LIABILITIES.....	273
19.1 TYPES OF PROVISIONS	273
19.2 DESCRIPTION OF OTHER PROVISIONS	274
19.3 CHANGES IN PROVISIONS.....	275
NOTE 20 DISCLOSURES ON EQUITY.....	276
20.1 CAPITAL MANAGEMENT	276
20.2 DISCLOSURES ON PREFERRED SHARE CAPITAL	277
20.3 DISCLOSURES ON RESERVES IN EQUITY.....	278
20.4 DIVIDEND POLICIES	281
20.5 INTERIM AND PROVISIONAL DIVIDENDS.....	283

20.6	POTENTIAL AND PROVISIONAL DIVIDENDS	284
NOTE 22 CONTINGENCIES AND RESTRICTIONS		286
22.1	LAWSUITS AND OTHER RELEVANT EVENTS	286
22.2	RESTRICTIONS TO MANAGEMENT OR FINANCIAL LIMITS	291
22.3	ENVIRONMENTAL CONTINGENCIES	291
22.4	TAX CONTINGENCIES	292
22.5	CONTINGENCIES REGARDING THE CHANGES TO THE CONTRACTS WITH CORFO:	292
22.6	CONTINGENCIES RELATED TO THE CLASS ACTION LAWSUIT	293
22.7	RESTRICTED OR PLEDGED CASH	293
22.8	SECURITIES OBTAINED FROM THIRD PARTIES	293
22.9	INDIRECT GUARANTEES	294
NOTE 23 LAWSUITS AND COMPLAINTS		295
NOTE 24 ENVIRONMENT		296
24.1	DISCLOSURES OF DISBURSEMENTS RELATED TO THE ENVIRONMENT	296
24.2	DETAILED INFORMATION ON DISBURSEMENTS RELATED TO THE ENVIRONMENT	296
	ACCUMULATED EXPENSES AS OF DECEMBER 31, 2019	297
	ACCUMULATED EXPENSES AS OF DECEMBER 31, 2018	299
24.3	DESCRIPTION OF EACH PROJECT, INDICATING WHETHER THESE ARE IN PROCESS OR HAVE BEEN FINISHED	301
NOTE 25 MINERAL RESOURCE EXPLORATION AND EVALUATION EXPENDITURE		307
NOTE 26 GAINS (LOSSES) FROM OPERATING ACTIVITIES IN THE STATEMENT OF INCOME OF EXPENSES, INCLUDED ACCORDING TO THEIR NATURE		308
26.1	REVENUE FROM OPERATING ACTIVITIES CUSTOMER ACTIVITIES	308
26.2	COST OF SALES	310
26.3	OTHER INCOME	311
26.4	ADMINISTRATIVE EXPENSES	311
26.5	OTHER EXPENSES BY FUNCTION	312
26.6	OTHER GAINS (LOSSES)	312
26.7	IMPAIRMENT OF GAINS AND REVERSAL OF IMPAIRMENT LOSSES	313
26.8	SUMMARY OF EXPENSES BY NATURE	313
26.9	FINANCE EXPENSES	314
NOTE 27 REPORTABLE SEGMENTS		315
27.1	REPORTABLE SEGMENTS	315
27.2	REPORTABLE SEGMENT DISCLOSURES:	317
27.3	STATEMENT OF COMPREHENSIVE INCOME CLASSIFIED BY REPORTABLE SEGMENTS BASED ON GROUPS OF PRODUCTS	319
27.4	DISCLOSURES ON GEOGRAPHICAL AREAS	321
27.5	DISCLOSURES ON MAIN CUSTOMERS	321
27.7	PROPERTY, PLANT AND EQUIPMENT CLASSIFIED BY GEOGRAPHICAL AREAS	323
NOTE 28 BORROWING COSTS		324
NOTE 29 EFFECT OF FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES		325
NOTE 30 DISCLOSURES ON THE EFFECTS OF FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES		327
NOTE 31 INCOME TAX AND DEFERRED TAXES		332

31.1	CURRENT AND NON-CURRENT TAX ASSETS	332
31.2	CURRENT TAX LIABILITIES	333
31.3	INCOME TAX AND DEFERRED TAXES	334
NOTE 32 ASSETS HELD FOR SALE AND DETAIL OF ASSETS SOLD		344
NOTE 33 EVENTS OCCURRED AFTER THE REPORTING DATE		345
33.1	AUTHORIZATION OF THE FINANCIAL STATEMENTS	345
33.2	DISCLOSURES ON EVENTS OCCURRING AFTER THE REPORTING DATE	345
33.3	DETAILS OF DIVIDENDS DECLARED AFTER THE REPORTING DATE	345

Consolidated Classified Statements of Financial Position

Assets	Note N°	As of December 31, 2019	As of December 31, 2018
		ThUS\$	ThUS\$
Currents assets			
Cash and cash equivalents	11.1	588,530	556,066
Other current financial assets	14.1	505,490	312,721
Other current non-financial assets	17	50,552	47,972
Trade and other receivables, current	14.2	399,142	466,619
Trade receivables due from related parties, current	13.5	61,227	42,790
Current inventories	12	983,338	913,674
Current tax assets	31.1	91,433	57,110
Total current assets other than those classified as held for sale or disposal		2,679,712	2,396,952
Non-current assets or groups of assets classified as held for sale	32	2,454	1,430
Total non-current assets held for sale		2,454	1,430
Total current assets		2,682,166	2,398,382
Non-current assets			
Other non-current financial assets	14.1	8,778	17,131
Other non-current non-financial assets	17	19,729	27,539
Trade receivables, non-current	14.2	1,710	2,275
Investments classified using the equity method of accounting	9.1-10.3	109,435	111,549
Intangible assets other than goodwill	15.1	188,358	189,350
Goodwill	15.1	34,726	34,866
Property, plant and equipment	16.1	1,607,070	1,454,823
Tax assets, non-current	31.1	32,179	32,179
Total non-current assets		2,001,985	1,869,712
Total assets		4,684,151	4,268,094

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

Consolidated Classified Statements of Financial Position

Liabilities and Equity	Note N°	As of December 31, 2019	As of December 31, 2018
		ThUS\$	ThUS\$
Current liabilities			
Other current financial liabilities	14.4	298,822	23,585
Trade and other payables, current	14.5	205,790	163,751
Trade payables due to related parties, current	13.6	475	9
Other current provisions	19.1	110,565	106,197
Current tax liabilities	31.2	17,874	47,412
Provisions for employee benefits, current	18.1	16,387	20,085
Other current non-financial liabilities	19.3	126,899	194,624
Total current liabilities		776,812	555,663
Non-current liabilities			
Other non-current financial liabilities	14.4	1,518,926	1,330,382
Other non-current provisions	19.1	34,690	31,822
Deferred tax liabilities	31.3	183,411	175,361
Provisions for employee benefits, non-current	18.1	35,840	37,064
Total non-current liabilities		1,772,867	1,574,629
Total Liabilities		2,549,679	2,130,292
Equity			
Equity attributable to owners of the Parent			
Share capital	20,2	477,386	477,386
Retained earnings		1,623,104	1,623,104
Other reserves	20,3	(14,223)	(14,999)
Equity attributable to owners of the Parent		2,086,267	2,085,491
Non-controlling interests	8,3	48,205	52,311
Total equity		2,134,472	2,137,802
Total liabilities and equity		4,684,151	4,268,094

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

Consolidated Statements of Income by Function

Consolidated Interim Statements of Income	Note N°	For the period from January to December of the year	
		2019	2018
		ThUS\$	ThUS\$
Revenue	26.1	1,943,655	2,265,803
Cost of sales	26.2	(1,383,603)	(1,485,631)
Gross profit		560,052	780,172
Other income	26.3	18,218	32,048
Administrative expenses	26.4	(117,180)	(118,126)
Other expenses by function	26.5	(25,995)	(36,907)
Impairment of income and reversal of impairment losses (impairment losses)	26.7	(1,057)	2,967
Other gains (losses)	26.6	(383)	6,404
Profit (loss) from operating activities		433,655	666,558
Finance income		26,289	22,533
Finance costs	26.9	(76,939)	(57,807)
Share of profit of associates and joint ventures accounted for using the equity method	9.1-10.3	9,786	6,351
Foreign currency translation differences		(2,169)	(16,597)
Profit (loss) before taxes		390,622	621,038
Income tax expense, continuing operations	31.3	(110,019)	(178,975)
Profit (loss) from continuing operations		280,603	442,063
Profit attributable to:		280,603	442,063
Profit (loss) attributable to Owners of the Parent		278,115	439,830
Profit (loss) attributable to Non-controlling interests		2,488	2,233
		280,603	442,063

Earnings per share	Note N°	For the period from January to December of the year	
		2019	2018
		ThUS\$	ThUS\$
Common shares			
Basic earnings per share (US\$ per share)	21	1.0567	1.6711
Basic earnings per share (US\$ per share) from continuing operations		-	-
Diluted common shares			
Basic earnings per share (US\$ per share)	21	1.0567	1.6711
Basic earnings per share (US\$ per share) from continuing operations		-	-

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

Consolidated Statements of Comprehensive Income

Consolidated Interim Statements of Comprehensive Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Profit for the year	280,603	442,063
Other comprehensive income (loss)		
Items of other comprehensive income (loss) that will not be reclassified to profit for the year, before taxes		
(Losses) gains from measurements of defined benefit plans	(3,310)	(1,337)
Gains (losses) from financial assets measured irrevocably at fair value through other comprehensive income	1,152	(5,546)
Total other comprehensive income (loss) that will not be reclassified to profit for the year, before taxes	(2,158)	(6,883)
Items of other comprehensive income (loss) that will be reclassified to profit for the year, before taxes		
Foreign currency exchange gains (losses)	788	(1,220)
(Loss) from financial assets measured at fair value through other comprehensive income	-	-
Gain from cash flow hedges	1,907	5,723
Total other comprehensive income (loss) that will be reclassified to profit for the year	2,695	4,503
Other items of other comprehensive income (loss) before taxes	537	(2,380)
Income taxes related to items of other comprehensive income (loss) that will not be reclassified to profit for the year		
Income tax (benefit) expense related to financial assets measured irrevocably at fair value through other comprehensive income	(311)	1,498
Income taxes expense related to measurements of defined benefit plans	702	396
Total income tax related to items of other comprehensive income (loss) that will not be reclassified to profit for the year	391	1,894
Income tax relating to components of other comprehensive income (loss) that will be reclassified to profit for the year		
Income tax benefit related to cash flow hedges	(2,683)	-
Income tax benefit related to financial assets measured at fair value through other comprehensive income	-	-
Total income tax benefit relating to components of other comprehensive income (loss) that will be reclassified to profit (loss) for the year	(2,683)	-
Total other comprehensive loss	(1,755)	(486)
Total comprehensive income	278,848	441,577
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	276,137	439,180
Comprehensive income attributable to non-controlling interest	2,711	2,397
	278,848	441,577

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

Consolidated Statements of Cash Flows

Consolidated Interim Statements of Cash Flows	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Cash flows from operating activities		
Classes of revenue from operating activities		
Cash receipts from sales of goods and rendering of services	2,044,746	2,284,514
Cash receipts from premiums and benefits, annuities and other benefits from policies entered	2,925	2,140
Proceeds from leases and subsequent sale of assets	361	-
Classes of Payments		
Cash payments to suppliers for the provision of goods and services	(1,284,204)	(1,226,091)
Cash payments to and on behalf of employees	(195,782)	(205,590)
Variable payments relating to identified leases as required by IFRS 16	(1,037)	-
Other payments related to operating activities	(25,218)	(21,240)
Net cash generated from operating activities	541,791	833,733
Dividends received	14,449	8,815
Interest paid	(70,963)	(59,565)
Interest paid on leases liabilities	(1,537)	-
Interest received	25,809	22,533
Income taxes paid	(173,319)	(240,115)
Other incomes (outflows) of cash (1)	90,741	(40,562)
Net cash generated from operating activities	426,971	524,839
Cash flows generated from (used in) investing activities		
Cash flows arising from the loss of control of subsidiaries and other businesses	994	68,988
Payments made to acquire interest in joint ventures	(2,600)	(19,989)
Proceeds from the sale of property, plant and equipment	487	61
Acquisition of property, plant and equipment	(321,324)	(244,693)
Proceeds from sales of intangible assets	28,126	14,056
Proceeds payments related to futures, forward options and swap contracts	1,403	(204)
Purchases of intangible assets	(2,492)	(74,374)
Other (outflows) income of (2)	(190,065)	69,151
Net cash generated from (used in) investing activities	(485,471)	(187,004)

(1) Other inflows (outflows) of cash from operating activities include increases (decreases) net 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 interim financial statements

Consolidated Statements of Cash Flows

Consolidated Interim Statements of Cash Flows	Note N°	For the period from January to December of the year	
		2019	2018
		ThUS\$	ThUS\$
Cash flows generated from (used in) financing activities			
Repayment of lease liabilities		(7,221)	-
Proceeds from long-term borrowings		450,000	256,039
Proceeds from short-term borrowings		-	120,000
Repayment of borrowings		(7,096)	(213,000)
Dividends paid		(329,787)	(550,352)
Net cash generated from (used in) financing activities		105,896	(387,313)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		47,396	(49,478)
Effects of exchange rate fluctuations on cash held		(14,932)	(24,894)
Net increase (decrease) in cash and cash equivalents		32,464	(74,372)
Cash and cash equivalents at beginning of period		556,066	630,438
Cash and cash equivalents at end of period	11	588,530	556,066

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	Cash flow hedge reserves	Reserve for (losses) gains from financial assets measured at fair value through other comprehensive income	Actuarial (losses) from defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of 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)
Increase in Equity	-	-	-	-	-	2,754	2,754	-	2,754	-	2,754
Increase (decrease) 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

Consolidated Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Cash flow hedge reserves	Reserve for (losses) gains from financial assets measured at fair value through other comprehensive income	Actuarial (losses) gains from defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2018	477,386	(24,913)	2,248	2,937	(5,953)	11,332	(14,349)	1,724,784	2,187,821	59,647	2,247,468
(Decrease) due to changes in accounting policies	-	-	-	-	-	-	-	(1,680)	(1,680)	-	(1,680)
Restated initial equity	477,386	(24,913)	2,248	2,937	(5,953)	11,332	(14,349)	1,723,104	2,186,141	59,647	2,245,788
Net profit	-	-	-	-	-	-	-	439,830	439,830	2,233	442,063
Other comprehensive income	-	(1,394)	5,723	(4,048)	(931)	-	(650)	-	(650)	164	(486)
Comprehensive income	-	(1,394)	5,723	(4,048)	(931)	-	(650)	439,830	439,180	2,397	441,577
Dividends (1)	-	-	-	-	-	-	-	(539,830)	(539,830)	(9,733)	(549,563)
Increase (decrease) in equity	-	(1,394)	5,723	(4,048)	(931)	-	(650)	(100,000)	(100,650)	(7,336)	(107,986)
Equity as of December 31, 2018	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

(1) See Note 20.6

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

Glossary

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

“**ADS**” American Depositary Shares;

“**CAM**” Arbitration and Mediation Center of the Santiago Chamber of Commerce;

“**CCHEN**” Chilean Nuclear Energy Commission;

“**CCS**” cross currency swap;

“**CINIIF**” International Financial Reporting Interpretations Committee;

“**CMF**” Financial Market Commission;

“**Directors’ Committee**” The Company’s Directors’ Committee;

“**Corporate Governance Committee**” The Company’s Corporate Governance Committee;

“**Health, Safety and Environment Committee**” The Company’s Health, Safety and Environment Committee;

“**Lease Agreement**” the mining concessions lease agreement signed by SQM Salar and Corfo in 1993, as subsequently amended;

“**Project Contract**” project contract for Salar de Atacama undersigned by Corfo and SQM Salar in 1993, as subsequently amended”;

“**CORFO**” Chilean Economic Development Agency;

“**DCV**” Central Securities Depository;

“**DGA**” General Directorate of Water Resources;

“**Board**” The Company’s Board of Directors;

“**DOJ**” United States Department of Justice;

“**Dollar**” “**USD**” o “**US\$**” Dollars of the United States of America;

“**DPA**” Deferred Prosecution Agreement;

“**EIEP**” Passive foreign investment company;

“**United States**” United States of America;

“**FCPA**” Foreign Corrupt Practices Act of the USA;

“**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;
“**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;
“**Pesos**” “**Ch\$**” o “**CLP**” 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).

Note 1 Identification and Activities of the Company and Subsidiaries

1.1 Historical background

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

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

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

1.2 Main domicile where the Company performs its production activities

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

1.3 Codes of main activities

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

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

1.4 Description of the nature of operations and main activities

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

- (a) **Specialty plant nutrition:** Four main types of specialty plant nutrients are produced: potassium nitrate, sodium nitrate, sodium potassium nitrate and specialty blends. In addition, other specialty fertilizers are sold including third party products.
- (b) **Iodine:** The Company produce 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 of lithium carbonate, which is used in a variety of applications, including electrochemical materials for batteries, frits for the ceramic and enamel industries, heat-resistant glass (ceramic glass), air conditioning chemicals, continuous casting powder for steel extrusion, primary aluminum smelting process, pharmaceuticals and lithium derivatives, We are also a leading supplier of lithium hydroxide, which is primarily used as an input for the lubricating greases industry and for certain cathodes for batteries.

- (d) **Industrial chemicals:** The Company produce 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 as an additive in oil drilling as well as in food processing, among other uses.
- (e) **Potassium:** The Company 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.
- (f) **Other products and services:** The Company also sell 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.

Our subsidiary SQM Salar holds exclusive rights to exploit the mineral resources in an area covering approximately 140,000 hectares of land in the Salar de Atacama in northern Chile, of which SQM Salar is only entitled to exploit the mineral resources in 81,920 hectares. These rights are owned by Corfo and leased to SQM Salar pursuant to the Lease Agreement. Corfo cannot unilaterally amend the Lease Agreement and the Project Agreement, and the rights to exploit the resources cannot be transferred. The Lease Agreement establishes that SQM Salar is responsible for making quarterly lease payments to Corfo according to specified percentages of the value of production of minerals extracted from the Salar de Atacama brines, maintaining Corfo's rights over the Mining Exploitation Concessions and making annual payments to the Chilean government for such concession rights. The Lease Agreement was entered into in 1993 and expires on December 31, 2030. On January 17, 2018, SQM and CORFO reached an agreement to end an arbitration process directed by the arbitrator, Mr. Héctor Humeres Noguer, in case 1954-2014 of the Arbitration and Mediation Center of Santiago Chamber of Commerce (Centro de Arbitrajes y Mediación de la Cámara de Comercio de Santiago) 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. Regarding 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:

Price US\$/MT Li ₂ CO ₃	Lease payment rate
\$0 - \$4,000	6.80%
\$4,000 - \$5,000	8.00%
\$5,000 - \$6,000	10.00%
\$6,000 - \$7,000	17.00%
\$7,000 - \$10,000	25.00%
> \$10,000	40.00%

See Note 26.2 for the disclosure of lease payments made to CORFO for all periods presented.

Regarding potassium chloride, the former rate of 1.8% on FOB sales was changed to the following structure of progressive rates based on the final sale price:

Price US\$/MT Li2CO3	Lease payment rate
\$0 - \$300	3.0%
\$300 - \$400	7.0%
\$400 - \$500	10.0%
\$500 - \$600	15.0%
> \$600	20.0%

Similarly, the lease rates associated with the other products (lithium hydroxide, potassium sulfate and others) shall have similar changes to those described in the previous products.

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.

1.5 Other background

(a) Staff

As of December 31, 2019, and 2018, the workforce was as follows:

Employees	As of December 31, 2019			As of December 31, 2018		
	S.Q.M S.A.	Other subsidiaries	Total	S.Q.M S.A.	Other subsidiaries	Total
Executives	30	91	121	33	89	122
Professionals	110	1,170	1,280	115	1,078	1,193
Technicians and operators	282	3,481	3,763	260	3,287	3,547
Foreign employees	17	560	577	11	417	428
Overall total	439	5,302	5,741	419	4,871	5,290

(b) Main shareholders

As of December 2019, there were 1,413 shareholders.

following table shows information about the main shareholders of the Company's Series A or Series B shares in circulation as of December 31, 2019 and December 31, 2018, in line with information provided by the DCV. The following table presents the information about the beneficial ownership of Series A and Series B shares of the Company as of December 31, 2019 and December 31, 2018, 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 Exchanges. whose main shareholders are the following:

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

(1) As reported by DCV, which records the Company's shareholders' register as of December 31, 2019 and December 31, 2018, Inversiones TLC SpA, a subsidiary of Tianqi, is the direct owner of 62,556,568 shares of SQM equivalent to 23.77% of SQM's shares" According to information provided to the CMF by Inversiones TLC SpA dated December 5, 2018, Inversiones TLC SpA owns 25.86% of SQM's shares

Shareholder as of December 31, 2018	No. of Series A	% of Series A shares	No. of Series B	% of Series B shares	% of total shares
Inversiones TLC SpA (1)	62,556,568	43.80%	-	-	23.77%
Sociedad de Inversiones Pampa Calichera S.A.	44,894,152	31.43%	10,093,154	8.38%	20.89%
The Bank of New York Mellon, ADRs	-	-	35,254,267	29.29%	13.39%
Potasios de Chile S.A.	18,179,147	12.73%	-	-	6.91%
Banco de Chile via non-resident third party accounts	15,687	0.01%	10,703,812	8.89%	4.07%
Inversiones Global Mining (Chile) Limitada	8,798,539	6.16%	-	-	3.34%
Banco Itau via foreign investor accounts	-	-	8,085,730	6.72%	3.07%
Banco Santander via foreign investor accounts	-	-	7,138,685	5.93%	2.71%
Banchile C de B S. A.	528,092	0.37%	4,028,611	3.35%	1.73%
Inversiones la Esperanza de Chile Limitada	3,711,598	2.60%	46,500	0.04%	1.43%

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, 2019 and, 2018.
- (b) Consolidated Statements of Income for the periods ended December 31, 2019 and 2018.
- (c) Consolidated Statements of Comprehensive Income for years ended December 31, 2019 and 2018.
- (d) Consolidated Statements of Changes in Equity for the years ended December 31, 2019 and 2018.
- (e) Consolidated Statements of Direct-Method Cash Flows for ended December 31, 2019 and 2018.

2.2 Consolidated financial statements

These consolidated financial statements of the company, and its subsidiaries were prepared in accordance with IFRS and represent its full, explicit and unreserved adoption.

These consolidated financial statements fairly reflect the Company's financial position, as of December 31, 2019 and 2018 and, the comprehensive results of operations, changes in equity and cash flows occurring for the years ended December 31, 2019 and, 2018.

IFRS establish certain alternatives for their application, those applied by the Company are detailed in Notes 2 and 3.

The accounting policies used in the preparation of these consolidated annual accounts comply with each IFRS in force at their date of presentation.

As of December 31, 2019, at the close of these consolidated financial statements, certain reclassifications were made as of and for the year ended December 31, 2018, to correct the prior year presentation. These revisions were not considered material to the previously issued financial statements.

Items	Original balances reported as of December 31, 2018	Reclassification	Balances reclassified as of December 31, 2018
	ThUS\$	ThUS\$	ThUS\$
Trade and other receivables, current	464,855	1,764	466,619
Trade receivables due from related parties, current	44,554	(1,764)	42,790
Other non financial assets, current	49,186	(1,214)	47,972
Intangible assets other than goodwill	188,283	1,067	189,350
Goodwill	34,718	148	34,866
Cost of sales	(1,483,524)	(2,107)	(1,485,631)
Finance costs	(59,914)	2,107	(57,807)

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 at fair value.
- (c) Certain financial investments classified as available for sale 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, 2019:

Standards and Interpretations	Description	Mandatory for annual periods beginning on or after
IFRS 16 "Leases" - issued in January 2016	Establishes the standards to recognize, measure, present and disclose leases. IFRS 16 replaces IAS 17 and introduces a unique lessee accounting model that requires a lessee to recognize the assets and liabilities of all rental contracts with a term of over 12 months, unless the underlying asset is of low value. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, and early implementation is permitted for entities that apply IFRS 15, or before the date that IFRS 16 is initially implemented.	01-01-2019
IFRIC 23 "Uncertainty over Income Tax Treatments". Published in June 2016	This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12, when there is uncertainty over income tax treatments.	01-01-2019

Amendments and improvements	Description	Mandatory for annual periods beginning on or after
Amendment to IFRS 9 "Financial Instruments". Published in October 2017	The amendment permits more assets to be measured at amortized cost than under the previous version of IFRS 9, in particular some prepayable financial assets with negative compensation. The assets affected, which include some loans and debt securities, would otherwise have been measured at fair value through profit and loss (FVTPL). For them to qualify for amortized cost measurement, the negative compensation must be "reasonable compensation for early termination of the contract."	01-01-2019
Amendment to IAS 28 "Investments in Associates and Joint Ventures" Published in October 2017	This amendment clarifies that companies should apply IFRS 9 to account for long-term interests in an associate or joint venture to which the equity method is not applied. The IASB Board has published an example that illustrates how companies should apply the requirements of IFRS 9 and IAS 28 to long-term interests in an associate or joint venture.	01-01-2019
Amendment to IFRS 3 "Business Combinations" - Published in December 2017	The amendment clarified that gaining control of a company that is a joint venture deals with a business combination that is achieved in stages. The acquirer must remeasure previously held interests in that business at fair value at the date of acquisition.	01-01-2019
Amendment to IFRS 11 "Joint Arrangements" - Published in December 2017.	The amendment clarified that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.	01-01-2019
Amendment to IAS 12 "Income Tax" - Published in December 2017.	This modification clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognized when the past transactions or events that generated distributable profits were originally recognized.	01-01-2019
Amendment to IAS 23 Borrowing Costs - Published in December 2017.	This amendment clarifies that the borrowing costs of specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale will be considered as part of the general borrowing costs of the entity.	01-01-2019
Amendment to IAS 19 "Employee Benefits" - Published in February 2018	The amendment requires entities to use updated assumptions to determine the current service cost and net interest for the remainder of the period after a modification, reduction or settlement of the plan; and to recognize in profit or loss as part of the cost of the past service, or a profit or loss in the settlement, any reduction in a surplus, even if that surplus was not previously recognized because it did not exceed the upper limit of the asset	01-01-2019

Management considers that the adoption of the aforementioned standards, amendments and interpretations did not significantly impact the company's consolidated financial statements, except for IFRS 16, detailed in notes 4.2 and 14.4 f).

- (b) Standards, interpretations and amendments issued that had not become effective for financial statements beginning on January 1, 2019 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 IFRS 3 "Definition of a Business" - Published in October 2018	This amendment revises the definition of a business. Based on the feedback received by the IASB, the application of the current guidance is frequently seen as too complex, and results in too many transactions that qualify as business combinations.	01-01-2020
Amendment to IAS 1 "Presentation of Financial Statements" and "IAS 8" Accounting Policies, Changes in Accounting Estimates and Errors - Published in October 2018.	This amendment establishes a consistent definition of materiality in all the IFRCs and the Conceptual Framework for Financial Information; it clarifies the explanation of the definition of material; and it incorporates some of the guidelines in IAS 1 on immaterial information.	01-01-2020
Amendment to IFRS 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
Amendments to IFRS 9, IAS 39 and IFRS 7 "Reform to the referential interest rate" Published in September 2019	These amendments provide certain simplifications in relation to the reform to the referential interest rates. These simplifications relate to hedge accounting and affect the IBOR reform, which generally shouldn't result in the finalization of hedge accounting. However, any hedge ineffectiveness should continue to be recorded in the results	01-01-2020

Management believes that the adoption of the above standards, amendments and interpretations will not have a significant impact on the Company's financial statements.

2.5 Basis of consolidation

(a) Subsidiaries

The Company established control as the basis of consolidation of its financial statements. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The consolidation of a subsidiary starts when the Group controls it and it is no longer included in the consolidation when this control is lost.

Subsidiaries are consolidated through a line by line method, adding items that represent assets, liabilities, income and expenses with a similar content, and eliminating operations between companies within the SQM Group.

Results for dependent companies acquired or disposed of during the period are included in the consolidated accounts from the date on which control is transferred to the SQM Group or until the date when this control ends, as relevant.

To account for an acquisition, of a business the Company uses the acquisition method. Under this method the acquisition cost is the fair value of assets delivered, equity securities issued, and incurred or assumed liabilities at the date of exchange. Assets, liabilities and contingencies identifiable assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure the non-controlling interest of the acquiree either at fair value or as proportional share of net identifiable assets of the acquire. For more information, please see Note 8.1.

(b) Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest			
				As of December 31, 2019			As of December 31, 2018
				Direct	Indirect	Total	Total
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM North America Corp.	USA	US\$	40.0000	60.0000	100.0000	100.0000
Foreign	SQM Europe N.V.	Belgium	US\$	0.5800	99.4200	100.0000	100.0000
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Soquimich European Holding B.V.	Netherlands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Corporation N.V.	Curacao	US\$	0.0002	99.9998	100.0000	100.0000
Foreign	SQI Corporation N.V.	Curacao	US\$	0.0159	99.98413	100.0000	100.0000
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	0.0100	99.9900	100.0000	100.0000
Foreign	North American Trading Company	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Administración Y Servicios Santiago S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Perú S.A.	Perú	US\$	0.0091	99.99093	100.0000	100.0000
Foreign	SQM Ecuador S.A.	Ecuador	US\$	0.0040	99.9960	100.0000	100.0000
Foreign	SQM Nitratos México S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQMC Holding Corporation L.L.P.	USA	US\$	0.1000	99.9000	100.0000	100.0000
Foreign	SQM Investment Corporation N.V.	Curacao	US\$	1.0000	99.0000	100.0000	100.0000
Foreign	SQM Brasil Limitada	Brazil	US\$	0.8400	99.1600	100.0000	100.0000
Foreign	SQM France S.A.	France	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Japan Co. Ltd.	Japan	US\$	0.1597	99.8403	100.0000	100.0000
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	1.6700	98.3300	100.0000	100.0000
Foreign	SQM Oceania Pty Limited	Australia	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Rs Agro-Chemical Trading A.V.V.	Aruba	US\$	98.3333	1.6667	100.0000	100.0000
Foreign	SQM Colombia SAS	Colombia	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Australia PTY	Australia	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SACAL S.A. (1)	Argentina	ARS	0.0000	0.0000	0.0000	100.0000
Foreign	SQM Indonesia S.A.	Indonesia	US\$	0.0000	80.0000	80.0000	80.0000
Foreign	SQM Virginia L.L.C.	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Italia SRL	Italy	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Comercial Caimán Internacional S.A.	Panama	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Africa Pty.	South Africa	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Lithium Specialties LLC	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Iberian S.A.	Spain	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Thailand Limited.	Thailand	US\$	0.0000	99.9960	99.9960	99.9960
Foreign	SQM International N.V.	Belgium	US\$	0.5800	99.4200	100.0000	100.0000
Foreign	SQM (Shanghai) Chemicals Co. Ltd.	China	US\$	0.0000	100.0000	100.0000	100.0000

TAX ID No.	Domestic subsidiaries	Country of origin	Functional currency	Ownership interest			
				As of December 31, 2019			As of December 31, 2018
				Direct	Indirect	Total	Total
96.801.610-5	Comercial Hydro S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
96.651.060-9	SQM Potasio S.A.	Chile	US\$	99.9999	0.0000	99.9999	99.9999
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	99.9999	0.0001	100.0000	100.0000
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	51.0000	0.0000	51.0000	51.0000
86.630.200-6	SQMC Internacional Ltda. (2)	Chile	Ch\$	0.0000	0.0000	0.0000	60.6381
79.947.100-0	SQM Industrial S.A.	Chile	US\$	99.0470	0.9530	100.0000	100.0000
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	0.0003	99.9997	100.0000	100.0000
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
79.626.800-K	SQM Salar S.A.	Chile	US\$	18.1800	81.8200	100.0000	100.0000
78.053.910-0	Proinsa Ltda. (3)	Chile	Ch\$	0.0000	0.0000	0.0000	60.5800
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	0.2691	99.7309	100.0000	100.0000
76.064.419-6	Comercial Agrorama Ltda. (4)	Chile	Ch\$	0.0000	42.4468	42.4468	42.4468
76.145.229-0	Agrorama S.A.	Chile	Ch\$	0.0000	60.6387	60.6387	60.6387
76.359.919-1	Orcoma Estudios SPA	Chile	US\$	51.0000	0.0000	51.0000	51.0000
76.360.575-2	Orcoma SPA	Chile	US\$	100.0000	0.0000	100.0000	100.0000
76.686.311-9	SQM MaG SpA	Chile	US\$	0.0000	100.0000	100.0000	100.0000

- 1) On June 26, 2019, SACAL was liquidated.
- 2) On March 01, 2019, SQMC Internacional merged with Soquimich Comercial S.A.
- 3) On April 01, 2019, Proinsa Ltda was liquidated.
- 4) Comercial Agrorama Ltda was consolidated as it is controlled through the subsidiary Soquimich Comercial S.A.

2.6 Investments in associates and joint ventures

(a) Joint ventures

Investments in joint arrangements are classified as joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

With respect to joint operations, the Company recognizes its direct right to the assets, liabilities, income and expenses of the joint operation and its share of the jointly owned or incurred assets, liabilities, income and expenses.

(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 subsidiaries 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 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, 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, until the proportional part of the gain or loss is recognized. 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 the proportional part 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 attached 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, 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.

The consolidated financial statements are presented in thousands of United States dollars without decimals.

3.3 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 equity "other reserves". At the date of disposal, such foreign currency translation differences are recognized in the statement of income as part of the gain or loss from the sale.

The main exchange rates and UF used to translate monetary assets and liabilities, expressed in foreign currency at the end of each period in respect to U.S. dollars, are as follows:

Currencies	As of December 31, 2019	As of December 31, 2018
	US\$	US\$
Brazilian real	4.02	3.87
New Peruvian sol	3.31	3.37
Argentine peso	59.83	37.74
Japanese yen	108.9	110.38
Euro	0.89	0.87
Mexican peso	18.89	19.68
Australian dollar	1.43	1.42
Pound Sterling	0.76	0.79
South African rand	14.06	14.35
Ecuadorian dollar	1.00	1.00
Chilean peso	748.74	694.77
Chinese yuan	6.98	6.88
Indian rupee	71.31	69.93
Thai Baht	29.97	32.53
Turkish lira	5.94	5.27
Polish Zloty	3.79	-
UF(*)	37.81	39.68

(*) US\$ per UF

(b) Transactions and balances

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 on the divestment, when they are recognized in the statement of income. Charges and credits attributable to foreign currency translation differences on those hedge monetary items are also recognized in other comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are retranslated to the functional currency at the historical exchange rate of the transaction. Non-monetary items that are measured based on fair value in a foreign currency are translated using the exchange rate at the date on which the fair value is determined.

3.4 Consolidated statement of cash flows

Cash equivalents correspond to highly liquid short-term investments that are easily convertible into known amounts of cash, and subject to insignificant risk of changes in their value and mature in less than three months from the date of acquisition of the instrument.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above.

The statement of cash flows present cash transactions performed during the year, determined using the direct method.

3.5 Financial assets

Management determines the classification of its financial assets, in accordance with the provisions of IFRS 9, at fair value (either through other comprehensive income, or through profits or losses), 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. In the case account receivables and other accounts receivables, the transaction price at the initial recognition is measured in accordance with the provisions of IFRS 15.

After initial recognition, the Company measures its financial assets according to the Company's business model for managing its financial assets and the contractual terms of its cash flows:

- (a) Financial instruments measured at amortized cost, Financial assets that meet the following conditions are included in this category (i) the business model that supports it aims to maintain the financial assets to obtain the contractual cash flows and (ii) 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: (iii) cash equivalents; (iv) related entity receivables; (v) trade debtors; (vi) other receivables.

- (b) Financial instruments at fair value A financial asset should be measured at fair value through profit or loss or fair value through other comprehensive income, depending on the following:
- (i) "Fair Value Through Other Comprehensive Income": Assets held to collect contractual cash flows and to be sold, where the asset cash flows are only capital and interest payments, are measured at fair value through other comprehensive income. Changes in book values are through other comprehensive income, except for the recognition of impairment losses, interest income and exchange gains and losses, which are recognized in the income statement. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the income statement. Interest income from these financial assets is included in financial income using the effective interest method. Exchange gains and losses are presented in the income statement and impairment losses are separately presented in the income statement.
 - (ii) "Fair Value Through Profit and Loss": Assets that do not meet the amortized cost or "Fair Value Through Other Comprehensive Income" criteria are valued at "Fair Value Through Profit and Loss".
- (c) Financial equity assets at fair value through other comprehensive income. Equity instruments that are not classified as held for trading and which the Group has irrevocably chosen to recognize in this category

Prior to 2018, The Company evaluated at the date of each report, whether there was objective evidence that any asset or group of financial assets presented any impairment. An asset or group of financial assets presented a deterioration, if and only if, there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset or group of these. In order to recognize impairment, the loss event must have an impact on the estimation of future flows of the asset or groups of financial assets.

Beginnings 2018, The Company evaluates expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment method used depends on whether there has been a significant increase in credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses using the lifetime expected loss on all trade receivables. Expected credit losses are measured by grouping receivables by their shared credit risk characteristics and days overdue.

Therefore, the Company has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for these assets. Expected loss rates are based on sales payment profiles and historical credit losses within this period. Historical loss rates are adjusted to reflect current and expected information regarding macroeconomic factors that affect the ability of customers to meet their commitments.

3.6 Accounting policy for financial liabilities

Management determines the classification of its financial liabilities, in accordance with the provisions of IFRS 9, at fair value or at amortized cost. The classification depends on the business model of the entity to manage the financial assets and the contractual terms of the cash flows.

At the initial recognition, the Company measures its financial liabilities by their fair value more or less, in the case of a financial liability that is not accounted for at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial liability. After initial recognition, the Company measures its financial liabilities at amortized cost unless the Company, at the initial moment, irrevocably designates the financial liability as measured at fair value through profit or loss.

Financial liabilities measured at amortized cost are commercial accounts payable and other accounts payable and other financial liabilities.

Valuation at amortized cost is made using the effective interest rate method. Amortized cost is calculated by considering any premium or discount on the acquisition and includes transaction costs that are an integral part of the effective interest rate.

Financial liabilities are recorded as not current when they mature in more than 12 months and as current when they mature in less than 12 months. Interest expenses are recorded in the period in which they are accrued, according to a financial criterion.

3.7 Reclassification of financial instruments

When the Company changes its business model for managing financial assets, it will reclassify all its financial assets affected by the new business model. Financial liabilities cannot be reclassified.

3.8 Financial instrument derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; and the control of the financial assets has not been retained.

The Company derecognizes a financial liability when its contractual obligations or a part of these are discharged, paid to the creditor or legally extinguished.

3.9 Derivative and hedging financial instruments

Derivatives are recognized initially at fair value as of the date on which the derivatives contract is signed and, they are subsequently assessed at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative has been designated as an accounting hedge instrument and, if so, it depends on the type of hedging, which may be as follows:

- a) Fair value hedge of assets and liabilities recognized (fair value hedges);
- b) Hedging of a single risk associated with an asset or liability recognized or a highly probable forecast transaction (cash flow hedge).

At the beginning of the transaction, the Company documents the relationship that exists between hedging instruments and those items hedged, as well as their objectives for risk management purposes and the strategy to conduct different hedging operations.

The Company also documents its evaluation both at the beginning and at the end of each period if the derivatives used in hedging transactions are highly effective to offset changes in the fair value or in cash flows of hedged items.

The fair value of derivative instruments used for hedging purposes is shown in Note 14.3. Changes in the cash flow hedge reserve are classified as a non-current asset or liability if the remaining expiration period of the hedged item is more than 12 months, and as a current asset or liability if the remaining expiration period of the entry 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.

When a hedging instrument expires, or is sold or terminated, or when a hedge 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, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

3.10 Derivative financial instruments not considered as hedges

Derivative financial instruments not considered as hedges are recognized at fair value with the effect in the results of the year. The Company has derivative financial instruments to hedge foreign currency risk exposure.

The Company continually evaluates the existence of embedded derivatives in both its contracts and in its financial instruments. As of December 31, 2019, and 2018, the Company does not have any embedded derivatives.

3.11 Deferred acquisition costs from insurance contracts

Acquisition costs from insurance contracts are classified as prepayments and correspond to insurance contracts in force, recognized using the straight-line method and on an accrual basis independent of payment date. These are recognized under other non-financial assets.

3.12 Classification Leases

Below are accounting policies applied by the Company prior to the adoption of IFRS 16:

(a) Lease - Finance lease

Leases are classified as finance leases when the Company substantially owns all the risks and rewards inherent in the ownership of the asset. Finance leases are capitalized at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each finance lease payment is apportioned between the liability and the finance charges so as to obtain the constant rate of interest on the remaining balance of the liability. The respective lease obligations, net of finance charges, are included in other non-current liabilities. The interest part of the finance cost is charged to the consolidated financial statements for the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

(b) Lease - Operating lease

Leases where the lessor retains a significant part of the risks and benefits derived from the property are classified as operating leases. Operating lease payments (net of any incentive received by the lessor) should be recognized as an expense in the income statement or capitalized (as appropriate) over the lease term on a straight-line basis.

Below are the Company's new accounting policies after the adoption of IFRS 16 on January 1, 2019. These have been applied since the initial date of application:

(i) Right-of-use assets

The Company recognizes right-of-use assets on the initial lease date (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, adjusted by any new measurement of the lease liability. The cost of right-of-use assets includes the amount of recognized lease liabilities, direct initial costs incurred and lease payments made on the start date or sooner, less the lease incentives received. Unless the Company is reasonably sure it will take ownership of the leased asset at the end of the lease period, the assets recognized through right-of-use are depreciated in a straight line during the shortest period of their estimated useful life and lease period. Right-of-use assets are subject to impairment as per "IAS 36 Impairment of Assets".

(ii) Lease liabilities

On the lease start date, the Company recognizes lease liabilities measured at present value of lease payments that will be made during the lease period (which haven't been paid by that date). 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.

(iii) Short-term leases and low-value asset leases

The Company applies the short-term lease recognition exemption to leases with a lease term of 12 months or less starting on the start date and that don't have a purchase option. It also applies the low-value asset lease recognition exemptions (i.e., when the underlying asset is below USD\$ 5,000). Lease payments in short-term leases and low-value asset leases are recognized as lineal expenses during the lease term.

(iv) Significant judgments in the determination of the lease term for contracts with renewal options

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if it is reasonably certain that this will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain that this will not be exercised.

The Company has the option, under some of its leases, to lease assets for additional terms. The Company applies its judgment when assessing whether it is reasonably certain that it will exercise the option to renovate. In other words, it considers all the relevant factors that create an economic incentive for it to exercise the option to renovate. After the start date, the Company reevaluates the lease term if there is a significant event or change in the circumstances that are under its control and affect its capacity to exercise (or not exercise) the option to renovate.

3.13 Inventory measurement

The method used to determine the cost of inventories is the weighted average monthly cost of warehouse storage. In determining production costs for own products, the company includes the costs of labor, raw materials, materials and supplies used in production, depreciation and maintenance of the goods that participate in the production process, the costs of product movement necessary to maintain stock on location and in the condition in which they are found, and also includes the indirect costs of each task such as laboratories, process and planning areas, and personnel expenses related to production, among others.

For finished and in-process products, the company has four types of provisions, which are reviewed quarterly:

1. Provision associated with the lower value of stock: The provision is directly identified with the product that generates it and involves three types: (i) provision of lower realizable value, which corresponds to the difference between the inventory cost of intermediary or finished products, and the sale price minus the necessary costs to bring them to the same conditions and location as the product with which they are compared; (ii) provision for future uncertain use that corresponds to the value of those products in process that are likely not going to be used in sales based on the company's long-term plans; (iii) reprocessing costs of products that are unfeasible for sale due to current specifications.
2. Provision associated with physical differences in inventory: A provision is made for differences that exceed the tolerance considered in the respective inventory process (production units in Chile and the port of Tocopilla carry out at least two inventories a year, the business subsidiaries depend on the last zero ground obtained, but in general it is at least once a year), these differences are recognized immediately.
3. Potential errors in the determination of stock: The company has an algorithm that is reviewed at least once a year and corresponds to diverse percentages assigned to each inventory based on the product, location, complexity involved in the associated measurement, rotation and control mechanisms.
4. Provisions undertaken by business subsidiaries: these are historical percentages that are adjusted as zero ground is attained based on normal inventory management.

Inventories of raw materials, materials and supplies for production are recorded at acquisition cost. Cyclical inventories are performed in warehouses, as well as general inventories every three years, Differences are recognized at the moment they are detected. The company has a provision that makes quarterly calculations from percentages associated with each type of material (classification by warehouse and rotation), these percentages use the lower value resulting from deterioration or obsolescence as well as potential losses. This provision is reviewed at least annually, and considers the historical profit and loss obtained in the inventory processes.

3.14 Transactions with non-controlling interests

Non-controlling interests are recorded in the consolidated statement of financial position within equity but separate from equity attributable to the owners of the Parent.

3.15 Related party transactions

Transactions between the Company and its subsidiaries are part of the Company's normal operations within its scope of business activities. Conditions for such transactions are those normally effective for those types of operations with regard to terms and market prices. These transactions have been eliminated in consolidation, and, the maturity conditions vary according to the originating transaction.

3.16 Property, plant and equipment

Property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation, amortization and impairment losses that they might have experienced.

In addition to the price paid for the acquisition of tangible property, plant and equipment, the Company has considered the following concepts as part of the acquisition cost, as applicable:

- (a) Accrued interest expenses during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are those that require a substantial period prior to being ready for use. The interest rate used is that related to the project's specific financing or, should this not exist, the average financing rate of the investor company.
- (b) The future costs that the Company will have to experience, related to the closure of its facilities at the end of their useful life, are included at the present value of disbursements expected to be required to settle the and its subsequent variation is recorded directly in results.

Having initially recognized provisions for closure and refurbishment, the corresponding cost is capitalized as an asset in "Property, plant and equipment" and amortized in line with the amortization criteria for the associated assets.

Construction-in-progress is transferred to property, plant and equipment in operation once the assets are available for use and the related depreciation and amortization begins on that date.

Extension, modernization or improvement costs that represent an increase in productivity, ability or efficiency or an extension of the useful lives of property, plant and equipment are capitalized as a higher cost of the related assets. All the remaining maintenance, preservation and repair expenses are charged to expense as they are incurred.

The replacement of assets, which increase the asset's useful life or its economic capacity, are recorded as a higher value of property, plant and equipment with the related derecognition of replaced or renewed elements.

Gains or losses which are generated from the sale or disposal of property, plant and equipment are recognized as income (or loss) in the period and calculated as the difference between the asset's sales value and its net carrying value.

Costs derived from the daily maintenance of property, plant and equipment are recognized when incurred.

Right-of-use assets (IFRS 16) are recognized in the "property, plant and equipment" line item and are classified within this based on the underlying asset class.

3.17 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated through the straight-line distribution of cost over the estimated technical useful life of the asset, which is the period in which the Company expects to use the asset. When components of one item of property, plant and equipment have different useful lives, they are recorded as separate assets. Useful lives are reviewed on an annual basis.

Fixed assets associated with 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	5
Energy generating assets	5	10	6
Buildings	3	15	8
Supplies and accessories	2	10	3
Office equipment	5	5	5
Transport equipment	2	2	2
Network and communication equipment	2	10	5
IT equipment	2	8	5
Machinery, plant and equipment	1	15	7
Other property, plant and equipment	1	10	5

3.18 Goodwill

Goodwill acquired represents the excess in acquisition cost on the fair value of the Company's ownership of the net identifiable assets of the subsidiary on the acquisition date. Goodwill acquired related to the acquisition of subsidiaries is included in goodwill, which is subject to impairment tests annually or more frequently if events or changes in circumstances indicate that it might be impaired and is stated at cost less accumulated impairment losses. Gains and losses related to the sale of an entity include the carrying value of goodwill related to the entity sold.

This intangible asset is assigned to cash-generating units with the purpose of testing impairment losses. It is allocated based on cash-generating units expected to obtain benefits from the business combination from which the aforementioned goodwill acquired arose.

3.19 Intangible assets other than goodwill

Intangible assets other than goodwill mainly relate to water rights, emission rights, commercial brands, costs for rights of way for electricity lines, license costs and the development of computer software and mining property and concession rights, client portfolio and commercial agent.

(a) Water rights

Water rights acquired by the Company relate to water from natural sources and are recorded at acquisition cost. Given that these assets represent legal rights granted in perpetuity to the Company, they are not amortized, but are subject to annual impairment tests.

(b) Rights of way for electric lines

As required for the operation of industrial plants, the Company has paid rights of way in order to install wires for the different electric lines on third party land. These rights are presented under intangible asset. Amounts paid are capitalized at the date of the agreement and amortized in the statement of income, according to the life of the right of way.

(c) Computer software

Licenses for IT programs acquired are capitalized based on their acquisition and customization costs. These costs are amortized over their estimated useful lives.

Expenses related to the development or maintenance of IT programs are recognized as an expense as and when incurred. Costs directly related to the production of unique and identifiable IT programs controlled by the Group, and which will probably generate economic benefits that are higher than its costs during more than a year, are recognized as intangible assets. Direct costs include the expenses of employees who develop information technology software and general expenses in accordance with corporate charges received.

The costs of development for IT programs are recognized as assets are amortized over their estimated useful lives.

(d) Mining property and concession rights

The Company holds mining property and concession rights from the Chilean and Australian Governments. Property rights 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) Client portfolio

The period for exploiting these portfolios is limited so they are considered assets with a definite useful life and are therefore subject to amortization.

3.20 Research and development expenses

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

3.21 Exploration and evaluation expenses

The Company holds mining concessions for exploration and exploitation of ore, the Company gives the following treatment to expenses associated with exploration and assessment of these resources:

(a) Caliche

Once the rights have been obtained, the Company records the disbursements directly associated with the exploration and assessment of the deposit as an at cost asset. These disbursements include the following items: Geological surveys, drilling, borehole extraction and sampling, activities related to the technical assessment and commercial viability of the extraction, and in general, any disbursement directly related to specific projects where the objective is to find ore resources.

If the technical studies determine that the ore grade is not economically viable, the asset is directly charged to profit and loss. If determined otherwise, the asset described above is associated with the extractable ore tonnage which is amortized as it is used. These assets are presented in the "other non-current assets category", reclassifying the portion related to the area to be extracted that year as inventories.

(b) Metal exploration

Expenses related to metal exploration are charged to profit or loss in the period in which they are recognized if the project assessed doesn't qualify for consideration as advanced exploration. Otherwise, these are amortized during the development stage.

(c) Salar de Atacama exploration

Salar de Atacama exploration expenses are presented as non-current assets as the property, plant and equipment category and correspond mainly to wells that can also be used in the extraction of the deposit and/or monitoring. These are amortized over 10 years, otherwise, they are amortized during the development stage.

(d) Mount Holland exploration

Mount Holland exploration expenses are presented as of December 31, 2018 in non-current assets under "Other Non-Financial Non-Current Assets". As of January 1, 2019 they have been incorporated into Property, Plant and Equipment, specifically in Constructions in progress and primarily consider exploration boreholes and complementary studies for the lithium ore study of the area. These expenses will begin to be amortized in the development stage.

3.22 Impairment of non-financial assets

Assets subject to depreciation and amortization are also subject to impairment testing, provided that an event or change in the circumstances indicates that the amounts in the accounting records may not be recoverable. An impairment loss is recognized for the excess of the book value of the asset over its recoverable amount.

For assets other than purchased 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 (“CGU”) 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.

To determine the fair value less costs to sell, an appropriate valuation model is used.

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, except for properties reevaluated previously where the revaluation was taken to equity.

For assets other than acquired goodwill, an annual evaluation is carried out to determine whether any previously recognized impairment losses have already decreased or ceased to exist. If this should be the case, the recoverable amount is estimated. 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.

3.23 Minimum dividend

As required by Chilean law and regulations, our dividend policy is decided upon from time to time by our Board of Directors and is announced at the Annual Ordinary Shareholders’ Meeting, which is generally held in April of each year. Shareholder approval of the dividend policy is not required. However, each year the Board must submit the declaration of the final dividend or dividends in respect of the preceding year, consistent with the then-established dividend policy, to the Annual Ordinary Shareholders’ Meeting for approval. As required by the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated net income for that year (determined in accordance with CMF regulations), unless and to the extent the Company has a deficit in retained earnings. (See Note 20.4)

3.24 Earnings per share

The basic earnings per share amounts are calculated by dividing the profit for the year attributable to the ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year. (See Note 21)

The Company has not conducted any type of operation of potential dilutive effect that would entail the disclosure of diluted earnings per share.

3.25 Borrowing cost

The cost of interest is recognized as an expense in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23.

The Company capitalizes all interest costs directly related to the construction or to the acquisition of property, plant and equipment, which require a substantial time to be suitable for use.

3.26 Other provisions

Provisions are recognized when:

- The Company has a present obligation or constructive obligation as the result of a past event.
- It is more likely than not that certain resources must be used, including benefits, 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 18.4).

These obligations are valued using actuarial calculations, according to the projected unit credit method which considers such assumptions as the mortality rate, employee turnover, interest rates, retirement dates, effects related to increases in employees' salaries, as well as the effects on variations in services derived from variations in the inflation rate. The criteria in force contained in the revised IAS 19 are also considered.

Actuarial gains and losses that may be generated by variations in defined, pre-established obligations are directly recorded in other comprehensive income.

Actuarial losses and gains have their origin in deviations between the estimate and the actual behavior of actuarial assumptions or in the reformulation of established actuarial assumptions.

The discount rate used by the Company for calculating the obligation was 3.680% and 4.642% for the periods ended December 31, 2019 and, 2018, respectively.

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 using a 4% interest rate for 2019 and 3.75% for 2018. The net balance of this obligation is presented under the non-current provisions for employee benefits (refer to Note 18.4).

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 International Financial Reporting Standards No. 2 "Share-based Payments". Changes in the fair value of options granted are recognized with a charge to payroll on a straight-line basis during the period between the date on which these options are granted and the payment date (see Note 18.6).

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.

For finance costs accrued during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, the effective interest rate related to the project's specific financing is used. If none exists, the average financing rate of the subsidiary making the investment is used.

Borrowing and financing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of that asset's cost.

3.31 Current income tax and deferred

Corporate income tax for the year is determined as the sum of current 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 year.

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.

Tax on companies and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in the statement of income accounts or equity accounts in the consolidated statement of financial position, considering the origin of the gains or losses which have generated them.

At each reporting period, the carrying amount of deferred tax assets has been reviewed and reduced to the extent where there will not be sufficient taxable income to allow the recovery of all or a portion of the deferred tax assets. Likewise, as of the date of the consolidated financial statements, deferred tax assets that are not recognized were evaluated and not recognized as it was more likely than not that future taxable income will allow for recovery of the deferred tax asset.

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 income tax related to entries directly recognized in equity is recognized with an effect on equity and not with an effect on profit or loss.

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.

3.32 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.

The following operating segments have been identified by the Company:

- Specialty plant nutrients
- Industrial chemicals
- Iodine and derivatives
- Lithium and derivatives

- Potassium
- Other products and services

3.33 Primary accounting criteria, estimates and assumptions

Management is responsible for the information contained in these consolidated financial statements, which expressly indicate that all the principles and criteria included in IFRS, as issued by the (IASB), have been applied in full.

In preparing the consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries, Management has made judgments and estimates to quantify certain assets, liabilities, revenues, expenses and commitments included therein, Basically, these estimates refer to:

- Estimated useful lives are determined based on current facts and past experience and take into consideration the expected physical life of the asset, the potential for technological obsolescence, and regulations. (See Notes 3.22, 15 and 16).
- Impairment losses of certain assets - Assets, including property, plant and equipment, exploration assets, goodwill and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. If an impairment assessment is required, the assessment of value in use often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. Changes in such estimates could impact the recoverable values of these assets. Estimates are reviewed regularly by management (See Notes 15 and 16).
- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments (See Note 18).
- Contingencies – The amount recognized as a provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, considering the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, the assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements (See Notes 19 and 22).
- Provisions based on technical studies that cover the different variables affecting products in stock (density and moisture, among others), and related allowance.
- Obsolescence to ensure that the carrying value of inventory is not in excess of the net realizable Inventory valuation requires judgment to determine obsolescence and estimates of provisions for value. (See Note 12).

Despite the fact that these estimates have been made on the basis of the best information available on the date of preparation of these consolidated financial statements, certain events may occur in the future and oblige their amendment (upwards or downwards) over the next few years, which would be made prospectively.

3.34 Environment

In general, the Company follows the criteria of considering amounts used in environmental protection and improvement as environmental expenses. However, the cost of facilities, machinery and equipment used for the same purpose are considered property, plant and equipment, as the case may be.

Note 4 Changes in accounting estimates and policies

4.1 Changes in accounting estimates

There have been no changes in the methodologies used to determine such estimates in the periods presented.

4.2 Changes in accounting policies

The accounting principles and criteria were applied consistently, except for the following:

- (a) The Company's consolidated financial statements as of December 31, 2019, show changes in the accounting policies over the previous period due to the application of IFRS 16 as of January 1, 2019.

During 2018, management initially measured the impact of adopting IFRS 16 from the date the standard became effective, which it determined by evaluating its lease contracts. These assets should be recorded on the initial application date as right-of-use assets, depending on their nature and lease terms, and they will be amortized over the shorter of their contractual period or useful life.

Contracts were evaluated for evidence of a lease under IFRS 16, and right-of-use assets were identified that included: trucks, cranes, excavators, property (buildings, warehouses, storerooms, land), where SQM has the power to control them during the contract, without the supplier changing its operating instructions.

The Company constructed a debt curve based on the Company's public debt instruments at the valuation date to determine the discount rate for the estimated initial measurement. The rates used to discount the right-of-use asset and the leasing liability were estimated according to the contract currencies (USD, EURO, Mexican peso, UF and CLP) and terms.

The Company chose to fully apply the modified retrospective approach of the retrospective application version B, where the right-of-use is equal to the liability and there is no equity adjustment.

The values of right-of-use assets and leasing liabilities for contracts classified under IFRS 16 total ThUS\$ 45,115 as of January 1, 2019. The weighted average of the incremental lease loan rate applied to lease liabilities recognized in the statement of financial position on the adoption date is 8.08%.

The difference generated between operating lease commitments disclosed applying IAS 17 on December 31, 2018, and lease liabilities recognized on the date of initial application under IFRS 16 is primarily because most payment agreements with suppliers are negotiated on variable terms.

- (b) The Company's consolidated financial statements as of December 31, 2018, show changes in the accounting policies since the previous period due to the application of IFRS 9 as of January 1, 2018.

The application of IFRS 9 had an impact of ThUS\$ 2,301 (ThUS\$ 1,680 net of deferred taxes) as of January 1, 2018 due to the application of the new impairment model, with balancing entries in equity in accordance with IAS 8.

Note 5 Financial risk management

5.1 Financial risk management policy

The Company's financial risk management policy is focused on safeguarding the stability and sustainability of the Company and its subsidiaries with regard to all such relevant financial uncertainty components.

The Company's operations are subject to certain financial risk factors that may affect its financial position or results. The most significant risk exposures are market risk, liquidity risk, currency risk, doubtful accounts risk, and interest rate risk, among others.

There could also be additional risks, which are either unknown or known but not currently deemed to be significant, which could also affect the Company's business operations, its business, financial position, or profit or loss.

The financial risk management structure includes identifying, determining, analyzing, quantifying, measuring and controlling these events. Management and in particular, Finance Management, is responsible for constantly assessing the financial risk.

5.2 Risk Factors

(a) Credit risk

A global economic downturn - and its potentially negative effects on the financial situation of our customers - could extend the payment terms of the Company's receivables by increasing its exposure to credit risk. Although measures are taken to minimize the risk, this global economic situation could mean losses with adverse material effects on the business, financial position or profit and loss of the Company's operations.

To mitigate these risks, the Company maintains active control of collection and uses measures such as the use of credit insurance, letters of credit and prepayments for a portion of receivables.

The concentration of credit risk with respect to sales debtors is reduced, due to the large number of companies that comprise the Company's customer base and their distribution throughout the world.

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 credit risk associated with receivables is analyzed in Note 14.2 and the associated accounting policy can be found in Note 3.5.

The credit quality of financial assets that are not past due or impaired can be evaluated by reference to external credit ratings (if available) or historical information on counterparty late payment rates:

Financial institution	Financial assets	Rating Institution			As of December 31, 2019
		Moody's	S&P	Fitch	ThUS\$
Banco de Chile	Time deposits	P-1	A-1	-	50,221
Banco de Crédito e Inversiones	Time deposits	P-1	A-1	-	42,096
Banco Itau Corpbanca	Time deposits	P-2	A-2	-	39,093
Banco Santander	Time deposits	P-1	A-1	-	2,708
Scotiabank Sud Americano	Time deposits	-	-	F-1+	14,428
Banco Estado	Time deposits	P-1	A-1	-	500
BBVA Banco Francés	Time deposits	-	-	-	53
JP Morgan US dollar Liquidity Fund Institutional	Investment fund deposits	Aaa-mf	AAAm	AAAmf	181,155
Legg Mason - Westen Asset Institutional cash reserves	Investment fund deposits	-	AAAm	AAAmf	146,078
Total					476,332

Financial institution	Financial assets	Rating Institution			As of December 31, 2019
		Moody's	S&P	Fitch	ThUS\$
Banco Scotiabank Sud Americano	90 days to 1 year	P-2	-	-	54,180
Banco de Crédito e Inversiones (*)	90 days to 1 year	P-1	A-1	-	178,448
Banco Santander	90 days to 1 year	P-1	A-1	-	74,365
Banco Itau Corpbanca	90 days to 1 year	P-2	A-2	-	127,579
Banco Security	90 days to 1 year	-	A-2	F2	17,965
Banco de Chile	90 days to 1 year	-	-	-	18,026
Banco Estado	90 days to 1 year	P-1	A-1	-	15,126
Total					485,689

(*) This includes ThUS\$ 1,870 associated with collateral in guarantee used to reduce the liquidity risk.

The following table presents comparative information as of December 2018:

Financial institution	Financial assets	Rating Institution			As of December 31, 2018
		Moody's	S&P	Fitch	ThUS\$
Banco de Chile	Time deposits	P-1	A-1	-	7,305
Banco de Crédito e Inversiones	Time deposits	P-1	A-1	-	27,428
Banco Itau Corpbanca	Time deposits	P-2	A-2	-	61,946
Banco Santander	Time deposits	-	-	-	432
Banco Estado	Time deposits	-	-	-	3,602
BBVA Banco Francés	Time deposits	-	-	-	84
Nedbank	Time deposits	P-3	B	-	647
Scotiabank Sud Americano	Time deposits	-	-	-	86,222
JP Morgan US dollar Liquidity Fund Institutional	Investment fund deposits	Aaa-mf	AAAm	AAAmf	133,809
Legg Mason - Westen Asset Institutional cash reserves	Investment fund deposits	-	AAAm	AAAmf	132,108
Total					453,583

Financial institution	Financial assets	Rating Institution			As of December 31, 2018
		Moody's	S&P	Fitch	ThUS\$
Banco Scotiabank	90 days to 1 year	-	-	-	24,898
Banco de Crédito e Inversiones	90 days to 1 year	P-1	A-1	-	145,834
Banco Santander	90 days to 1 year	P-1	A-1	-	23,124
Banco Itau Corpbanca	90 days to 1 year	P-2	A-2	-	70,719
Banco Security	90 days to 1 year	-	-	-	27,215
Total					291,790

(b) Currency risk

The functional currency of the company is the US dollar, due to its influence on the determination of price levels, its relation to the cost of sales and considering that a significant part of the Company's business is conducted in this currency. However, the global nature of the Company's business generates an exposure to exchange rate variations of several currencies with the US Dollar. Therefore, the Company maintains hedge contracts to mitigate the exposure generated by its main mismatches (net between assets and liabilities) in currencies other than the US dollar against the exchange rate variation, updating these contracts periodically depending on the amount of mismatching to be covered in these currencies. Occasionally, subject to the approval of the Board, the Company ensures short-term cash flows from certain specific line items in currencies other than the US Dollar.

A significant portion of the Company's costs, especially salary payments, is associated with the Peso. Therefore, an increase or decrease in its exchange rate with the US Dollar would affect the Company's profit and loss. By the fourth quarter, approximately US\$ 424 million accumulated in expenses are associated with the Peso.

As of December 31, 2019, the Company held derivative instruments classified as hedges of foreign exchange risks associated with 73% of all of the bond liabilities denominated in UF, for a fair value of US\$ 18.9 million in favor of the Company. As of December 31, 2018, this value amounted to US\$ 3.9 million against the company.

As of December 31, 2019, the exchange rate value for equivalent Pesos to US Dollars was Ch\$ 748.74 per US Dollar, as of December 31, 2018, it was Ch\$ 694.77 per Dollar.

(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, 2019, the Company has around 4% of its financial liabilities linked to variations in the LIBOR rate. Therefore, significant rate increases could impact its financial position. A change of 100 basis points in this rate could result in changes to financial expenses of close to US\$ 0.06 million. Nevertheless, significant rate increases could make it difficult to access financing at attractive rates for the Company's investment projects.

(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 ratio, which enables it to cover current obligations with clearance. On December 31, 2019, this was 3.45.

The Company has an important capital expense program which is subject to change over time.

On the other hand, world financial markets go through periods of contraction and expansion that are unforeseeable in the long-term and may affect SQM's access to financial resources. Such factors may have a material adverse impact on the Company's business, financial position and results of operations.

SQM 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, 2019, the Company had unused, available revolving credit facilities with banks, for a total of US\$ 477 million.

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

As of December 31, 2019 (in millions of US\$)	Nature of undiscounted cash flows				
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank borrowings	70.19	2.17	74.87	-	77.04
Unsecured obligations (1)	1,697.11	326.34	614.29	1,184.38	2,125.01
Sub total	1,767.30	328.51	689.16	1,184.38	2,202.05
Hedging liabilities	23.66	6.57	24.33	32.37	63.27
Derivative financial instruments	3.17	3.17	-	-	3.17
Sub total	26.83	9.74	24.33	32.37	66.44
Current and non-current lease liabilities	37.89	7.69	20.03	10.17	37.89
Trade accounts payable and other accounts payable	205.7	205.7	-	-	205.70
Total	2,037.72	551.64	733.52	1,226.92	2,512.08

(1) Unsecured obligations are presented on a contractual basis and have no effects related to anticipated redemptions.

As of December 31, 2018 (in millions of US\$)	Nature of undiscounted cash flows				
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank borrowings	70.25	4.10	79.66	-	83.76
Unsecured obligations	1,273.07	61.37	823.76	713.60	1,598.73
Sub total	1,343.32	65.47	903.42	713.60	1,682.49
Hedging liabilities	17.32	5.52	15.64	29.27	50.43
Derivative financial instruments	2.86	2.86	-	-	2.86
Sub total	20.18	8.38	15.64	29.27	53.29
Trade accounts payable and other accounts payable	163.75	163.17	0.58	-	163.75
Total	1,527.25	237.02	919.64	742.87	1,899.53

5.3 Risk measurement

The Company has methods to measure the effectiveness and efficiency of financial risk hedging strategies, both prospectively and retrospectively. These methods are consistent with the risk management profile of the SQM Group.

Note 6 Background of companies included in consolidation

6.1 Parent's stand-alone assets and liabilities

Parent's stand-alone assets and liabilities	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Assets	4,069,649	3,737,892
Liabilities	(1,983,382)	(1,652,401)
Equity	2,086,267	2,085,491

6.2 Parent entity

Pursuant to Article 99 of Law No. 18,045 of the Securities Market, the CMF may determine that a company does not have a controlling entity in accordance with the distribution and dispersion of its ownership. On November 30, 2018, the CMF issued the ordinary letter No. 32,131 whereby it determined that the Pampa Group, do not exert decisive power over the management of the Company since it does not have a predominance in the ownership that allows it to make management decisions. Therefore, the CMF has determined not to consider Pampa Group the controlling entity of the Company and that the Company does not have a controlling entity given its current ownership structure.

Note 7 Board of Directors, Senior Management and Key management personnel

7.1 Board of Directors and Senior Management

1) Board of directors

SQM S.A. is managed by a Board of Directors which is composed of 8 regular directors, who are elected for a three-year period. The Board of Directors was elected during the ordinary shareholders' meeting held on April 25, 2019, which included the election of 2 independent directors.

As of December 31, 2019, the Company included the following committees and committee members:

- Directors' Committee: This committee is comprised by Georges de Bourguignon, Laurence Golborne Riveros y Alberto Salas Muñoz, and fulfills the functions established in Article 50 bis of Chilean Law on publicly-held corporations. This committee takes on the role of the audit committee in accordance with the US-based Sarbanes Oxley law.
- The Company's Health, Safety and Environment Committee: This committee is comprised of Gonzalo Guerrero Yamamoto, Patricio Contesse Fica y Robert J. Zatta.
- Corporate Governance Committee: This committee is comprised of Hernán Büchi Buc, Patricio Contesse Fica y Francisco Ugarte Larrain.

During the periods covered by these financial statements, there are no pending receivable and payable balances between the Company, its directors or members of Senior Management, other than those related to remuneration, fee allowances and profit-sharing. In addition, there were no transactions conducted between the Company, its directors or members of Senior Management.

2) Board of Directors' Compensation

Directors' compensation differs according to the period during the corresponding year. Thus, from April 27, 2018 to April 24, 2019 (Period 2018-2019), Directors' compensation was determined by the annual general shareholders' meeting held on April 27, 2018. While for the period from April 25, 2019 to the date of the next annual general shareholders' meeting (Period 2019-2020), Directors' compensation was determined by the annual general shareholders' meeting held on April 25, 2019. For each of these periods, Directors' compensation is detailed as follows:

Period 2018-2019

- a) The payment of a fixed, gross and monthly amount of UF 400 in favor of the Chairman of the Board of Directors, of UF 350 in favor of the vice-president of the board of directors and of UF 350 in favor of the remaining six directors and regardless of the number of Board of Directors' Meetings held or not held during the related month.
- b) A variable gross amount payable in national currency to the Chairman and Vice President of the Company equivalent to 0.12% of the net liquid income earned by the Company in 2018;
- c) A variable gross amount payable in local currency to each Company director, excluding the Chairman and Vice President of the Company, equivalent to 0.06% of the net liquid income earned by the Company in 2019.

Period 2019:

- (i) The payment of a fixed, gross and monthly amount of UF 800 in favor of the Chairman of the Board and of UF 700 in favor of the remaining seven 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 earned by the Company in 2019;
- (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 earned by the Company in 2019.

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, 2019 amounted to ThUS\$ 4,527 and as of December 31, 2018 to ThUS\$ 3,791.

3) Directors' Committee

Directors' Committee compensation differs according to the period during the corresponding year. Thus, for the Period 2018-2019, Directors' Committee compensation was determined by the annual general shareholders' meeting held on April 27, 2018. While for the Period 2019-2020, Directors' Committee compensation was determined by the annual general shareholders' meeting held on April 25, 2019. For each of these periods the compensation of the Directors Committee comprises:

Period 2018-2019

- a) The payment of a fixed, gross and monthly amount of UF 113 in favor of each of the 3 directors who were members of the Directors' Committee, regardless of the number of meetings of the Directors' Committee that have or have not been held during the month concerned.
- b) The payment in domestic currency and in favor of each of the 3 directors of a variable and gross amount equivalent to 0.02% of total net profit that the Company effectively obtains during the 2018 fiscal year.

Period 2019

- (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 2019 fiscal year.

These fixed and variable amounts for both periods shall not be challenged and those expressed in percentage terms shall be paid immediately after the respective annual general shareholders meeting approves the financial statements, the annual report, the account inspectors report and the external auditors report for the respective year. All amounts expressed in UF shall be paid in Chilean pesos at its value on the last day of the respective calendar month, as determined by the CMF (formerly Superintendence of Banks and Financial Institutions) the Chilean Central Bank or any other relevant institution that replaces them.

4) Health, Safety and Environmental Matters Committee:

The remuneration of this committee for the 2018–2019 period was composed of the payment of a fixed, gross, monthly amount of UF 50 for each of the 3 directors on the committee regardless of the number of meetings it has held. For the 2019 period, the remuneration for the Health, Safety and Environment Committee corresponds to a fixed, gross, monthly amount of UF 100 for each of the three Directors on the committee regardless of the number of meetings it has held.

5) Corporate Governance Committee

The remuneration for this committee for the 2018–2019 period was composed of the payment of a fixed, gross, monthly amount of UF 50 for each of the 3 directors on the committees regardless of the number of meetings it has held. For the 2019 period, the remuneration for the Corporate Governance Committee corresponds to a fixed, gross, monthly amount of UF 100 for each of the three Directors on the committee regardless of the number of meetings it has held.

6) Guarantees constituted in favor of the directors

No guarantees have been constituted in favor of the directors.

7) Senior management compensation:

- a) This includes monthly fixed salary and variable performance bonuses. (See Note 7.2)
- b) The Company has an annual bonus plan based on goal achievement and individual contribution to the Company's results. These incentives are structured as a minimum and maximum number of gross monthly salaries and are paid once a year.
- c) The Company also has retention bonuses for its executives, the value of these bonuses is linked to the Company's stock price and is payable in cash during the first quarter of 2021 (see Note 18.6)

8) Guarantees pledged in favor of the Company's management

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

- 9) Pensions, life insurance, paid leave, shares in earnings, incentives, disability loans, other than those mentioned in the above points.

The Company's Management and Directors do not receive or have not received any benefit during the ended December 31, 2019 and the year ended December 31, 2018 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

7.2 Key management personnel compensation

As of December 31, 2019, there are 124 people occupying key management positions and 123 as of December 31, 2018.

Key management personnel compensation	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Key management personnel compensation	22,598	27,907

Note 8 Background on companies included in consolidation and non-controlling interests

8.1 Background on companies included in consolidation

The following tables detail general information as of December 31, 2019 and, 2018, on the companies in which the group exercises control and significant influence:

Subsidiaries	TAX ID No.	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
SQM Nitratos S.A.	96.592.190-7	El Trovador 4285 Las Condes	Chile	US\$	99.9999	0.0001	100.000
Proinsa Ltda. (1)	78.053.910-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	-	-
SQM Potasio S.A.	96.651.060-9	El Trovador 4285 Las Condes	Chile	US\$	99.9999	-	100.000
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	Chile	US\$	0.00034	99.99966	100.000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	1.000	99.000	100.000
Ajay SQM Chile S.A.	96.592.180-K	Av. Pdte. Eduardo Frei 4900, Santiago	Chile	US\$	51.000	-	51.000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285 Las Condes	Chile	Ch\$	1.000	99.000	100.000
SQM Salar S.A.	79.626.800-K	El Trovador 4285 Las Condes	Chile	US\$	18.18	81.820	100.000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285 Las Condes	Chile	US\$	99.047	0.953	100.000
Exploraciones Mineras S.A.	76.425.380-9	El Trovador 4285 Las Condes	Chile	US\$	0.27	99.73	100.000
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	76.534.490-5	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	-	100.000	100.000
Soquimich Comercial S.A.	79.768.170-9	El Trovador 4285 Las Condes	Chile	US\$	-	60.638	60.638
Comercial Agrorama Ltda. (2)	76.064.419-6	El Trovador 4285 Las Condes	Chile	Ch\$	-	42.447	42.447
Comercial Hydro S.A.	96.801.610-5	El Trovador 4285 Las Condes	Chile	US\$	-	60.638	60.638
Agrorama S.A.	76.145.229-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.639	60.639
Orcoma Estudios SPA	76.359.919-1	Apoquindo 3721 OF 131 Las Condes	Chile	US\$	51.000	-	51.000
Orcoma SPA	76.360.575-2	Apoquindo 3721 OF 131 Las Condes	Chile	US\$	100.000	-	100.000
SQM MaG SpA	76.686.311-9	Los Militares 4290, Las Condes	Chile	US\$	-	100.000	100.000
SQM North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	US\$	40.000	60.000	100.000
RS Agro Chemical Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranestad	Aruba	US\$	98.3333	1.6667	100.000
Nitratos Naturais do Chile Ltda.	Foreign	Al. Tocantis 75, 6º Andar, Conunto 608 Edif. West Gate, Alphaville Barueri, CEP 06455-020, Sao Paulo	Brazil	US\$	-	100.000	100.000
Nitrate Corporation of Chile Ltd.	Foreign	1 More London Place London SE1 2AF	United Kingdom	US\$	-	100.000	100.000
SQM Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Curacao	US\$	0.0002	99.9998	100.000
SQM Perú S.A.	Foreign	Avenida Camino Real N° 348 of. 702, San Isidro, Lima	Peru	US\$	0.00907	99.99093	100.000

(1) On April 01, 2019 the company Proinsa Ltda ceased trading.

(2) 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 Ecuador S.A.	Foreign	Av. José Orrantía y Av. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211	Ecuador	US\$	0.004	99.996	100.000
SQM Brasil Ltda.	Foreign	Al. Tocantis 75, 6º Andar, Conunto 608 Edif. West Gate, Alphaville Barueri, CEP 06455-020, Sao Paulo	Brazil	US\$	0.840	99.160	100.000
SQI Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Curacao	US\$	0.01587	99,98413	100.000
SQMC Holding Corporation.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States of America	US\$	0.100	99.900	100.000
SQM Japan Co. Ltd.	Foreign	From 1st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokio	Japan	US\$	0.1597	99.8403	100.000
SQM Europe N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	US\$	0.580	99.420	100.000
SQM Italia SRL	Foreign	Via A. Meucci, 5 500 15 Grassina Firenze	Italy	US\$	-	100.000	100.000
SQM Indonesia S.A.	Foreign	Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede	Indonesia	US\$	-	80.000	80.000
North American Trading Company	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	US\$	-	100.000	100.000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	US\$	-	100.000	100.000
SQM Comercial de México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	0.01	99.990	100.000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Curacao	US\$	1.000	99.000	100.000
Royal Seed Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	1.670	98.330	100.000
SQM Lithium Specialties Limited Partnership	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States of America	US\$	-	100.000	100.000
Soquimich SRL Argentina	Foreign	Espejo 65 Oficina 6 – 5500 Mendoza	Argentina	US\$	-	100.000	100.000
Comercial Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer	Panama	US\$	-	100.000	100.000
SQM France S.A.	Foreign	ZAC des Pommiers 27930 FAUVILLE	France	US\$	-	100.000	100.000
Administración y Servicios Santiago S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	-	100.000	100.000
SQM Nitratos México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	-	100.000	100.000
SQM Australia PTY	Foreign	Level 16, 201 Elizabeth Street Sydney	Australia	US\$	-	100.000	100.000
SACAL S.A. (3)	Foreign	Av. Leandro N. Alem 882, piso 13 Buenos Aires	Argentina	Ars	-	0.000	0.000

(3) On June 26, 2019 SACAL S.A. ceased trading.

Subsidiaries	TAX ID No.	Address	Country of Incorporation	Functional Currency	Ownership Interest		
					Direct	Indirect	Total
Soquimich European Holding B.V.	Foreign	Loacallellikade 1 Parnassustoren 1076 AZ Amsterdam	Holland	US\$	-	100.000	100.000
SQM Iberian S.A	Foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	US\$	-	100.000	100.000
SQM Africa Pty Ltd.	Foreign	Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	US\$	-	100.000	100.000
SQM Oceanía Pty Ltd.	Foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	US\$	-	100.000	100.000
SQM Beijing Commercial Co. Ltd.	Foreign	Room 1001C, CBD International Mansion N 16 Yong an Dong Li, Jian Wai Ave Beijing 100022, P.R.	China	US\$	-	100.000	100.000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	US\$	-	99.996	99.996
SQM Colombia SAS	Foreign	Cra 7 No 32 – 33 piso 29 Pbx: (571) 3384904 Fax: (571) 3384905 Bogotá D.C. – Colombia.	Colombia	US\$	-	100.000	100.000
SQM International N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Amberes	Belgium	US\$	0.580	99.420	100.000
SQM (Shanghai) Chemicals Co. Ltd.	Foreign	Room 4703-33, 47F, No.300 Middle Huaihai Road, Huangpu district, Shanghai	China	US\$	-	100.000	100.000

8.2 Assets, liabilities, results of consolidated subsidiaries as of December 31, 2019

Subsidiaries	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Currents	Non-currents	Currents	Non-currents			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Nitratos S.A.	368,474	41,688	292,535	3,521	167,481	39,530	39,440
Proinsa Ltda.	-	-	-	-	-	-	-
SQM Potasio S.A.	14,983	978,525	116,734	23,317	3,350	125,975	125,334
Serv, Integrales de Tránsito y Transf. S.A.	19,317	36,025	50,229	2,075	30,061	(2,650)	(2,703)
Isapre Norte Grande Ltda.	809	604	684	153	3,816	25	(2)
Ajay SQM Chile S.A.	17,780	1,259	1,284	374	24,883	1,510	1,510
Almacenes y Depósitos Ltda.	243	45	-	-	-	(8)	(85)
SQM Salar S.A.	734,837	886,099	549,726	201,273	775,010	153,550	152,781
SQM Industrial S.A.	833,283	766,097	497,377	120,741	752,107	105,198	103,894
Exploraciones Mineras S.A.	3,099	31,081	6,296	-	-	(213)	(213)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	184	570	305	338	2,341	17	(14)
Soquimich Comercial S.A.	134,808	15,448	41,104	12,349	124,787	5,079	5,072
Comercial Agrorama Ltda.	862	1,313	4,467	19	2,755	(836)	(837)
Comercial Hydro S.A.	4,791	21	12	6	28	18	18
Agrorama S.A.	669	-	6,133	9	3,146	(1,407)	(1,376)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	156	4,522	29	-	-	-	-
SQM MaG SPA	1,955	615	1,888	2	2,888	412	412
SQM North America Corp.	115,924	19,656	98,332	2,751	241,102	537	(214)
RS Agro Chemical Trading Corporation A.V.V.	5,155	-	64	-	-	(25)	(25)
Nitratos Naturais do Chile Ltda.	2	135	3,314	-	-	7	7
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	7,696	160,381	3,594	-	-	12,376	12,308
SQM Peru S.A.	29	-	80	-	-	(141)	(141)
SQM Ecuador S.A.	31,603	712	28,508	70	38,131	818	818
SQM Brasil Ltda.	194	-	598	2,250	-	(231)	(231)
SQI Corporation N.V.	56	34	77	-	-	(3)	(3)
Subtotal	2,301,985	2,947,190	1,703,384	369,248	2,171,886	439,538	435,750

Subsidiaries	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss) Currents
	Currents	Non-currents	Currents	Non-currents			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
SQMC Holding Corporation L.L.P.	28,889	16,190	1,687	-	-	2,585	2,585
SQM Japan Co. Ltd.	68,805	228	66,015	201	168,557	270	270
SQM Europe N.V.	429,926	4,608	361,059	2,824	729,730	5,387	5,387
SQM Italia SRL	1,158	-	15	-	-	5	5
SQM Indonesia S.A.	3	-	1	-	-	-	-
North American Trading Company	157	145	39	-	-	-	-
SQM Virginia LLC	14,804	14,345	14,804	-	-	(1)	(1)
SQM Comercial de México S.A. de C.V.	102,068	7,597	72,023	2,387	216,185	2,983	2,983
SQM Investment Corporation N.V.	13,811	30,888	5,518	975	-	(74)	(74)
Royal Seed Trading Corporation A.V.V.	44	-	18,834	-	-	(42)	(42)
SQM Lithium Specialties LLP	15,752	3	1,264	-	-	(1)	(1)
Soquimich SRL Argentina	57	-	165	-	-	(24)	(24)
Comercial Caimán Internacional S.A.	256	-	1,122	-	-	(5)	(5)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	235	72	402	211	3,463	21	21
SQM Nitratos México S.A. de C.V.	140	18	97	18	1,008	13	13
Soquimich European Holding B.V.	5,851	174,968	1,299	30,802	-	11,750	11,682
SQM Iberian S.A.	52,750	2,350	41,680	4	105,634	361	361
SQM Africa Pty Ltd.	57,639	1,728	47,594	-	63,567	(939)	(939)
SQM Oceania Pty Ltd.	5,440	-	3,459	-	2,085	444	444
SQM Beijing Commercial Co. Ltd.	11,723	20	9,695	-	14,487	(148)	(148)
SQM Thailand Limited	4,912	11	1,081	-	5,354	369	369
SQM Colombia SAS	9,505	151	10,089	37	7,574	(439)	(439)
Sacal S.A.	-	-	-	-	-	-	-
SQM International	40,652	831	32,549	-	75,229	800	800
SQM Shanghai Chemicals Co. Ltd.	36,250	133	34,367	-	77,599	(73)	(74)
SQM Australia Pty Ltd.	12,113	108,068	5,661	56	-	(2,030)	(2,030)
Subtotal	913,285	362,360	730,633	37,515	1,470,472	21,212	21,143
Total	3,215,270	3,309,550	2,434,017	406,763	3,642,358	460,750	456,893

8.2 Assets, liabilities, results of consolidated subsidiaries as of December 31, 2018

Subsidiaries	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss) Currents
	Currents	Non-currents	Currents	Non-currents			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Nitratos S.A.	364,492	33,716	310,062	1,621	185,487	32,532	32,546
Proinsa Ltda.	52	-	-	-	-	-	-
SQMC Internacional Ltda.	193	-	-	-	-	(1)	(1)
SQM Potasio S.A.	38,237	935,027	123,838	23,180	3,270	271,247	270,514
Serv. Integrales de Tránsito y Transf. S.A.	62,355	37,594	92,154	2,054	33,392	134	118
Isapre Norte Grande Ltda.	553	754	551	152	3,444	30	(42)
Ajay SQM Chile S.A.	18,259	1,298	1,497	389	32,758	2,400	2,400
Almacenes y Depósitos Ltda.	264	46	-	-	-	(10)	(142)
SQM Salar S.A.	671,086	849,377	512,964	189,267	1,035,046	326,152	325,263
SQM Industrial S.A.	904,802	702,606	489,063	100,914	779,692	82,638	82,267
Exploraciones Mineras S.A.	3,137	30,999	6,039	-	-	2,071	2,071
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	270	571	417	292	2,341	2	(19)
Soquimich Comercial S.A.	139,210	13,558	39,743	6,692	136,563	3,492	3,466
Comercial Agrorama Ltda.	3,966	1,560	7,099	30	7,639	(1,061)	(1,062)
Comercial Hydro S.A.	4,897	28	40	8	25	119	119
Agrorama S.A.	7,235	485	12,086	48	9,440	(1,716)	(1,700)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	296	4,416	63	1	-	2	2
SQM MaG SPA	780	340	853	-	979	257	257
SQM North America Corp.	113,630	16,274	94,939	254	271,869	(1,342)	(993)
RS Agro Chemical Trading Corporation A.V.V.	5,155	-	39	-	-	(25)	(25)
Nitratos Naturais do Chile Ltda.	30	136	3,349	-	-	127	127
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	7,696	148,464	3,586	-	-	22,131	22,162
SQM Perú S.A.	163	-	1,166	-	-	(107)	(107)
SQM Ecuador S.A.	24,529	144	21,773	72	32,181	766	766
SQM Brasil Ltda.	108	-	706	2,254	126	(32)	(32)
SQI Corporation N.V.	56	31	72	-	-	(6)	(6)
Subtotal	2,376,527	2,779,784	1,722,113	327,228	2,534,252	739,800	737,949

Subsidiaries	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss) Currents
	Currents	Non-currents	Currents	Non-currents			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQMC Holding Corporation L.L.P.	25,692	16,115	1,000	-	-	3,084	3,084
SQM Japan Co. Ltd.	78,457	210	75,948	171	204,313	208	208
SQM Europe N.V.	412,691	1,825	349,252	-	985,278	17,180	17,180
SQM Italia SRL	1,176	-	15	-	-	-	-
SQM Indonesia S.A.	3	-	1	-	-	-	-
North American Trading Company	157	145	39	-	-	(1)	(1)
SQM Virginia LLC	14,805	14,346	14,805	-	-	(2)	(2)
SQM Comercial de México S.A. de C.V.	110,558	3,040	81,325	-	198,180	1,327	1,327
SQM Investment Corporation N.V.	44,476	86	5,336	946	-	(624)	(624)
Royal Seed Trading Corporation A.V.V.	86	-	18,834	-	-	31	31
SQM Lithium Specialties LLP	15,753	3	1,264	-	-	(2)	(2)
Soquimich SRL Argentina	87	-	172	-	-	(79)	(79)
Comercial Caimán Internacional S.A.	261	-	1,122	-	-	(1)	(1)
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	128	78	370	164	2,848	10	10
SQM Nitratos México S.A. de C.V.	90	7	56	10	763	12	12
Soquimich European Holding B.V.	4,999	164,484	32,047	-	-	25,437	25,468
SQM Iberian S.A.	68,754	2,235	57,931	-	138,855	2,995	2,995
SQM Africa Pty Ltd.	59,925	1,448	48,663	-	106,514	4,871	4,871
SQM Oceania Pty Ltd.	3,581	-	1,990	-	2,513	(527)	(527)
SQM Beijing Commercial Co. Ltd.	12,346	9	10,163	-	13,779	(121)	(121)
SQM Thailand Limited	8,302	7	4,835	-	8,348	485	485
SQM Colombia SAS	4,592	279	4,830	-	3,056	(887)	(887)
SQM Australia Pty Ltd.	29,856	88,587	5,005	26	-	562	562
Sacal S.A.	3	-	-	-	-	-	-
SQM International	10,854	781	3,502	-	3,539	102	102
SQM Shanghai Chemicals Co. Ltd.	8,437	36	6,212	-	6,059	(239)	(239)
Subtotal	916,414	293,727	724,831	1,317	1,674,045	53,821	53,852
Total	3,292,941	3,073,511	2,446,944	328,545	4,208,297	793,621	791,801

8.3 Background on non-controlling interests

Subsidiaries	% of interests in the ownership held by non-controlling interest	Profit (loss) attributable to non-controlling interest		Equity, non-controlling interests		Dividends paid to noncontrolling interests	
		As of December 31, 2019	As of December 31, 2018	As of December 31, 2019	As of December 31, 2018	As of December 31, 2019	As of December 31, 2018
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Proinsa Ltda.	0.1%	-	-	-	-	-	-
SQM Potasio S.A.	0.00001%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49%	740	1,176	8,517	8,659	882	823
Soquimich Comercial S.A.	39.3616784%	1,999	1,375	38,103	41,855	5,935	8,910
Comercial Agrorama Ltda.	30%	(251)	(318)	(693)	(481)	-	-
Agrorama S.A.	0.001%	-	-	-	-	-	-
Orcoma Estudios SPA	49%	-	-	2,277	2,277	-	-
SQM Indonesia S.A.	20%	-	-	1	1	-	-
Total		2,488	2,233	48,205	52,311	6,817	9,733

Note 9 Equity-accounted investees

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

As of December 31, 2019 and 2018, in accordance with criteria established in Note 2,

Associates	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share in other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share in total other comprehensive income of associates and joint ventures accounted for using the equity method	
	As of December 31, 2019	As of December 31, 2018	As of December 31, 2019	As of December 31, 2018	As of December 31, 2019	As of December 31, 2018	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	11,609	10,821	634	596	1	-	635	596
Doktor Tarsa Tarim Sanayi AS	26,001	21,582	3,912	241	198	489	4,110	730
Ajay North America	14,669	14,951	2,871	3,728	-	-	2,871	3,728
Ajay Europe SARL	7,451	7,845	1,165	1,373	(179)	(439)	986	934
Charlee SQM Thailand Co Ltd	-	-	-	316	-	-	-	316
SQM Eastmed Turkey	623	310	354	370	(42)	(21)	312	349
Kore Potash PLC	24,739	20,467	(534)	(1,543)	(549)	(1,206)	(1,083)	(2,749)
Total	85,092	75,976	8,402	5,081	(571)	(1,177)	7,831	3,904

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates	Dividends received	
					For the year ended December 31, 2019	For the year ended December 31, 2018
					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%	-	6,632
Doktor Tarsa Tarim Sanayi AS	Distribution and commercialization of specialty plant nutrients in Turkey.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-
Ajay North America	Production and distribution of iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States of America	49%	2,796	2,807
Ajay Europe SARL	Production and distribution of iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50%	1,055	811
Charlee SQM Thailand Co Ltd	Distribution and commercialization of specialty plant nutrients.	31 Soi 138 (Meesuk) LLapdrawrd, Bangkok, 10240 Bangkok	Thailand	40%	-	362
SQM Eastmed Turkey	Production and commercialization of specialty products.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50%	-	-
Kore Potash Ltd	Prospection, exploration and mining development.	L 3 88 William ST Perth, was 6000	Australia	19.67%	-	-
Total					3,851	10,612

The companies described in the table below are related parties of the following associates:

- (1) Doktor Tarsa Tarim Sanayi AS
- (2) Terra Tarsa B.V.
- (3) Abu Dhabi Fertilizer Industries WWL

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates (*)	Dividends received	
					For the year ended December 31, 2019	For the year ended December 31, 2018
					ThUS\$	ThUS\$
Terra Tarsa Ukraine LLC (2)	Distribution and trading of specialty plant nutrients.	74800 Ukraine, Kakhovka, 4 Yuzhnaya Str.	Ukraine	100%	-	-
Terra Tarsa BV (1)	Distribution and trading of specialty plant nutrients.	Herikerbergweg 238, Luna Arena, 1101CM Amsterdam PO Box 23393, 1100DW Amsterdam Zuidoost	Holland	50%	-	-
Plantacote NV (1)	Sale of CRF and production and sales of WSNPK.	Houtdok-Noordkaai 25a, 2030 Antwerpen, Belgium	Belgium	100%	-	-
Doctochem Tarim Sanayai Ticaret LTD (1)	Production, distribution and trading of specialty plant nutrition.	Eski Büyükdere Cad No: 7 GIZ 2000 Plaza K:17 D:67-68 Maslak Sariyer İstanbul.	Turkey	100%	-	-
Terra Tarsa Don LLC	Distribution and sale of specialty fertilizers	Zorge Street, house 17, 344090, Rostov-on-Don	Russian Federation	100%	-	-
Doktolab Tarim Arastirma San. (1)	Laboratory services.	27. Cd. No:2, 07190 Aosb 2. Kısım/Döşemealtı, Antalya, Turkey	Turkey	100%	-	-
International Technical and Trading Agencies Co WLL (3)	Distribution and trading of specialty plant nutrients, in the Middle East.	P.O Box: 950918 Amman 11195	Jordan	50%	-	-
Total					-	-

(*) This percentage does not consider the shareholdings of the holders of these subsidiaries.

9.2 Assets, liabilities, revenue and expenses of associates

Associate	As of December 31, 2019							
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive e income
	Currents	Non-currents	Currents	Non-currents				
	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	-	-
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)	7,026

Associate	As of December 31, 2018							
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive e income
	Currents	Non-currents	Currents	Non-currents				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	23,496	11,444	5,695	-	33,098	1,611	(1)	1,610
Doktor Tarsa Tarim Sanayi AS	66,498	12,242	27,067	8,509	74,144	481	978	1,459
Ajay North America	21,644	12,409	3,542	-	40,290	7,608	-	7,608
Ajay Europe SARL	21,219	1,214	6,743	-	36,337	2,747	(878)	1,869
SQM Eastmed Turkey	1,724	2,160	1,829	1,434	3,192	740	(42)	698
Kore Potash PLC	6,659	148,426	2,180	-	-	(8,198)	(6,882)	(15,080)
Total	141,240	187,895	47,056	9,943	187,061	4,989	(6,825)	(1,836)

9.3 Other information

The Company has no participation in unrecognized losses in investments in associates.

The Company has no investments that are not accounted for according to the equity method.

The basis of preparation of the financial information of associates corresponds to the amounts included in the financial statements in conformity with IFRS.

The equity method was applied to the Statement of Financial Position as of December 31, 2019 and 2018.

9.4 Disclosures on interest in associates

(a) Transactions conducted in 2019:

- In the fourth quarter of 2019, Ajay North America paid total dividends of ThUS\$ 5,706.
- In the first quarter of 2019, Ajay Europe SARL paid total dividends of ThUS\$ 2,107.
- In July 2019, the Company a capital increase in Kore Potash PLC for ThUS\$ 2,600, increasing the share to 19.67% of investment shareholdings.
- On December 11, 2019, Doktor Tarsa Tarim Sanayi AS acquired 100% of shares in Doctochem Tarim Sanayi Ticaret LTD.

(b) Transactions conducted in 2018:

- During the first quarter, the Company increased its capital in Kore Potash PLC by ThUS\$ 3,000.
- In March 2018 Abu Dhabi Fertilizer Industries WLL paid dividends of ThUS\$ 10,890. 50% of the distributed dividend was charged to retained earnings generated subsequent to 2014, in line with the Company's statutes that establish that 37% of the distributed dividend corresponds to SQM. The remaining 50% was charged to retained earnings generated between 2004 and 2014, in line with the entity's statutes that establish that 50% of the distributed dividend corresponds to SQM.
- In March 2018 Ajay North America paid dividends of ThUS\$ 1,432.
- In June 2018 Abu Dhabi Fertilizer Industries WLL paid dividends of ThUS\$ 7,034. 50% of the distributed dividend was charged to retained earnings generated subsequent to 2014, in line with the Company's statutes that establish that 37% of the distributed dividend corresponds to SQM. The remaining 50% was charged to retained earnings generated between 2004 and 2014, in line with the Company's statutes that establish that 50% of the distributed dividend corresponds to SQM.
- At the close of the second quarter of 2018, Ajay North America paid dividends of ThUS\$ 5,728.
- In June 2018 Ajay North Europe SARL paid dividends of ThUS\$ 1,622.
- In June 2018 Charlee SQM Thailand Co. Ltd. paid dividends of ThUS\$ 906.
- On November 14, 2018, Soquimich European Holdings B.V. sold its share in Charlee SQM Thailand Co. Ltd., generating a loss of ThUS\$ 759.
- In 2018, Doktor Tarsa Tarim Sanayi Ve Ticaret A.S., changed its functional currency from Turkish Lira to the United States Dollar.

Note 10 Joint Ventures

10.1 Policy for the accounting of equity accounted investment in joint ventures

The method for recognizing joint ventures is that in which participation is initially recorded at cost, and subsequently adjusted, considering changes after the acquisition in the portion of the entity's net assets that correspond to the investor. Profit or loss for the period will include the portion of the entity's entire profit or loss that correspond to the investor. For these joint ventures there is no quoted market price to measure these investments. (See Note 2.6)

At the date of issuance of these financial statements, SQM is not aware of the existence of any significant contingent liabilities associated with the partnerships in joint ventures.

10.2 Disclosures of interest in joint ventures

a) Operations conducted in 2019

- On January 01, 2019, SQM Vitas Perú changed its functional currency from the Peruvian sol to USD (United States dollar).
- During the fourth quarter del 2019 SQM Vitas Fzco paid dividends of ThUS\$ 21,196.

b) Operations conducted in 2018

- During the first quarter of 2018, Minera Exar S.A. increased its capital by ThUS\$ 13,000. The entity is a joint venture and contributions were made on January 25, 2018 (ThUS\$ 6,000) and February 14, 2018 (ThUS\$ 7,000) by SQM Potasio S.A. and Lithium Americas Corporation (LAC). Both partners share 50% ownership of the respective company, each contributing the same share in these capital increases.
- On March 14, 2018, the company SQM Vitas Plantacote B.V. was closed.
- As of the date, Minera Exar S.A. has changed its functional currency from the Argentine peso to the United States dollar.
- In April 2018, Minera Exar made a new capital increase of ThUS\$ 7,000, which was contributed in equal parts by its partners.
- On May 15, 2018, the subsidiary Soquimich European Holdings BV, signed a joint venture agreement with PAVONI & C., SpA in Italy, EUR 5.5 million were paid for a 50% share, generating a lower value of EUR 2.6 million. The functional currency of the joint venture is the Euro.
- On December 31, 2018, the conditions were met for Covalent Lithium Pty Ltd, to be recognized as a separate joint venture. In previous years, the financial statements for this entity were included as part of SQM Australia Pty.
- On December 31, 2018, as part of the investment in Pavoni & C., SpA. the goodwill generated in the purchase of this joint venture by an amount, of ThUS\$ 3,206.
- The subsidiary SQM Industrial S.A., recorded an impairment loss of ThUS\$ 8,802, corresponding to its Sichuan SQM-Migao Chemical Fertilizer Co, Ltd, joint venture. The impairment is disclosed by netting the value of the aforementioned investment, in the caption "Equity method investments".
- During December 2018, the Company sold its shares in Minera Exar S.A. and generated a profit before taxes of ThUS\$ 14,507.

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

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership	Dividends received	
					For the year ended December 31, 2019	For the year ended December 31, 2018
					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 and 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, Shangdong Province	China	50%	-	-
SQM Vitas Holland	Without information production of specialized fertilizers and other products for distribution in Italy and other countries.	Herikerbergweg 238, 1101 CM Amsterdam Zuidooost	Holland	50%	-	-
Pavoni & C. Spa	products 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					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 ended December 31, 2019	For the year ended December 31, 2018
					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	Perú	50%	-	-
Arpa Speciali S.R.L. (2)	Production of specialty fertilizers and others for distribution in Italy and other countries.	Mantova (MN) Via Cremona 27 Int. 25	Italy	50.48%	-	-
Total					-	-

(*) The percentages presented correspond to the ownership used in the consolidation of the company.

Joint Venture	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	1,992	1,992	(632)	(650)	-	-	(631)	(650)
Coromandel SQM India	1,568	1,729	(98)	174	(38)	(159)	(136)	15
SQM Vitas Fzco.	9,111	20,202	1,797	1,781	437	(903)	2,234	878
SQM Qingdao Star Corp Nutrition Co. Ltd.	3,464	3,168	296	188	-	-	296	188
SQM Vitas Holland	1,304	1,345	(15)	(14)	(27)	(70)	(42)	(84)
Minera Exar S.A. (1)	-	-	-	(206)	-	-	-	(206)
Pavoni & C. Spa	6,864	7,084	36	(39)	(255)	70	(219)	31
Covalent Lithium Pty Ltd.	40	53	-	36	(13)	-	(13)	36
Total	24,343	35,573	1,384	1,270	104	(1,062)	1,489	208

(1) Minera Exar S.A. was sold in December 2018,

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 associates and joint ventures accounted for using the equity method		Share on other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share on total other comprehensive income of associates and joint ventures accounted for using the equity method	
	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Vitas Brasil Agroindustria (1)	5,347	5,915	564	1,439	225	(792)	338	647
SQM Vitas Perú S.A.C. (1)	1,955	2,671	211	(275)	661	(112)	872	(387)
Arpa Speciali S.R.L. (2)	92	62	31	(44)	(1)	-	30	(44)
Total	7,394	8,648	806	1,120	435	(904)	1,240	216

The following companies are subsidiaries of:

- (1) SQM Vitas Fzco.
- (2) Pavoni & C. Spa

10.4 Assets, liabilities, revenue and expenses from joint ventures:

Joint Venture	As of December 31, 2019							
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	28,668	5,129	13,472	-	7	(1,262)	-	(1,262)
Coromandel SQM India	4,504	633	1,704	-	8,197	(197)	(77)	(274)
SQM Vitas Fzco.	9,695	20,014	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 Holland	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	49,511	92,712	7,162	151,030	4,318	(670)	3,648

Joint Venture	As of December 31, 2018							
	Assets		Liabilities		Revenue	Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
	Current	Non-current	Current	Non-current				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	28,577	5,913	12,902	-	16	(1,301)	-	(1,301)
Coromandel SQM India	5,905	852	3,050	-	11,605	348	(318)	30
SQM Vitas Fzco.	30,430	17,592	2,678	-	16,583	3,561	(1,806)	1,755
SQM Qingdao Star Corp Nutrition Co. Ltd.	7,754	114	1,533	-	13,004	377	-	377
SQM Vitas Holland	2,692	-	1	-	-	(28)	(139)	(167)
SQM Vitas Brasil Agroindustria	36,648	7,566	31,808	-	82,625	2,879	(1,585)	1,294
SQM Vitas Perú S.A.C.	22,365	7,785	18,996	5,966	28,619	(550)	(223)	(773)
Pavoni & C. Spa	10,062	6,490	8,098	698	15,461	(79)	140	61
Covalent Lithium Pty Ltd.	239	100	233	-	-	106	-	106
Total	144,672	46,412	79,299	6,664	167,913	5,313	(3,931)	1,382

10.5 Other Joint Venture disclosures:

Joint Venture	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	As of December 31, 2019	As of December 31, 2018	As of December 31, 2019	As of December 31, 2018	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	33	106	-	-	-	-
Coromandel SQM India	2,240	308	-	-	-	-
SQM Vitas Fzco.	3,071	19,312	-	-	-	-
SQM Qingdao Star Corp Nutrition Co. Ltd.	4,640	4,543	-	-	-	-
SQM Vitas Holland	2,609	2,692	-	-	-	-
SQM Vitas Brasil Agroindustria	2,101	1,869	9,106	13,380	-	-
SQM Vitas Perú S.A.C.	225	371	258	3,819	895	801
Pavoni & C. Spa	314	407	5,509	5,464	-	-
Covalent Lithium Pty Ltd.	693	156	472	-	-	-
Total	15,926	29,764	15,345	22,663	895	801

Joint Venture	Depreciation and amortization expense		Interest expense		Income tax benefit (expense) from continuing operations	
	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co Ltd.	(743)	(948)	-	(1)	153	97
Coromandel SQM India	(291)	445	(4)	(9)	(27)	(38)
SQM Vitas Fzco.	-	(509)	(7)	(8)	-	-
SQM Qingdao Star Corp Nutrition Co. Ltd.	(62)	(67)	-	-	(241)	(187)
SQM Vitas Holland	-	-	(1)	-	-	-
SQM Vitas Brasil Agroindustria	(33)	(408)	(1,176)	(886)	181	(117)
SQM Vitas Perú S.A.C.	(287)	(347)	(435)	(425)	(316)	(230)
Pavoni & C. Spa	(149)	(542)	-	(335)	(214)	-
Covalent Lithium Pty Ltd.	(126)	(16)	(32)	(5)	-	(46)
Total	(1,691)	(2,392)	(1,655)	(1,669)	(464)	(521)

10.6 Joint Ventures

In 2017, we continued to expand our operations outside Chile and, together with our subsidiary SQM Australia Pty, we entered into an agreement to acquire 50% of the assets of the Mount Holland lithium project in Western Australia. We entered into a 50/50 unincorporated joint operation with Kidman Resources Limited (“Kidman”), the Mt Holland Lithium Project, to design, construct and operate a mine, concentrator and refinery to produce approximately 45,000 metric tons of lithium hydroxide per year. Kidman retained the exclusive right to exploit gold within the project area. SQM Australia Pty committed to pay a price of US\$ 70 million for the 50% of the Mt Holland assets, which was split into an initial payment of US\$15 million and a deferred payment of US\$ 55 million, both payments subject to certain conditions precedent. As agreed by the parties, US\$ 40 million of a total of US\$70 million paid to Kidman was provided directly to the project and SQM Australia paid an additional (i) US\$ 10 million as part of the initial payment, and (ii) US\$ 30 million once the deferred payment took place. An additional US\$ 5 million for Kidman for resolution of legal disputes.

All payments subject to conditions under the purchase agreement with Kidman were executed by December 2018.

This business meets the conditions stipulated in IFRS 11 to be considered a "joint operation", since management has agreed that the rights of the related assets and liabilities relate to a joint arrangement, which states that the joint operators share all interests in the related assets and liabilities in specific proportions. Please refer to material events as of December 31, 2019.

Note 11 Cash and cash equivalents

11.1 Types of cash and cash equivalents

As of December 31, 2019, and 2018, cash and cash equivalents are detailed as follows:

Cash	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Cash on hand	71	75
Cash in banks	105,141	101,662
Other demand deposits	6,986	746
Total cash	112,198	102,483

Cash equivalents	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Short-term deposits, classified as cash equivalents	149,099	187,666
Short-term investments, classified as cash equivalents	327,233	265,917
Total cash equivalents	476,332	453,583
Total cash and cash equivalents	588,530	556,066

11.2 Short-term investments, classified as cash equivalents

As of December 31, 2019 and 2018, 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, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	181,155	132,108
JP Morgan US dollar Liquidity Fund Institutional	146,078	133,809
Total	327,233	265,917

Short-term investments are highly liquid mutual funds that are basically invested in short-term fixed rate notes in the U.S. market.

11.3 Information on cash and cash equivalents by currency

As of December 31, 2019 and 2018, information on cash and cash equivalents by currency is detailed as follows:

Original currency	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Chilean Peso (*)	8,240	157,500
US Dollar	558,572	353,674
Euro	3,131	4,738
Mexican Peso	2,103	1,242
South African Rand	3,929	5,219
Japanese Yen	1,559	1,786
Peruvian Sol	4	1
Indian rupee	6	-
Chinese Yuan	2,484	2,305
Dirham United Arab Emirates	-	1
Indonesian rupee	3	-
Argentine Peso	3	2
Pound Sterling	3	-
Australian dollar	8,492	29,598
Polish Zloty	1	-
Total	588,530	556,066

(*) The Company maintains financial derivative instruments policies which allow management to convert term deposits denominated in pesos and UF to US dollars.

11.4 Amount restricted (unavailable) cash balances

Cash on hand and cash in banks are available resources, and their carrying value is equal to their fair value.

Financial assets pledged as collateral

On November 4, 2004, Isapre Norte Grande has a guarantee equivalent to the total amount owed to its subsidiaries and medical suppliers, which is administered and maintained by Banco de Chile.

As of December 31, 2019 and, 2018 pledged assets are as follows

Restricted cash balances	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Isapre Norte Grande Ltda.	551	712
Total	551	712

11.5 Short-term deposits, classified as cash equivalents

The detail at the end of each period is as follows:

Receiver of the deposit	Type of deposit	Original currency	Interest rate	Placement date	Maturity	Principal	Interest accrued to-date	As of December 31, 2019
						ThUS\$	ThUS\$	ThUS\$
Banco crédito e inversiones	Fixed term	US\$	3.45%	11-18-2019	02-13-2020	18,000	74	18,074
Banco crédito e inversiones	Fixed term	US\$	2.85%	12-26-2019	02-20-2020	20,000	8	20,008
Banco de Chile	Fixed term	US\$	3.45%	11-15-2019	01-23-2020	14,000	62	14,062
Banco de Chile	Fixed term	US\$	3.50%	11-15-2019	01-09-2020	18,000	80	18,080
Banco de Chile	Fixed term	US\$	3.45%	11-15-2019	01-16-2020	18,000	79	18,079
Banco Itau Chile	Fixed term	US\$	2.90%	12-26-2019	02-20-2020	33,000	13	33,013
Scotiabank Sud Americano	Fixed term	Ch\$	2.16%	12-30-2019	08-08-2020	6,812	-	6,812
Banco crédito e inversiones	Fixed term	US\$	3.51%	11-21-2019	01-28-2020	1,000	4	1,004
Banco crédito e inversiones	Fixed term	US\$	3.75%	12-02-2019	02-27-2020	2,000	6	2,006
Banco crédito e inversiones	Fixed term	US\$	3.60%	11-25-2019	01-28-2020	1,000	4	1,004
Banco Estado	Fixed term	US\$	2.15%	12-16-2019	01-06-2020	500	-	500
Banco Santander - Santiago	Fixed term	US\$	2.55%	12-09-2019	02-04-2020	1,700	3	1,703
Corpbanca	Fixed term	US\$	2.55%	12-16-2019	01-06-2020	2,500	3	2,503
Corpbanca	Fixed term	US\$	3.64%	11-29-2019	02-13-2020	1,500	5	1,505
Corpbanca	Fixed term	US\$	2.80%	12-11-2019	01-28-2020	2,000	8	2,008
Banco Santander - Santiago	Fixed term	US\$	2.33%	10-16-2019	01-12-2020	1,000	5	1,005
Scotiabank Sud Americano	Fixed term	US\$	2.45%	12-17-2019	01-13-2020	3,600	3	3,603
Scotiabank Sud Americano	Fixed term	US\$	3.20%	11-13-2019	01-30-2020	500	2	502
Scotiabank Sud Americano	Fixed term	US\$	3.40%	12-02-2019	02-27-2020	2,000	5	2,005
Scotiabank Sud Americano	Fixed term	US\$	3.45%	11-18-2019	01-30-2020	1,500	6	1,506
BBVA Banco Francés	Fixed term	US\$	3.9%	12-26-2019	01-27-2020	52	1	53
Banco Itaú S.A.	On demand	US\$	8%	10-17-2019	12-31-2019	64	-	64
						148,728	371	149,099

Receiver of the deposit	Type of deposit	Original currency	Interest rate	Placement date	Maturity	Principal	Interest accrued to-date	As of December 31, 2018
						ThUS\$	ThUS\$	ThUS\$
Scotiabank	Fixed term	Ch\$	2.50%	10-18-2018	01-16-2019	14,606	90	14,696
Banco Crédito e Inversiones	Fixed term	Ch\$	2.55%	11-06-2018	01-09-2019	19,632	92	19,724
Scotiabank	Fixed term	Ch\$	2.55%	11-30-2018	01-03-2019	14,393	38	14,431
Scotiabank	Fixed term	Ch\$	2.55%	12-03-2018	01-03-2019	11,515	27	11,542
Itau-Corpbanca	Fixed term	Ch\$	2.50%	12-03-2018	01-03-2019	14,393	34	14,427
Itau-Corpbanca	Fixed term	Ch\$	2.50%	12-07-2018	01-09-2019	14,393	29	14,422
Itau-Corpbanca	Fixed term	Ch\$	2.50%	12-10-2018	01-09-2019	12,954	23	12,977
Scotiabank	Fixed term	Ch\$	2.35%	12-10-2018	01-09-2019	12,954	21	12,975
Itau-Corpbanca	Fixed term	US\$	3.06%	12-11-2018	01-11-2019	1,300	2	1,302
Banco Estado	Fixed term	US\$	2.75%	12-12-2018	01-15-2019	1,000	1	1,001
Itau-Corpbanca	Fixed term	Ch\$	2.50%	12-14-2018	01-09-2019	14,392	20	14,412
Scotiabank	Fixed term	Ch\$	2.65%	12-17-2018	01-17-2019	14,393	18	14,411
Scotiabank	Fixed term	Ch\$	2.60%	12-17-2018	01-17-2019	10,892	13	10,905
Banco Crédito e Inversiones	Fixed term	US\$	2.93%	12-17-2018	01-31-2019	1,400	2	1,402
Itau-Corpbanca	Fixed term	US\$	3.30%	12-17-2018	01-31-2019	1,400	2	1,402
Itau-Corpbanca	Fixed term	US\$	3.40%	12-17-2018	01-31-2019	3,000	4	3,004
Banco de Chile	Fixed term	US\$	3.06%	12-17-2018	01-31-2019	1,700	2	1,702
Scotiabank Sud Americano	Fixed term	US\$	2.95%	12-17-2018	01-31-2019	1,500	2	1,502
Banco de Chile	Fixed term	US\$	3.26%	12-19-2018	01-31-2019	800	1	801
Banco Crédito e Inversiones	Fixed term	US\$	3.42%	12-26-2018	02-26-2019	2,800	1	2,801
Banco de Chile	Fixed term	US\$	3.26%	12-26-2018	02-26-2019	2,800	1	2,801
Scotiabank Sud Americano (*)	Fixed term	Ch\$	0.26%	12-27-2018	01-07-2019	1,439	1	1,440
Scotiabank Sud Americano (*)	Fixed term	Ch\$	0.26%	12-27-2018	01-14-2019	2,879	1	2,880
Scotiabank Sud Americano (*)	Fixed term	Ch\$	0.26%	12-27-2018	01-21-2019	1,439	1	1,440
Banco Estado	Fixed term	US\$	3.15%	12-28-2018	01-28-2019	2,000	1	2,001
Banco Estado	Fixed term	US\$	3.15%	12-28-2018	01-28-2019	600	-	600
Banco de Chile	Fixed term	US\$	3.16%	12-28-2018	01-28-2019	2,000	1	2,001
Banco Crédito e Inversiones	Fixed term	US\$	2.53%	12-28-2018	01-08-2019	1,000	-	1,000
Banco Crédito e Inversiones	Fixed term	US\$	3.08%	12-28-2018	01-28-2019	2,500	1	2,501
Banco Santander- Santiago (*)	Fixed term	Ch\$	0.20%	12-18-2018	01-04-2019	432	-	432
BBVA Banco Francés	Fixed term	US\$	-	12-31-2018	01-21-2019	81	3	84
Nedbank	On demand	US\$	-	12-31-2018	01-01-2019	647	-	647
Total						187,234	432	187,666

(*) Corresponds to a monthly rate.

11.6 Net Debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Net debt	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Cash and cash equivalents	588,530	556,066
Other current financial assets	505,490	312,721
Other non-current financial hedge assets	3,918	13,425
Other current financial liabilities	(298,822)	(23,585)
Other non-current financial liabilities	(1,518,926)	(1,330,382)
Total	(719,810)	(471,755)

Cash and cash equivalents	As of December 31, 2018	Adjustment to initial balances by adoption of IFRS 16	Monetary			Non-monetary			As of December 31, 2019
			Amounts from loans	Amounts from interest	Other cash income/expenses	Hedging and non-hedging instruments	Exchange rate differences	Other	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Obligations with the public and bank loans	(1,333,793)	-	(442,465)	65,754	6,816	-	20,839	(70,179)	(1,753,028)
Current and non-current lease liabilities	-	(45,115)	7,221	1,537	-	-	-	(1,540)	(37,897)
Financial instruments derived from hedging	(17,318)	-	(439)	5,209	-	(12,014)	-	907	(23,655)
Financial instruments derived from non-hedging	(2,856)	-	-	-	-	(313)	-	-	(3,169)
Subtotal	(1,353,967)	(45,115)	(435,683)	72,500	6,816	(12,327)	20,839	(70,812)	(1,817,749)
Cash and cash equivalents	556,066	-	-	-	47,396	-	(14,932)	-	588,530
Deposits that do not qualify as cash and cash equivalents	291,790	-	-	(25,809)	224,499	-	(31,080)	26,289	485,689
Derivatives from hedge assets	31,663	-	-	-	(34,434)	23,034	-	925	21,188
Derivatives from other financial non-hedge assets	2,693	-	-	-	(1,403)	1,242	-	-	2,532
Total	(471,755)	(45,115)	(435,683)	46,691	242,874	11,949	(25,173)	(43,598)	(719,810)

The definition of debt is described in Note 14.

Note 12 Inventories

The composition of inventory at each period-end is as follows:

Type of inventory	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Raw material	7,287	6,764
Supplies for production	26,064	26,84
Products-in-progress	457,563	423,621
Finished product	492,424	456,449
Total	983,338	913,674

As of December 31, 2019 and 2018, the Company held caliche stockpiles, solutions in solar ponds and intermediary salts amounting ThUS\$ 393,600 and ThUS\$ 347,100, respectively (including products in progress).

As of December 31, 2019 and 2018, inventory allowances recognized, amounted to ThUS\$ 88,174 and ThUS\$ 105,282, 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, porosity, etc.), (see Note 3.13).

For raw materials, supplies, materials and parts, the lower value provision was associated to the proportion of obsolete, defective or slow-moving materials and potential differences.

The breakdown of inventory allowances is detailed as follows:

Type of inventory	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Raw material and supplies for production	2,488	1,838
Products-in-progress	71,468	82,673
Finished product	14,218	20,771
Total	88,174	105,282

The Company has not pledged inventory as collateral for the periods indicated above.

As of December 31, 2019 and December 31, 2018, movements in provisions are detailed as follows:

Conciliation	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Beginning balance	105,282	96,284
Increase (decrease) in lower value provision (1)	(6,987)	7,845
Increase (decrease) in provision relating to differences of inventory (2)	(123)	3,176
Increase / decrease in provision relating to eventual differences and others (3)	(6,262)	2,436
Provision used	(3,736)	(4,459)
Total changes	(17,108)	8,998
Final balance	88,174	105,282

- (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. At least two annual inventories are taken in the production sites and in the port in Chile (“zero sum” systems have immediate potential adjustments).
- (3) This algorithm corresponds to the provision of diverse percentages based on the complexity in the measurement and rotation of stock, as well as standard differences based on previous results, as is the case with provisions relating to Commercial Offices.

Note 13 Related party disclosures**13.1 Related party disclosures**

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other receivables due from related parties or trade and other payables due to related parties.

13.2 Relationships between the parent and the entity

Pursuant to Article 99 of Law of the Securities Market Law, the CMF may determine that a company does not have a controlling entity in accordance with the distribution and dispersion of its ownership, On November 30, 2018, the CMF issued the ordinary letter No. 32,131 whereby it determined that Pampa Group, do not exert decisive power over the management of the Company since it does not have a predominance in the ownership that allows it to make management decisions. Therefore, the CMF has determined not to consider Pampa Group as the controlling entity of the Company and that the Company does not have a controlling entity given its current ownership structure.

13.3 Detailed identification of related parties and subsidiaries

As of December 31, 2019 and 2018, the detail of entities that are identified as subsidiaries or related parties of the Company is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	Subsidiary
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	Subsidiary
Foreign	SQM North America Corp.	United States of America	US\$	Subsidiary
Foreign	SQM Europe N.V.	Belgium	US\$	Subsidiary
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	Subsidiary
Foreign	Soquimich European Holding B.V.	Holland	US\$	Subsidiary
Foreign	SQM Corporation N.V.	Curacao	US\$	Subsidiary
Foreign	SQI Corporation N.V.	Curacao	US\$	Subsidiary
Foreign	SQM Comercial De México S.A. de C.V.	México	US\$	Subsidiary
Foreign	North American Trading Company	United States of America	US\$	Subsidiary
Foreign	Administración y Servicios Santiago S.A. de C.V.	México	US\$	Subsidiary
Foreign	SQM Perú S.A.	Perú	US\$	Subsidiary
Foreign	SQM Ecuador S.A.	Ecuador	US\$	Subsidiary
Foreign	SQM Nitratos México S.A. de C.V.	México	US\$	Subsidiary
Foreign	SQMC Holding Corporation L.L.P.	United States of America	US\$	Subsidiary
Foreign	SQM Investment Corporation N.V.	Curacao	US\$	Subsidiary
Foreign	SQM Brasil Limitada	Brazil	US\$	Subsidiary
Foreign	SQM France S.A.	France	US\$	Subsidiary
Foreign	SQM Japan Co. Ltd.	Japan	US\$	Subsidiary
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Oceania Pty Limited	Australia	US\$	Subsidiary
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Indonesia S.A.	Indonesia	US\$	Subsidiary
Foreign	SQM Virginia L.L.C.	United States of America	US\$	Subsidiary
Foreign	SQM Italia SRL	Italy	US\$	Subsidiary
Foreign	Comercial Caimán Internacional S.A.	Panama	US\$	Subsidiary
Foreign	SQM África Pty. Ltd.	South Africa	US\$	Subsidiary
Foreign	SQM Colombia SAS	Colombia	US\$	Subsidiary
Foreign	SQM Internacional N.V.	Belgium	US\$	Subsidiary
Foreign	SQM (Shanghai) Chemicals Co. Ltd.	China	US\$	Subsidiary
Foreign	SQM Lithium Specialties LLC	United States of America	US\$	Subsidiary
Foreign	SQM Iberian S.A.	Spain	US\$	Subsidiary
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	Subsidiary
Foreign	SQM Thailand Limited	Thailand	US\$	Subsidiary
Foreign	SQM Australia PTY	Australia	US\$	Subsidiary
Foreign	SACAL S.A. (1)	Argentina	Ars	Subsidiary
96.801.610-5	Comercial Hydro S.A.	Chile	US\$	Subsidiary
96.651.060-9	SQM Potasio S.A.	Chile	US\$	Subsidiary
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	Subsidiary
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	Subsidiary
86.630.200-6	SQMC Internacional Ltda. (2)	Chile	US\$	Subsidiary
79.947.100-0	SQM Industrial S.A.	Chile	US\$	Subsidiary
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Ch\$	Subsidiary
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Ch\$	Subsidiary
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	Subsidiary
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	Subsidiary
79.626.800-K	SQM Salar S.A.	Chile	US\$	Subsidiary
78.053.910-0	Proinsa Ltda. (3)	Chile	Ch\$	Subsidiary

Tax ID No.	Name	Country of origin	Functional currency	Nature
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Ch\$	Subsidiary
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	Subsidiary
76.064.419-6	Comercial Agrorama Ltda.	Chile	Peso	Subsidiary
76.145.229-0	Agrorama S.A.	Chile	Peso	Subsidiary
76.359.919-1	Orcoma Estudios SPA	Chile	US\$	Subsidiary
76.360.575-2	Orcoma SPA	Chile	US\$	Subsidiary
76.686.311-9	SQM MaG Spa	Chile	US\$	Subsidiary
Foreign	Abu Dhabi Fertilizer Industries WWL	Arab Emirates united	Arab Emirates dirham	Associate
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	US\$	Associate
Foreign	Ajay North America	United States of America	US\$	Associate
Foreign	Ajay Europe SARL	France	Euro	Associate
Foreign	SQM Eastmed Turkey	Turkey	Euro	Associate
Foreign	Kore Potash PLC	United Kingdom	US\$	Associate
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	China	US\$	Joint venture
Foreign	Coromandel SQM India	India	Indian rupee	Joint venture
Foreign	SQM Vitas Fzco.	Arab Emirates united	Arab Emirates dirham	Joint venture
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	China	US\$	Joint venture
Foreign	SQM Vitas Holland B.V.	Holland	Euro	Joint venture
Foreign	Covalent Lithium Pty Ltd.	Australia	Australian dollar	Joint venture
Foreign	Pavoni & C. SPA	Italy	Euro	Joint venture
96.511.530-7	Sociedad de Inversiones Pampa Calichera	Chile	US\$	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 (4)	Brazil	Brazilian real	Other related parties
Foreign	SQM Vitas Perú S.A.C. (4)	Peru	US\$	Other related parties
Foreign	Terra Tarsa B.V. (5)	Holland	Euro	Other related parties
Foreign	Plantacote N.V. (5)	Belgium	Euro	Other related parties
Foreign	Doktolab Tarim Arastima San. Tic As (5)	Turkey	Turkish Lira	Other related parties
Foreign	Doctochem Tarim Sanayai Ticaret LTD (5)	Turkey	Turkish Lira	Other related parties
Foreign	Terra Tarsa Ukraine LLC (5)	Ukraine	Ukrainian grivna	Other related parties
Foreign	Terra Tarsa Don LLC (5)	Russian Federation	Russian ruble	Other related parties
Foreign	Abu Dhabi Fertilizer Industries WWL (6)	Oman	Arab Emirates dirham	Other related parties
Foreign	International Technical and Trading Agencies CO WLL (6)	Jordan	Arab Emirates dirham	Other related parties
Foreign	Arpa Speciali S.R.L (7)	Italy	Euro	Other related parties

- (1) On 06/26/2019 the company SACAL S.A. ceased trading.
- (2) On March 1, 2019, Soquimich Comercial S.A. has obtained ownership of 100% of corporate rights in SQMC International Ltda.
- (3) On 04/01/2019 the company Proinsa Ltda ceased trading.
- (4) These Companies are subsidiaries of the joint venture SQM Vitas Fzco.
- (5) These Companies are subsidiaries of the associate Doktor Tarsa Tarim Sanayi AS.
- (6) These Companies are subsidiaries of the joint venture Abu Dhabi Fertilizer Industries WWL.
- (7) These Companies are subsidiaries of the joint venture Pavoni & C. SPA.

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	Ch\$	Other related parties
N/A	Ara Tres Primera del Salar de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Ara Cuatro Primera del Salar de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Ara Cinco Primera del Salar de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Curicó Dos Primera del Salar de Pampa Alta, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Curicó Tres Primera del Sector de Pampa Alta, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Evelyn Veinticuatro Primera de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Filomena Tres Primera de Oficina Filomena, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Filomena Cuatro Primera de Oficina Filomena, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Cuatro Primera de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Cuatro Segunda del Salar de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Cuatro Tercera de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Cuatro Cuarta de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Cuatro Quinta de Pampa Blanca, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Primera del Salar de Pampa Blanca de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Segunda del Salar de Pampa Blanca de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Francis Tercera del Salar de Pampa Blanca de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Ivon Primera de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Ivon Décima Segunda de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Ivon Sexta de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Julia Primera de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Lorena Trigésimo Quinta de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Perseverancia Primera de Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Tamara 40 Primera del Sector S.E. OF. Concepción, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Tamara Tercera de Oficina Concepción, Sierra Gorda	Chile	Ch\$	Other related parties
N/A	Tamara 40 Segunda del Sector S.E. OF Concepción, Sierra Gorda	Chile	Ch\$	Other related parties

13.4 Detail of related parties and related party transactions

Transactions between the Parent 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. In addition, these have been eliminated in consolidation and are not detailed in this note. Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of December 31, 2019 and 31, 2018, the detail of significant transactions with related parties is as follows

Tax ID No.	Company	Nature	Country of origin	Transaction	For the year ended	For the year ended
					December 31, 2019	December 31, 2018
					ThUS\$	ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	Sale of products	14,767	16,726
Foreign	Ajay Europe S.A.R.L.	Associate	France	Sale of products	21,348	19,470
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	1,055	811
Foreign	Ajay North America LL.C.	Associate	United States of America	Sale of products	16,932	16,810
Foreign	Ajay North America LL.C.	Associate	United States of America	Dividends	2,796	2,807
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	Arab Emirates	Sale of products	3,749	5,811
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	Arab Emirates	Dividends	-	6,632
Foreign	Charlee SQM Thailand Co Ltd. (1)	Associate	Thailand	Sale of products	-	4,960
Foreign	Charlee SQM Thailand Co Ltd. (1)	Associate	Thailand	Dividends	-	362
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	Sale of products	46,876	44,827
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Peru	Sale of products	24,138	17,204
Foreign	SQM Vitas Fzco	Joint venture	Arab Emirates	Dividends	10,598	-
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	3,955	7,696
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	1,280	1,674
Foreign	Terra Tarsa Don LLC	Other related parties	Russian Federation	Sale of products	40	187
Foreign	Plantacote NV	Other related parties	Belgium	Sale of products	4,096	4,554
Foreign	Pavoni & C. SpA	Joint venture	Italy	Sale of products	3,152	201
Foreign	SQM Eastmed Turkey	Associate	Turkey	Sale of products	47	30
Foreign	Arpa Speciali S.R.L.	Other related parties	Italy	Sale of products	2,359	207
Total					159,117	150,969

(1) During November 2018, shares held in Charlee SQM Thailand were sold.

(2) During December 2018, shares held in Minera Exar S.A. were sold.

13.5 Trade receivables due from related parties, current:

Transactions between the Company, its subsidiaries, joint ventures and other related parties are considered customary transactions. These transactions are carried out under arm's length conditions, or those that are normally in effect for this type of transaction in terms of time frames and market prices

Tax ID No	Company	Nature	Country of origin	As of December 31, 2019	As of December 31, 2018
				ThUS\$	ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	110	6,497
Foreign	Ajay Europe S.A.R.L.	Associate	France	3,712	3,756
Foreign	Ajay North America LLC.	Associate	United States of America	2,290	2,080
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	803	857
96.511.530-7	Soc. de Inversiones Pampa Calichera	Other related parties	Chile	6	6
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	27,275	15,818
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Peru	23,475	12,767
Foreign	Coromandel SQM India	Joint venture	India	1,792	2,025
Foreign	SQM Vitas Fzco	Joint venture	United Arab Emirates	234	105
Foreign	SQM Star Qingdao Corp Nutrition Co. Ltd.	Joint venture	China	-	248
Foreign	Terra Tarsa Ukraine LLC	Other related parties	Ukraine	7	-
Foreign	Terra Tarsa Don LLC	Other related parties	Federation of Russia	13	41
Foreign	Plantacote NV	Other related parties	Belgium	657	312
Foreign	SQM Eastmed Turkey	Associate	Turkey	47	30
Foreign	Pavoni & C. SpA	Joint venture	Italy	1,028	12
Foreign	Arpa Speciali S.R.L.	Other related parties	Italy	134	-
	Allowance			(356)	(1,764)
Total				61,227	42,790

The receivables for Sichuan SQM Migao Chemical Fertilizers Co Ltda. are presented net of provisions (provisions as of December 31, 2019 ThUS\$ 10,965 and December 31, 2018 ThUS\$ 10,965).

13.6 Trade payables due to related parties, current:

Tax ID No	Company	Nature	Country of origin	Currency	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	USD	243	-
Foreign	Covalent Lithium Pty Ltd	Joint venture	Australia	Australian dollar	232	9
Total					475	9

Note 14 Financial instruments

Financial instruments in accordance with IFRS 9 are detailed as follows, except for liabilities under IFRS 16 in number 14.4 f):

14.1 Types of other financial assets

Description of other financial assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Financial assets at amortized cost (1)	485,689	291,790
Derivative financial instruments		
- For hedging	17,270	18,238
- Non-hedging (2)	2,531	2,693
Total other current financial assets	505,490	312,721
Financial assets at fair value through other comprehensive income	4,785	3,631
Derivative financial instruments		
- For hedging	3,918	13,425
Financial assets at amortized cost	75	75
Total other non-current financial assets	8,778	17,131

Institution	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Banco de Crédito e Inversiones	185,400	145,834
Banco Santander (3)	74,365	23,124
Banco Itaú CorpBanca	120,628	70,719
Banco Security	17,964	27,215
Banco de Chile	18,026	-
Banco Estado	15,126	-
Scotiabank Sud Americano	54,180	24,898
Total	485,689	291,790

- (1) Corresponds to term deposits whose maturity date is greater than 90 days and less than 360 days from the investment date constituted in the aforementioned financial institutions:
- (2) Correspond to forwards and options that were not classified as hedging instruments (See detail in Note 14.3).
- (3) This balance includes ThUS\$ 1,870 corresponding to margin calls, which are considered as collateral guarantees.

14.2 Trade and other receivables

Trade and other receivables	As of December 31, 2019			As of December 31, 2018		
	Currents	Non-current	Total	Currents	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables, current	367,583	-	367,583	430,914	-	430,914
Prepayments, current	20,309	-	20,309	16,147	-	16,147
Other receivables, current	11,250	1,710	12,960	19,558	2,275	21,833
Total trade and other receivables	399,142	1,710	400,852	466,619	2,275	468,894

Trade and other receivables	As of December 31, 2019			As of December 31, 2018		
	Assets before allowances	Allowance for doubtful trade receivables	Assets for trade receivables, net	Assets before allowances	Allowance for doubtful trade receivables	Assets for trade receivables, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables related to credit operations, current	383,775	(16,192)	367,583	445,670	(14,756)	430,914
Trade receivables, current	383,775	(16,192)	367,583	445,670	(14,756)	430,914
Prepayments, current	21,092	(783)	20,309	16,990	(843)	16,147
Other receivables, current	15,659	(4,409)	11,250	23,863	(4,305)	19,558
Current other receivables	36,751	(5,192)	31,559	40,853	(5,148)	35,705
Other receivables, non-current	1,710	-	1,710	2,275	-	2,275
Non-current receivables	1,710	-	1,710	2,275	-	2,275
Total trade and other receivables	422,236	(21,384)	400,852	488,798	(19,904)	468,894

(a) Portfolio stratification

The Company's policy is to require guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain account receivables as deemed necessary by management.

(b) Uncollateralized portfolio

As of December 31, 2019 and December 31, 2018 the detail of the uncollateralized portfolio is as follows:

As of December 31, 2019				
Total uncollateralized portfolio				
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	1,486	351,931	69	892
1 - 30 days	166	20,195	72	526
31 - 60 days	26	1,279	4	10
61 - 90 days	12	519	3	54
91 - 120 days	5	1,026	2	66
121 - 150 days	5	361	7	49
151 - 180 days	7	190	2	33
181 - 210 days	4	51	-	-
211 - 250 days	6	48	8	11
>250 days	144	5,449	137	1,085
Total	1,861	381,049	304	2,726

As of December 31, 2018				
Total uncollateralized portfolio				
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	1,390	404,670	136	668
1 - 30 days	1,229	19,422	390	596
31 - 60 days	801	5,705	154	118
61 - 90 days	648	2,279	41	75
91 - 120 days	489	1,220	27	47
121 - 150 days	80	423	16	29
151 - 180 days	43	186	21	176
181 - 210 days	7	1,291	41	231
211 - 250 days	7	108	101	242
>250 days	140	7,036	305	1,148
Total	4,834	442,340	1,232	3,330

As of December 31, 2019							
Trade and other receivables	Trade accounts receivable days past due					Trade	Trade receivables due from related parties
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days		
						ThUS\$	ThUS\$
Expected loss rate	1%	18%	34%	44%	78%	-	-
Total gross carrying amount	352,823	20,721	1,288	573	8,370	383,775	72,859
Impairment estimate	5,285	3,664	440	251	6,552	16,192	11,323

As of December 31, 2018							
Trade and due from related parties receivables	Trade accounts receivable days past due					Trade	Trade receivables due from related parties
	Current	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days		
						ThUS\$	ThUS\$
Expected loss rate	1%	9%	5%	4%	65%	-	-
Total gross carrying amount	408,300	20,018	2,861	2,354	12,137	445,670	55,520
Allowance for doubtful accounts	4,811	1,858	146	89	7,852	14,756	12,730

As of December 31, 2019 and 2018, movements in provisions are as follows:

Provisions	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Allowance for doubtful accounts at the beginning of the Period	32,634	34,936
Adjustment to initial balance derived from the adoption of IFRS 9	-	2,301
Increase / (decrease) of impairment provision	1,057	(2,967)
Provision used	(984)	(1,636)
Allowance for doubtful accounts at the end of the year	32,707	32,634
(1) Trade and Other Receivables allowance current	16,192	14,756
(2) Other receivables allowance current	5,192	5,148
(3) Related party receivables allowance current	11,323	12,730
Recovery of Insurance	320	827
Total allowance for doubtful accounts	32,707	32,634
Renegotiated allowance	1,905	2,056
Non-renegotiated allowance	30,802	30,578

14.3 Hedging assets and liabilities

The balance represents derivative financial instruments measured at fair value which have been classified as hedges for exchange and interest rate risks relating to the total obligations with the public associated with bonds in UF and investments in Chilean pesos. As of December 31, 2019 and 2018, the notional amount of cash flows agreed upon in US dollars of the cross-currency swap contracts amounted to ThUS\$ 435,167 and ThUS\$ 461,659, respectively.

ThUS\$	Assets / (Liabilities) Derivative financial instruments	Total Realized	Hedging Reserve in Gross Equity
Hedging of underlying debt at December 31, 2019			
Hedging Assets	3,918	(4,194)	8,112
Hedging Liabilities	(22,771)	(25,363)	2,592
Hedge of underlying Debit	(18,853)	(29,557)	10,704
Hedge of underlying investment at December 31, 2019			
Hedging Assets	17,270	17,857	(587)
Hedging Liabilities	(889)	(711)	(178)
Hedge of underlying Investments	16,381	17,146	(765)

Expressed in ThUS\$	Assets / (Liabilities) Derivative financial instruments	Total Realized	Hedging Reserve in Gross Equity
Hedge of underlying debt at December 31, 2018			
Hedging Assets	13,425	5,244	8,181
Hedging Liabilities	(17,318)	(18,859)	1,541
Underlying Debt Coverage	(3,893)	(13,615)	9,722
Hedge of underlying investment at December 31, 2018			
Hedging Assets	18,146	19,911	(1,765)
Hedge of Underlying Investments	18,146	19,911	(1,765)

Hedging effect in profit and loss and equity for the year ended December 31, 2019	Total variation	Profit and loss	Hedging reserve due to variation of hedge gross
Analysis effect by type of hedging			
Hedge of underlying debt	(14,960)	(15,942)	982
Hedge of underlying investments	(1,765)	(2,765)	1,000
Total hedging effect on profit or loss and equity for the year	(16,725)	(18,707)	1,982
Analysis Effect by type of asset			
Hedging in Current and Non-Current Assets	(10,383)	(11,492)	1,109
Hedging in Current and Non-Current Liabilities	(6,342)	(7,215)	873
Total hedging effect in Profit or Loss and Shareholders' Equity for the year	(16,725)	(18,707)	1,982

The balances in the “total realized” column consider the intermediate effects of the contracts in force from January 1 to December 31, 2019 and from January 1 to December 31, 2018.

Derivative contract maturities are detailed as follows:

Series	Contract amount	Currency	Maturity date
	ThUS\$		
H	148,159	UF	01-04-2023
O	58,748	UF	02-01-2022
P	134,228	UF	01-15-2028

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 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 UF. Likewise, hedging contracts are denominated in the same currencies and have the same maturity dates of bond principal and interest payments.

Effectiveness

Effectiveness tests have verified that hedges are effective as of the reporting date. This note describes the fair values of derivative instruments classified as hedges.

14.4 Financial liabilities

Other current and non-current financial liabilities

As of December 31, 2019 and 2018, the detail is as follows:

Other current and non-current financial liabilities	As of December 31, 2019			As of December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Liabilities at amortized cost						
Bank borrowings	199	69,138	69,337	300	68,870	69,170
Obligations with the public (bonds)	280,578	1,403,108	1,683,686	15,145	1,249,479	1,264,624
Derivative financial instruments						
For hedging	7,183	16,477	23,660	5,285	12,033	17,318
Non-Hedging liabilities	3,168	-	3,168	2,855	-	2,855
Liabilities for lease	7,694	30,203	37,897	-	-	-
Total	298,822	1,518,926	1,817,748	23,585	1,330,382	1,353,967

Current and non-current bank borrowings

As of December 31, 2019 and 2018, the detail is as follows:

Current and non-current bank borrowings	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Long-term bank borrowings	69,138	68,870
Current portion of long-term loans	199	300
Short-term borrowings and current portion of long-term borrowings	69,337	69,170

a) Bank borrowings, current:

As of December 31, 2019 and 2018, the detail of this caption is as follows:

Debtor			Creditor			Currency or adjustment index	Repayment	maturity	Effective rate	Nominal rate
Tax ID No	Company	Country	Tax ID No	Financial institution	Country					
93.007.000-9	SQM S.A.	Chile	Foreign	Scotiabank Cayman	USA	US\$	Upon maturity	05-29-2023	2.11%	3.01%
Foreign	Nitratos Naturais do Chile Lim.	Brazil	Foreign	Banco Itau Brasil	Brazil	BRL	Upon maturity	12-31-2019	13.57%	4.25%

Debtor		Creditor		Nominal amounts as of December 31, 2019			Current amounts as of December 31, 2019				
Company		Financial institution		Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Subtotal	Borrowing costs	Total
				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Scotiabank Cayman	-	-	-	-	-	-	187	187	-	187
Nitratos Naturais do Chile	Banco Itau Brasil	-	-	-	-	-	12	-	12	-	12
Total		-	-	-	-	-	12	187	199	-	199

Debtor			Creditor			Currency or adjustment index	Repayment	maturity	Effective rate	Nominal rate
Tax ID No	Company	Country	Tax ID No	Financial institution	Country					
93.007.000-9	SQM S.A.	Chile	Foreign	Scotiabank Cayman	USA	US\$	Upon maturity	05-29-2023	3.60%	3.98%
Foreign	Nitratos Naturais do Chile Lim	Brazil	Foreign	Banco ITAU Brasil	Brazil	BRL	Upon maturity	01-31-2019	5.17%	5.17%
Foreign	SQM Brasil Limitada	Brazil	Foreign	Banco ITAU Brasil	Brazil	BRL	Upon maturity	01-31-2019	5.5%	5.5%

Debtor		Creditor		Nominal amounts as of December 31, 2018			Current amounts as of December 31, 2018			
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	-	-	-	-	248	248	-	248	
Nitratos Naturais do Chile Lim	Banco ITAU Brasil	-	-	-	11	-	11	-	11	
SQM Brasil Limitada	Banco ITAU Brasil	-	-	-	41	-	41	-	41	
Total		-	-	-	52	248	300	-	300	

b) Unsecured obligations, current:

As of December 31, 2019 and 2018, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax ID No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	04-21-2020	US\$	Semiannual	Upon maturity	0.43%	5.50%
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01-28-2020	US\$	Semiannual	Upon maturity	2.35%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04-03-2020	US\$	Semiannual	Upon maturity	1.42%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUS\$450	05-07-2020	US\$	Semiannual	Upon maturity	4.07%	4.25%
93.007.000-9	SQM S.A.	Chile	564	H	01-05-2020	UF	Semiannual	Semiannual	1.36%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02-01-2020	UF	Semiannual	Upon maturity	2.41%	3.80%
93.007.000-9	SQM S.A.	Chile	563	P	01-15-2020	UF	Semiannual	Upon maturity	2.71%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06-01-2020	UF	Semiannual	Upon maturity	3.11%	3.45%

Company	Country	Series	Nominal maturities as of December 31, 2019			Current maturities as of December 31, 2019				
			Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Subtotal	Bond issuance costs	Total
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Chile	MUS\$250	-	252,674	252,674	-	252,674	252,674	(386)	252,288
SQM S.A.	Chile	MUS\$250	4,648	-	4,648	4,648	-	4,648	(433)	4,215
SQM S.A.	Chile	MUS\$300	-	2,658	2,658	-	2,658	2,658	(614)	2,044
SQM S.A.	Chile	MUS\$450	-	2,869	2,869	-	2,869	2,869	(679)	2,190
SQM S.A.	Chile	H	17,166	-	17,166	17,166	-	17,166	(139)	17,027
SQM S.A.	Chile	O	890	-	890	890	-	890	(67)	823
SQM S.A.	Chile	P	1,686	-	1,686	1,686	-	1,686	(12)	1,674
SQM S.A.	Chile	Q	-	323	323	-	323	323	(6)	317
Total			24,390	258,524	282,914	24,390	258,524	282,914	(2,336)	280,578

Effective rates of bonds in Chilean pesos and UF are expressed and calculated in U.S. dollars based on the flows agreed in Cross Currency Swap Agreements.

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax I No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	04-21-2019	US\$	Semiannual	Upon maturity	0.95%	5.50%
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01-28-2019	US\$	Semiannual	Upon maturity	2.75%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04-03-2019	US\$	Semiannual	Upon maturity	1.77%	3.63%
93.007.000-9	SQM S.A.	Chile	564	H	01-05-019	UF	Semiannual	Semiannual	1.90%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02-01-2019	UF	Semiannual	Upon maturity	2.60%	3.80%
93.007.000-9	SQM S.A.	Chile	563	P	01-15-2019	UF	Semiannual	Upon maturity	3.07%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06-01-2019	UF	Semiannual	Upon maturity	3.34%	3.45%

Company	Country	Series	Nominal maturities as of December 31, 2018			Current maturities as of December 31, 2018				
			Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Subtotal	Bond issuance costs	Total
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S.A.	Chile	MUS\$250	2,674	-	2,674	2,674	-	2,674	(386)	2,288
SQM S.A.	Chile	MUS\$250	-	4,648	4,648	-	4,648	4,648	(433)	4,215
SQM S.A.	Chile	MUS\$300	2,658	-	2,658	2,658	-	2,658	(614)	2,044
SQM S.A.	Chile	H	-	3,756	3,756	-	3,756	3,756	(139)	3,617
SQM S.A.	Chile	O	-	934	934	-	934	934	(67)	867
SQM S.A.	Chile	P	-	1,784	1,784	-	1,784	1,784	(12)	1,772
SQM S.A.	Chile	Q	342	-	342	342	-	342	-	342
Total			5,674	11,122	16,796	5,674	11,122	16,796	(1,651)	15,145

Effective rates of bonds in Chilean pesos and UF are expressed and calculated in U.S. dollars based on the flows agreed in Cross Currency Swap Agreements.

c) Classes of interest-bearing loans, non-current

The following table shows the details of bank loans that accrue non-current interest as of December 31, 2019. As of December 31, 2018 there were no loans:

Debtor			Creditor			Currency or adjustment index	Type of amortization	Effective rate	Nominal rate
Tax ID No.	Company	Country	Tax ID No.	Financial institution	Country				
93.007.000-9	SQM S.A.	Chile	Foreign	Scotiabank Cayman	USA	USD	Maturity	2.84%	3.01%

Debtor		Creditor		Nominal non-current maturities as of December 31, 2019				Non-current maturities as of December 31, 2019				
Company	Financial institution	Between 1 and 2	Between 2 and 3	Between 3 and 4	Total	Between 1 and 2	Between 2 and 3	Between 3 and 4	Subtotal	Costs of obtaining loans	Total	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
SQM S.A.	Scotiabank Cayman	-	-	70,000	70,000	-	-	70,000	70,000	(862)	69,138	
Total		-	-	70,000	70,000	-	-	70,000	70,000	(862)	69,138	

Debtor			Creditor			Currency or adjustment index	Type of amortization	Effective rate	Nominal rate
Tax ID No.	Company	Country	Tax ID No.	Financial institution	Country				
93.007.000-9	SQM S.A.	Chile	Foreign	Scotiabank Cayman	USA	USD	Maturity	3,98%	3,98%

Debtor		Creditor		Nominal non-current maturities as of December 31, 2018				Non-current maturities as of December 31, 2018				
Company	Financial institution	Between 1 and 2	Between 2 and 3	Between 3 and 4	Total	Between 1 and 2	Between 2 and 3	Between 3 and 4	Subtotal	Costs of obtaining loans	Total	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
SQM S.A.	Scotiabank Cayman	-	-	70,000	70,000	-	-	70,000	70,000	(1,130)	68,870	
Total		-	-	70,000	70,000	-	-	70,000	70,000	(1,130)	68,870	

d) Non-current unsecured interest-bearing bonds

The following table shows the details of bank loans that accrue non-current interest as of December 31, 2019, As of December 31, 2018 there were no loans:

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax ID No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01-28-2025	US\$	Semiannual	Upon maturity	4.08%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04-03-2023	US\$	Semiannual	Upon maturity	3.43%	3.63%
93.007.000-9	SQM S.A.	Chile	-	MUS\$450	05-07-2029	US\$	Semiannual	Upon maturity	4.19%	4.25%
93.007.000-9	SQM S.A.	Chile	564	H	01-05-2030	UF	Semiannual	Semiannual	4.78%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02-01-2033	UF	Semiannual	Upon maturity	3.70%	5.50%
93.007.000-9	SQM S.A.	Chile	563	P	01-15-2028	UF	Semiannual	Upon maturity	3.24%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06-01-2038	UF	Semiannual	Upon maturity	3.45%	3.45%

Series	Nominal non-current maturities as of December 31, 2019						Non-current maturities as of December 31, 2019								
	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Subtotal	Bond issuance costs	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
MUS\$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(1,514)	248,486	
MUS\$300	-	-	300,000	-	-	300,000	-	-	300,000	-	-	300,000	(1,393)	298,607	
MUS\$450	-	-	-	-	450,000	450,000	-	-	-	-	450,000	450,000	(5,923)	444,077	
H	13,749	13,749	13,749	13,749	75,621	130,617	13,749	13,749	13,749	13,749	75,621	130,617	(1,253)	129,364	
O	-	-	-	-	56,715	56,715	-	-	-	-	56,715	56,715	(811)	55,904	
P	-	-	-	-	113,430	113,430	-	-	-	-	113,430	113,430	(89)	113,341	
Q	-	-	-	-	113,430	113,430	-	-	-	-	113,430	113,430	(101)	113,329	
Total	13,749	13,749	313,749	13,749	1,059,196	1,414,192	13,749	13,749	313,749	13,749	1,059,196	1,414,192	(11,084)	1,403,108	

Debtor			Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nominal rate
Tax ID No.	Company	Country					Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	04-21-2020	US\$	Semiannual	Upon maturity	5.50%	5.50%
93.007.000-9	SQM S.A.	Chile	-	MUS\$250	01-28-2025	US\$	Semiannual	Upon maturity	4.38%	4.38%
93.007.000-9	SQM S.A.	Chile	-	MUS\$300	04-03-2023	US\$	Semiannual	Upon maturity	3.63%	3.63%
93.007.000-9	SQM S.A.	Chile	564	H	01-05-2030	UF	Semiannual	Semiannual	4.90%	4.90%
93.007.000-9	SQM S.A.	Chile	699	O	02-01-2033	UF	Semiannual	Upon maturity	3.80%	5.50%
93.007.000-9	SQM S.A.	Chile	563	P	01-15-2028	UF	Semiannual	Upon maturity	3.25%	3.25%
93.007.000-9	SQM S.A.	Chile	700	Q	06-01-2038	UF	Semiannual	Upon maturity	3.45%	3.45%

Series	Nominal non-current maturities as of December 31, 2018						Non-current maturities as of December 31, 2018							
	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\$
MUS\$250	250,000	-	-	-	-	250,000	250,000	-	-	-	-	250,000	(131)	249,869
MUS\$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000	(2,202)	247,798
MUS\$300	-	-	300,000	-	-	300,000	-	-	300,000	-	-	300,000	(2,006)	297,994
H	14,428	14,428	14,428	14,428	100,992	158,704	14,428	14,428	14,428	14,428	100,992	158,704	(1,392)	157,312
O	-	-	-	-	59,514	59,514	-	-	-	-	59,514	59,514	(878)	58,636
P	-	-	-	-	119,028	119,028	-	-	-	-	119,028	119,028	(101)	118,927
Q	-	-	-	-	119,028	119,028	-	-	-	-	119,028	119,028	(85)	118,943
Total	264,428	14,428	314,428	14,428	648,562	1,256,274	264,428	14,428	314,428	14,428	648,562	1,256,274	(6,795)	1,249,479

e) Additional information**Bonds**

As of December 31, 2019 and, 2018, the details of each issuance are as follows:

(i) Series “H” bonds

On January 13, 2009, the Company placed the Series H bond for UF 4,000,000 (ThUS\$ 139,216) at an annual interest rate of 4.9%, with a term of 21 years and amortizations of principal beginning in 2019.

On July 5, 2019, amortization of principal amounted to UF 181,818.18. (ThUS\$ 7.494) with an associated cross currency swap hedge income of ThUS\$ 439.

As of December 31, 2019, and December 31, 2018, the Company has made the following payments with a charge to the Series H bonds:

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Payments of interest, Series H bonds	7,868	8,325
CCS Coverage	1,952	495

(ii) Single series bonds, second issue ThUS\$ 250,000

On April 21, 2010, the Company informed the CMF of its placement in international markets of an unsecured bond of ThUS\$ 250,000 with a maturity of 10 years beginning on the aforementioned date with an annual interest rate of 5.5% and destined to refinance long-term liabilities.

As of December 31, 2019, and December 31, 2018, the detail of payments charged to the line of single series bonds, second issue is as follows

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Interest payment	13,750	13,750

(iii) Series “O” bonds

On April 4, 2012, the Company issued “Series O” for UF 1,500,000 (ThUS\$ 69,901) was placed at a term of 21 years with a single payment at the maturity of the term and an annual interest rate of 3.80%.

As of December 31, 2019, and December 31, 2018, the Company has made the following payments with a charge to Series O bonds and their associated CCS hedging:

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Payment of interest, Series O bonds	2,308	2,457
CCS Coverage	354	205

(iv) Single series bonds, third issue MUS\$ 300

On April 3, 2013, the Company issued a non-secured bond in the United States with a value of US\$ 300 million. The bond is for a 10-year term with an annual coupon rate of 3.625%. The funds raised were used to refinance long term liabilities and finance general corporate objectives.

As of December 31, 2019, and December 31, 2018, the following payments have been made with a debit to the line of single-series bonds, third issue:

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Payment of interest	10,875	10,875

(v) Single series bonds, fourth issuance ThUS \$250,000

On October 23, 2014, the Company informed the CMF the issuance and placement of unsecured bonds amounting ThUS\$ 250,000 in international markets. These bonds mature in 2025 and have annual interest rate of 4.375%, which were offered to investors at a price of 99.410% with respect to capital. The aforementioned agreement was performed in conformity with the provisions of Rule 144A of the US Securities Act of 1933 and these bonds were publicly offered in Chile.

For the years ended December 31, 2019, and 2018, the following payments have been made.

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Payment of interest	10,938	10,938

(vi) Series “P” bonds

On April 5, 2018, the Company informed the CMF that on March 29, 2018, it was authorized the placement on the stock market of the Series “P” bond 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 years ended December 31, 2019 and 2018, the following payments and their associated CCS have been made:

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Payment of interest	3,960	1,085
CCS Coverage	2,995	1,421

(vii) Series Q bonds

On October 31, 2018, the issuance of Series Q bonds (the "Bonds "Series Q") was authorized in the general stock market for the amount of UF 3,000,000, which were registered in the Securities Registry of your Commission on February 14, 2012 under number 700.

The bonds Series Q (i) mature on the first day of June 2038; (ii) will earn an interest rate of 3.45% per annum on the outstanding capital, expressed in Unidades de Fomento, from June 1, 2018 thereon; and (iii) may be early redeemed by the Company starting from the placement date, that was, as of November 8, 2018.

On November 8, 2018, all the Series Q Bonds have been placed and sold to Euroamerica S.A. for a total amount of \$ 83,567,623,842, which was paid in full and in cash by Euroamerica S.A. to the Company.

The funds obtained from the aforementioned placement will be used approximately 90% to finance the expansion program of lithium, potassium nitrate and iodine plants in Chile; the remainder will be used for the investment plan of the Company and its subsidiaries, and to finance working capital.

For the years ended December 31, 2019 and 2018, the following payments have been made:

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Payment of interest	3,791	319

(viii) Single series fifth issue bonds ThUS\$ 450,000

On May 7, 2019 the CMF was informed that the Company issued and placed unsecured bonds for ThUS\$ 450,000 on international markets. Essentially, these bonds will mature in 2029, carry an interest rate of 4.25% per annum, and were offered to investors at a price of 99.984% with respect to the capital. This agreement was signed on May 7, 2019 and the bonds were issued and placed in accordance with the provisions of Rule 144A of the US Securities Act of 1933 and they will not be traded in Chile.

Payments made	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Payment of interest	9,563	-

f) Current and non-current lease liabilities

Associated leasing	Currents				Non-Currents			Balance as of December 31, 2019
	Up to 1 month	1 to 3 months	3 to 12 months	Total	1 to 5 years	5 or more years	Total	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Buildings	262	795	1,830	2,887	13,507	9,792	23,299	26,186
Transport equipment	70	211	571	852	2,530	-	2,530	3,382
Machinery, plant and equipment	327	993	2,635	3,955	3,993	381	4,374	8,329
Total	659	1,999	5,036	7,694	20,030	10,173	30,203	37,897

Changes in Lease Liabilities	As of December 31, 2018	Adoption of IFRS 16	Monetary		Non- Monetary	Balance as of December 31, 2019
	ThUS\$	ThUS\$	Principal l paid	Interest paid	Interest accrued	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Buildings	-	29,289	(3,101)	(840)	838	26,186
Machinery, plant and equipment	-	11,933	(3,605)	(635)	636	8,329
Transport equipment	-	3,893	(515)	(62)	66	3,382
Total	-	45,115	(7,221)	(1,537)	1,540	37,897

Lease amounts that were not included in liabilities under IFRS 16

The weighted average of the incremental lease loan rate applied to lease liabilities recognized in the statement of financial position on December 31, 2019 is 8.08%. Total related expenses with lease payments under 1 year and low-value asset leases together with variable payments not included in the measurement of lease liabilities were ThUS\$ 50,660 for the period ended December 31, 2019.

14.5 Trade and other payables

a) Details trade and other payables

Details trade and Other payables	As of December 31, 2019			As of December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Accounts payable	205,414	-	205,414	163,373	-	163,373
Other accounts payable	376	-	376	378	-	378
Total	205,790	-	205,790	163,751	-	163,751

As of December 31, 2019 and 2018, the balance of current and past due suppliers is as follows:

Suppliers current on all payments

Type of Supplier	Amounts according to payment periods as of December 31, 2019						
	Up to 30 days	31-60 days	61-90 days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	126,577	4,655	128	116	2,019	-	133,495
Services	51,785	168	-	-	87	-	52,040
Others	8,741	146	-	-	-	-	8,887
Total	187,103	4,969	128	116	2,106	-	194,422

Type of Supplier	Amounts according to payment periods as of December 31, 2018						
	Up to 30 days	31-60 days	61-90 days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	48,969	1,919	912	25	280	-	52,105
Services	37,376	314	157	107	54	-	38,008
Others	54,978	161	20	-	3	-	55,162
Total	141,323	2,394	1,089	132	337	-	145,275

Suppliers past due on payments

Type of Supplier	Amounts according to payment periods as of December 31, 2019						
	Up to 30 days	31-60 days	61-90 days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	2,086	264	35	65	1,060	-	3,510
Services	3,073	329	116	387	580	-	4,485
Others	1,918	45	311	215	508	-	2,997
Total	7,077	638	462	667	2,148	-	10,992

Type of Supplier	Amounts according to payment periods as of December 31, 2018						
	Up to 30 days	31-60 days	61-90 days	91 - 120 days	121 - 365 days	366 and more days	Total
	ThUS\$						
Goods	1,533	209	210	255	462	-	2,669
Services	12,229	838	109	111	450	-	13,737
Others	1,039	385	92	6	170	-	1,692
Total	14,801	1,432	411	372	1,082	-	18,098

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of December 31, 2019, the Company has purchase orders amounting to ThUS\$ 101,280 (ThUS\$ 59,919 as of December 31, 2018).

14.6 Financial liabilities at fair value through profit or loss

This balance relates to derivative instruments measured at their fair value, which have generated balances against the Company. The detail of this type of instrument is as follows:

Financial liabilities at fair value with an impact on profit or loss	As of December 31, 2019	Effect on profit or loss for the year ended December 31, 2019	As of December 31, 2018	Effect on profit or loss for the year ended December 31, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current				
Derivative instruments (IRS)	-	(16)	91	16
Total	-	(16)	91	16

14.7 Financial asset and liability categories

a) Financial Assets

Description of financial assets	As of December 31, 2019			As of December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalent	588,530	-	588,530	556,066	-	556,066
Trade receivables due from related parties	61,227	-	61,227	42,790	-	42,790
Financial assets measured at amortized cost	485,689	75	485,764	291,790	75	291,865
Loans and receivables measured at amortized cost	399,142	1,710	400,852	466,619	2,275	468,894
Total financial assets measured at amortized cost	1,534,588	1,785	1,536,373	1,357,265	2,350	1,359,615
For hedging purposes	17,270	3,918	21,188	18,238	13,425	31,663
Held for trading at fair value through profit or loss	2,531	-	2,531	2,693	-	2,693
Financial assets classified as available for sale at fair value through equity	-	4,785	4,785	-	3,631	3,631
Total financial assets at fair value	19,801	8,703	28,504	20,931	17,056	37,987
Total financial assets	1,554,389	10,488	1,564,877	1,378,196	19,406	1,397,602

b) Financial Liabilities

Description of financial liabilities	As of December 31, 2019			As of December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
For hedging purposes	7,183	16,477	23,660	5,285	12,033	17,318
Held for trading at fair value through profit or loss	3,168	-	3,168	2,855	-	2,855
Financial liabilities at fair value through profit or loss	10,351	16,477	26,828	8,140	12,033	20,173
Bank loans	199	69,138	69,337	300	68,870	69,170
Obligations to the public	280,578	1,403,108	1,683,686	15,145	1,249,479	1,264,624
Lease Liabilities	7,694	30,203	37,897	-	-	-
Financial liabilities at amortized cost (trade and other payables)	205,790	-	205,790	163,751	-	163,751
Trade payables due to related parties	475	-	475	9	-	9
Total financial liabilities at amortized cost	494,736	1,502,449	1,997,185	179,205	1,318,349	1,497,554
Total financial liabilities	505,087	1,518,926	2,024,013	187,345	1,330,382	1,517,727

14.8 Fair value measurement of assets and liabilities

Financial assets and liabilities measured at fair value consist of Options and Forwards hedging the mismatch in the balance sheet and cash flows, CCS to hedge bonds issued in local currency (Peso/UF).

The value of the Company's assets and liabilities recognized by CCS contracts is calculated as the difference between the present value of discounted cash flows of the asset (Ch/UF) and liability (US\$) parts of the derivative. In the case of the IRS, the asset value recognized is calculated as the difference between the discounted cash flows of the asset (variable rate) and liability (fixed rate) parts of the derivative. Forwards are calculated as the difference between the strike price of the contract and the spot price plus the forwards points at the date of the contract financial options: the value recognized is calculated using the Black-Scholes method.

In the case of CCS, the entry data used for the valuation models are UF, peso, USD and basis swap rates. In the case of fair value calculations for IRS, 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, with 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 may be recognized in the caption Finance costs, foreign currency translation gain (loss) or cash flow hedges in the statement of comprehensive income, depending on each particular case.

The fair value measurement of debt is only performed to determine the present market value of secured and unsecured long-term obligations; bonds denominated in local currency (Ch\$/UF) and foreign currency (US\$), credits denominated in foreign currency (US\$), which is classified under Level 2 in the fair value hierarchy established by IFRS.

The value of the Company's reported liabilities is calculated as the present value of discounted cash flows at market rates at the time of valuation, considering the maturity date and exchange rate. The entry data used for the model includes the UF and peso rates, which are obtained using Bloomberg, the well-known financial software company and Association of Banks and Financial Institutions.

The fair value hierarchy is detailed as follows:

- a) Level 1:** using quoted prices (unadjusted) only in active markets.
- b) Level 2:** when in any phase in the valuation process inputs other than quoted prices have been used in Level 1 that are observable directly in markets.
- c) Level 3:** inputs for the asset or liability that are not based on observable market data.

Fair value measurement of assets and liabilities	As of December 31, 2019			Measurement Methodology		
	Carrying Amount at Amortized	Fair value (informative)	Fair value	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial Assets						
Cash and cash equivalents	588,530	588,530	-	-	588,530	-
Trade and other receivables, current	399,142	399,142	-	-	-	399,142
Trade receivables due from related parties, current	61,227	61,227	-	-	-	61,227
Other current financial assets:						
- Time deposits	485,689	485,689	-	-	485,689	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	2,420	-	2,420	-
- Options	-	-	111	-	111	-
- Hedging assets	-	-	-	-	-	-
- Investment hedge swaps	-	-	17,270	-	17,270	-
Non-current accounts receivable	1,710	1,710	-	-	-	-
Other non-current financial assets:						
- Other	94	94	-	-	94	-
- Actions	-	-	4,785	4,785	-	-
- Hedging assets – Swaps	-	-	3,918	-	3,918	-
Other current financial liabilities						
- Bank loans	199	199	-	-	199	-
- Derivative instruments	-	-	-	-	-	-
- Forwards	-	-	2,837	-	2,837	-
- Options	-	-	289	-	289	-
- Hedging liabilities	-	-	7,183	-	7,183	-
- inversiones	-	-	-	-	-	-
- Unsecured obligations	280,578	280,578	-	-	280,578	-
- Current lease liabilities	7,694	7,694	-	-	7,694	-
Trade and other payables, current and non-current	205,790	205,790	-	-	205,790	-
Trade payables due to related parties, current	475	475	-	-	475	-
Other non-current financial liabilities:						
- Bank loans	69,138	71,033	-	-	71,033	-
- Unsecured obligations	1,403,108	1,658,506	-	-	1,658,506	-
- Non-current hedging liabilities	-	-	16,477	-	16,477	-
- Non-current lease liabilities	30,203	33,187	-	-	33,187	-

Fair value measurement of assets and liabilities	As of December 31, 2018			Measurement Methodology		
	Carrying Amount at Amortized	Fair value (informative)	Fair value	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial Assets						
Cash and cash equivalents	556,066	556,066	-	-	556,066	-
Trade and other receivables, current	466,619	466,619	-	-	-	466,619
Trade receivables due from related parties, current	42,790	42,790	-	-	-	42,790
Other current financial assets:						
- Time deposits	291,790	291,790	-	-	291,790	-
- Forwards	-	-	2,637	-	2,637	-
- Options	-	-	56	-	56	-
- Hedging assets	-	-	-	-	-	-
- Investment hedge swaps	-	-	18,238	-	18,238	-
Non-current accounts receivable	2,275	2,275	-	-	-	-
Other non-current financial assets:						
- Other	75	75	-	-	75	-
- Actions	-	-	3,631	-	-	-
- Hedging assets - Swaps	-	-	13,425	-	13,425	-
Other current financial liabilities						
- Bank loans	300	300	-	-	300	-
- Forwards	-	-	2,723	-	2,723	-
- Options	-	-	132	-	132	-
- Hedging liabilities - Swaps	-	-	5,285	-	5,285	-
- Unsecured obligations	15,145	15,145	-	-	15,145	-
Trade and other payables, current and non-current	163,751	163,751	-	-	163,751	-
Trade payables due to related parties, current	9	9	-	-	9	-
Other non-current financial liabilities:						
- Bank loans	68,870	71,826	-	-	71,826	-
- Unsecured obligations	1,249,479	1,357,640	-	-	1,357,640	-
- Non-current hedging liabilities	-	-	12,033	-	12,033	-

14.9 Estimated fair value of financial instruments and financial derivatives

As required by IFRS 7, the following information is presented for the disclosure of the estimated fair value of financial assets and liabilities.

Although inputs represent Management's best estimate, they are subjective and involve significant estimates related to the current economic and market conditions, as well as risk features.

Methodologies and assumptions used depend on the risk terms and characteristics of instruments and include the following as a summary:

- Cash equivalent approximates fair value due to the short-term maturities of these instruments.
- The fair value of trade receivables, current is considered to be equal to the carrying amount due to the maturity of such accounts at short-term.
- The fair value of other current financial liabilities is considered to be equal to their carrying values.
- For interest-bearing liabilities with original maturity of more than a year, fair values are calculated by discounting contractual cash flows at their original current market rates with similar terms.
- The fair value of debt is considered in Level 2.
- For forward and swap contracts, fair value is determined using quoted market prices of financial instruments with similar characteristics.

As indicated in paragraphs 33 to 42 of IFRS 7 the disclosure of information associated with the nature and scope of risks arising from financial instruments is presented in Note 5.

Note 15 Intangible assets and goodwill

15.1 Balances

Balances	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Intangible assets other than goodwill	188,358	189,350
Goodwill	34,726	34,866
Total	223,084	224,216

15.2 Disclosures on intangible assets and goodwill

Intangible assets relate to goodwill, water rights, trademarks, industrial patents, rights of way, software, and mining claims which correspond to exploitation rights acquired from third parties.

Balances and movements in the main classes of intangible assets as of December 31, 2019 and December 31, 2018 are detailed as follows:

Intangible assets and goodwill	Useful life	As of December 31, 2019			
		Gross Value	Accumulated amortization	Accumulated impairment	Net value
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
IT programs	Finite	34,471	(28,460)	-	6,011
Intellectual property rights, patents and other industrial property rights, service.	Finite	1,259	(1,131)	(7)	121
Mining claims, water rights and rights of way	Indefinite	182,260	-	(2,642)	179,618
Mining claims	Finite	1,500	(206)	-	1,294
Customer-related intangible assets	Finite	1,778	(505)	-	1,273
Other intangible assets.	Finite	929	(888)	-	41
Intangible assets other than goodwill		222,197	(31,190)	(2,649)	188,358
Goodwill	Indefinite	38,120	-	(3,394)	34,726
Total Intangible Assets		260,317	(31,190)	(6,043)	223,084

Intangible assets and goodwill	Useful life	As of December 31, 2018			
		Gross Value	Accumulated amortization	Accumulated impairment	Net value
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
IT programs	Finite	29,137	(24,569)	-	4,568
Intellectual property rights, patents and other industrial property rights, service.	Finite	1,254	(1,096)	(7)	151
Mining claims, water rights and rights of way	Indefinite	183,349	-	(1,729)	181,620
Mining claims	Finite	1,500	(88)	-	1,412
Customer-related intangible assets	Indefinite	1,778	(205)	-	1,573
Other intangible assets	Indefinite	911	(885)	-	26
Intangible assets other than goodwill		217,929	(26,843)	(1,736)	189,350
Goodwill	Indefinite	38,120	-	(3,254)	34,866
Total Intangible Assets		256,049	(26,843)	(4,990)	224,216

a) Estimated useful lives or amortization rates used for finite identifiable intangible assets

Finite useful life measures the length of, or number of production or similar units constituting that useful life.

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

Intellectual property rights, patents and other industrial property, service and exploitation rights, mainly relate to water rights and have a finite useful life to the extent to which they are subject to a fixed-term contract or otherwise they are considered to be indefinite.

The company owns mining claims granted by Corfo, which correspond to assets subject to restitution. For this reason, they are considered assets with a finite useful life and their useful life is assigned until the year 2030 when the contract ends.

b) Method used to assess identifiable intangible assets with indefinite useful life

The recoverable value of the cash-generating unit has been determined based on a calculation of value-in-use using cash flow projections for a period of 5 years, plus perpetuity annually on December 31.

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 at a weighted average cost of capital (WACC) rate of 8.48% as of December 31, 2019.

This group of intangible assets includes water rights acquired in Chile, and mining concessions held by the company in Chile and Australia, and these rights are recorded at acquisition cost.

c) Minimum and maximum amortization lives or rates of intangible assets:

Estimated useful life or amortization rate	Minimum Life or Rate	Maximum Life or Rate
Mining property, water rights and rights of way	Indefinite	Indefinite
Mining claims	1 year	11 years
Intellectual property rights, patents and other industrial property rights, service	1 year	16 years
Commercial trademarks	1 year	5 years
IT programs	2 years	6 years

The following table shows the movements in goodwill as of December 31, 2019:

Company	Gross value	Additional recognition	Accumulated impairment losses	Net value
	As of December 31, 2018			As of December 31, 2019
	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	-	(180)	140
Soquimich European Holding	11,373	-	-	11,373
SQM Potasio S.A.	724	-	-	724
Total	38,120	-	(3,394)	34,726

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

Impairment of goodwill and intangible value

As of December 31, 2019 an intangible asset impairment of ThUS\$ 913 was generated and a goodwill impairment of ThUS\$ 140 was generated.

e) Movements in identifiable intangible assets as of December 31, 2019:

Gross Value Movements in identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	29,137	1,254	183,349	1,500	1,778	911	38,120	256,049
Additions	2,606	5	227	-	-	18	-	2,856
Other increases / decreases for foreign currency	(7)	-	(2)	-	-	-	-	(9)
Decreases through sale	-	-	(1,314)	-	-	-	-	(1,314)
Other increases (decreases)	2,735	-	-	-	-	-	-	2,735
Total increases (decreases)	5,334	5	(1,089)	-	-	18	-	4,268
Closing balance	34,471	1,259	182,260	1,500	1,778	929	38,120	260,317
Accumulated amortization and impairment Movements in identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	(24,569)	(1,103)	(1,729)	(88)	(205)	(885)	(3,254)	(31,833)
Other increases / decreases for foreign currency	3	-	-	-	-	-	-	3
Other increases (decreases)	(256)	-	-	-	-	-	-	(256)
Impairment losses recognized in profit or loss for the year	-	-	(913)	-	-	-	(140)	(1,053)
Amortization	(3,638)	(35)	-	(118)	(300)	(3)	-	(4,094)
Total increases (decreases)	(3,891)	(35)	(913)	(118)	(300)	(3)	(140)	(5,400)
Closing balance	(28,460)	(1,138)	(2,642)	(206)	(505)	(888)	(3,394)	(37,233)

Net value Movements in Identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining property finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	4,568	151	181,620	1,412	1,573	26	34,866	224,216
Additions	2,606	5	227	-	-	18	-	2,856
Amortization	(3,638)	(35)	-	(118)	(300)	(3)	-	(4,094)
Impairment losses recognized in profit or loss for the year	-	-	(913)	-	-	-	(140)	(1,053)
Other increases / decreases for foreign currency	(4)	-	(2)	-	-	-	-	(6)
Decreases through sale	-	-	(1,314)	-	-	-	-	(1,314)
Other increases (decreases)	2,479	-	-	-	-	-	-	2,479
Total increases (decreases)	1,443	(30)	(2,002)	(118)	(300)	15	(140)	(1,132)
Closing balance	6,011	121	179,618	1,294	1,273	41	34,726	223,084

Movements in identifiable intangible assets as of December 31, 2018:

Gross Value Movements in identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining property finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	25,060	1,250	104,858	1,500	1,778	171	37,972	172,589
Additions	1,159	5	77,201	-	-	11	-	78,376
Other increases / decreases for foreign currency	(5)	(1)	(4)	-	-	-	-	(10)
Other increases (decreases)	2,923	-	1,294	-	-	729	148	5,094
Total increases (decreases)	4,077	4	78,491	-	-	740	148	83,460
Closing balance	29,137	1,254	183,349	1,500	1,778	911	38,120	256,049

Accumulated amortization and impairment Movements in identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	(19,769)	(1,061)	-	-	-	-	-	(20,830)
Other increases / decreases for foreign currency exchange rates	4	-	-	-	-	-	-	4
Impairment losses recognized in profit or loss for the year	-	(7)	(1,729)	-	-	-	(3,254)	(4,990)
Amortization	(2,880)	(35)	-	(88)	(205)	-	-	(3,208)
Reclassification of/for construction in progress	(1,924)	-	-	-	-	(885)	-	(2,809)
Total increases (decreases)	(4,800)	(42)	(1,729)	(88)	(205)	(885)	(3,254)	(11,003)
Closing balance	(24,569)	(1,103)	(1,729)	(88)	(205)	(885)	(3,254)	(31,833)

Net value Movements in Identifiable intangible assets	IT programs	Intellectual property rights, patents and other industrial property rights, service, Finite	Mining claims property, water rights, and rights of way, Indefinite	Mining claims finite	Customer-related intangible assets	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening Balance	5,291	189	104,858	1,500	1,778	171	37,972	151,759
Additions	1,159	5	77,201	-	-	11	-	78,376
Amortization	(2,880)	(35)	-	(88)	(205)	-	-	(3,208)
Impairment losses recognized in profit or loss for the year	-	(7)	(1,729)	-	-	-	(3,254)	(4,990)
Other increases / decreases for foreign currency exchange rates	(1)	(1)	(4)	-	-	-	-	(6)
Reclassification of/for construction in progress	999	-	1,294	-	-	(156)	148	2,285
Total increases (decreases)	(723)	(38)	76,762	(88)	(205)	(145)	(3,106)	72,457
Closing balance	4,568	151	181,620	1,412	1,573	26	34,866	224,216

g) Movements in identifiable goodwill as of December 31, 2019:

Gross Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill write-off without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	3,214	-	-	-	-	-	-	-	-	3,214
SQM S.A.	22,255	-	-	-	-	-	-	-	-	22,255
SQM Iberian S.A.	148	-	-	-	-	-	-	-	-	148
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	-	-	-	-	-	320
Soquimich European Holding B.V.	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio S.A.	724	-	-	-	-	-	-	-	-	724
Total increases (decreases)	38,120	-	-	-	-	-	-	-	-	38,120
Closing balance	38,120	-	-	-	-	-	-	-	-	38,120

Accumulated impairment Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill write-off without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	(3,214)	-	-	-	-	-	-	-	-	(3,214)
SQM S.A.	-	-	-	-	-	-	-	-	-	-
SQM Iberian S.A.	-	-	-	-	-	-	-	-	-	-
SQM Investment Corporation	-	-	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	(40)	-	-	-	-	(140)	-	-	(140)	(180)
Soquimich European Holding B.V.	-	-	-	-	-	-	-	-	-	-
SQM Potasio S.A.	-	-	-	-	-	-	-	-	-	-
Total increases (decreases)	(3,254)	-	-	-	-	(140)	-	-	(140)	(3,394)
Closing balance	(3,254)	-	-	-	-	(140)	-	-	(140)	(3,394)

Net Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2019	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill write-off without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	-	-	-	-	-	-	-	-	-	-
SQM S.A.	22,255	-	-	-	-	-	-	-	-	22,255
SQM Iberian S.A.	148	-	-	-	-	-	-	-	-	148
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	280	-	-	-	-	(140)	-	-	(140)	140
Soquimich European Holding B.V.	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio S.A.	724	-	-	-	-	-	-	-	-	724
Total increases (decreases)	34,866	-	-	-	-	(140)	-	-	(140)	34,726
Closing balance	34,866	-	-	-	-	(140)	-	-	(140)	34,726

h) Movements in identifiable goodwill as of December 31, 2018:

Gross Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2018	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill write-off without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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	148
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	-	-	-	-	-	320
Soquimich European Holding B.V.	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio S.A.	724	-	-	-	-	-	-	-	-	724
Total increases (decreases)	37,972	-	-	-	-	-	-	148	148	38,120
Closing balance	37,972	-	-	-	-	-	-	148	148	38,120

Accumulated impairment Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2018	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	-	-	-	-	-	-	-	(3,214)	(3,214)	(3,214)
SQM S.A.	-	-	-	-	-	-	-	-	-	-
SQM Iberian S.A.	-	-	-	-	-	-	-	-	-	-
SQM Investment Corporation	-	-	-	-	-	-	-	-	-	-
Soquimich Comercial S.A.	-	-	-	-	-	-	-	(40)	(40)	(40)
Soquimich European Holding B.V.	-	-	-	-	-	-	-	-	-	-
SQM Potasio S.A.	-	-	-	-	-	-	-	-	-	-
Total increases (decreases)	-	-	-	-	-	-	-	(3,254)	(3,254)	(3,254)
Closing balance	-	-	-	-	-	-	-	(3,254)	(3,254)	(3,254)

Net Value Movements in identifiable goodwill	Goodwill at the start of the period January 01, 2018	Additional recognition	Recognition subsequent to deferred tax assets (-)	Decreases for classification as held for sale (-)	Goodwill released without having been included previously in disposal groups classified as held for sale (-)	Impairment losses recognized in profit or loss for the year (-)	Increase (decrease) for net exchange differences	Increase (decrease) due to other changes	Total increase (decrease)	Goodwill at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Industrial S.A.	3,214	-	-	-	-	-	-	(3,214)	(3,214)	-
SQM S.A.	22,255	-	-	-	-	-	-	-	-	22,255
SQM Iberian S.A.	-	-	-	-	-	-	-	148	148	148
SQM Investment Corporation	86	-	-	-	-	-	-	-	-	86
Soquimich Comercial S.A.	320	-	-	-	-	-	-	(40)	(40)	280
Soquimich European Holding B.V.	11,373	-	-	-	-	-	-	-	-	11,373
SQM Potasio S.A.	724	-	-	-	-	-	-	-	-	724
Total increases (decreases)	37,972	-	-	-	-	-	-	(3,106)	(3,106)	34,866
Closing balance	37,972	-	-	-	-	-	-	(3,106)	(3,106)	34,866

Note 16 Property, plant and equipment

As of December 31, 2019 and December 31, 2018, the detail of property, plant and equipment is as follows:

16.1 Types of property, plant and equipment

Description of types of property, plant and equipment	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Property, plant and equipment, net		
Land	23,620	24,695
Buildings (1)	252,969	238,808
Other property, plant and equipment	32,604	28,175
Transport equipment (2)	6,042	2,892
Supplies and accessories	4,579	4,722
Office equipment	420	513
Network and communication equipment	663	692
Mining assets	23,174	11,501
IT equipment	4,359	4,980
Energy generating assets	5,998	6,117
Constructions in progress	375,316	207,830
Machinery, plant and equipment (3)	877,326	923,898
Total	1,607,070	1,454,823
(1) The buildings line item includes ThUS\$ 25,742 corresponding to right-of-use assets; (2) The line item "Transport equipment" Includes ThUS\$ 3,356 corresponding to right-of-use assets; (3) the property, plant and equipment line item includes ThUS\$ 8,066 corresponding to right-of-use assets; the total includes ThUS\$ 37,164. corresponding to right-of-use assets (IFRS 16)		
Property, plant and equipment, gross		
Land	23,620	24,695
Buildings (1)	695,316	648,719
Other property, plant and equipment	257,206	245,731
Transport equipment (2)	16,036	11,668
Supplies and accessories	25,531	24,456
Office equipment	11,441	11,377
Network and communication equipment	8,009	7,505
Mining assets	161,619	132,309
IT equipment	28,693	29,955
Energy generating assets	38,495	36,930
Constructions in progress	375,316	207,830
Machinery, plant and equipment (3)	3,154,435	3,068,862
Total	4,795,717	4,450,037
(1) The buildings line item includes ThUS\$ 29,289 corresponding to right-of-use assets; (2) The line item "Transport equipment" Includes ThUS\$ 3,893 corresponding to right-of-use assets; (3) the property, plant and equipment line item includes ThUS\$ 11,933 corresponding to right-of-use assets; the total includes ThUS \$45,115 corresponding to right-of-use assets (IFRS 16)		
Accumulated depreciation and value impairment of property, plant and equipment, total		
Accumulated depreciation and impairment of buildings (1)	(442,347)	(409,911)
Accumulated depreciation and impairment of other property, plant and equipment	(224,602)	(217,556)
Accumulated depreciation and impairment of transport equipment (2)	(9,994)	(8,776)
Accumulated depreciation and impairment of supplies and accessories	(20,952)	(19,734)
Accumulated depreciation and impairment of office equipment	(11,021)	(10,864)
Accumulated depreciation and impairment of network and communication equipment	(7,346)	(6,813)
Accumulated depreciation and impairment of mining assets	(138,445)	(120,808)
Accumulated depreciation and impairment of IT equipment	(24,334)	(24,975)
Accumulated depreciation and impairment of energy generating assets	(32,497)	(30,813)
Accumulated depreciation and impairment of machinery, plant and equipment (3)	(2,277,109)	(2,144,964)
Total	(3,188,647)	(2,995,214)

(1) The buildings line item includes ThUS\$ (3,547) corresponding to depreciation of right-of-use assets; (2) The line item "Transport equipment". Includes ThUS\$ (537) corresponding to right-of-use assets; (3) The property, plant and equipment line item includes ThUS\$ (3,867) corresponding to depreciation of right-of-use assets; the total includes ThUS\$ (7,951) corresponding to depreciation of right-of-use assets (IFRS 16).

Description of types of property, plant and equipment	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Property, plant and equipment, net		
Pumps	32,525	34,145
Conveyor Belt	21,911	22,082
Crystallizer	24,102	27,112
Plant Equipment	170,263	188,934
Tanks	14,159	14,876
Filter	27,080	29,300
Electrical equipment/facilities	92,090	96,179
Other Property, Plant & Equipment	53,396	58,997
Site Closure	12,056	12,967
Right-of-use assets	8,066	-
Piping	96,402	98,498
Well	238,670	250,045
Pond	41,319	42,903
Spare Parts	45,287	47,860
Total	877,326	923,898

16.2 Conciliation of changes in property, plant and equipment by type:

Conciliation of changes in property, plant and equipment by class as of December 31, 2019 and December 31, 2018:

Conciliation of changes in property, plant and equipment by class as of December 31, 2019, gross amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	24,695	648,719	245,731	11,668	24,456	11,377	7,505	132,309	29,955	36,930	207,830	3,068,862	4,450,037
Initial recognition of IFRS 16	-	29,289	-	3,893	-	-	-	-	-	-	-	11,933	45,115
Balance with recognition NIIF 16	24,695	678,008	245,731	15,561	24,456	11,377	7,505	132,309	29,955	36,930	207,830	3,080,795	4,495,152
Additions	-	290	332	-	37	43	159	-	492	-	314,236	6,077	321,666
Disposals	-	-	(858)	-	-	-	-	-	(3)	-	-	(17)	(878)
Increase (decrease) in foreign currency translation difference	(35)	(72)	(4)	(2)	(9)	(3)	-	-	(6)	-	-	(72)	(203)
Reclassifications	132	18,526	12,456	477	745	-	89	16,901	1,289	1,565	(140,104)	88,088	164
Other increases (decreases)	-	-	(451)	-	302	24	256	12,409	(3,034)	-	(6,646)	(20,436)	(17,576)
Decreases for classification as held for sale	(1,172)	(1,436)	-	-	-	-	-	-	-	-	-	-	(2,608)
Total changes	(1,075)	17,308	11,475	475	1,075	64	504	29,310	(1,262)	1,565	167,486	73,640	300,565
Closing balance	23,620	695,316	257,206	16,036	25,531	11,441	8,009	161,619	28,693	38,495	375,316	3,154,435	4,795,717

Conciliation of changes in property, plant and equipment by class as of December 31, 2019, accumulated depreciation	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(409,911)	(217,556)	(8,776)	(19,734)	(10,864)	(6,813)	(120,808)	(24,975)	(30,813)	-	(2,144,964)	(2,995,214)
Changes													
Disposals	-	-	858	-	-	-	-	-	1	-	-	-	859
Depreciation expense	-	(32,547)	(8,013)	(1,220)	(1,144)	(161)	(426)	(7,033)	(1,158)	(1,676)	-	(142,866)	(196,244)
Impairment	-	(49)	-	-	-	-	-	-	-	-	-	-	(49)
Increase (decrease) in foreign currency translation difference	-	28	3	1	7	1	-	-	5	-	-	34	79
Reclassifications	-	7	(6)	1	6	-	1	-	(5)	-	-	(207)	(203)
Other increases (decreases) (*)	-	(155)	112	-	(87)	3	(108)	(10,604)	1,798	(8)	-	10,894	1,845
Decreases for classification as held for sale	-	280	-	-	-	-	-	-	-	-	-	-	280
Total changes	-	(32,436)	(7,046)	(1,218)	(1,218)	(157)	(533)	(17,637)	641	(1,684)	-	(132,145)	(193,433)
Closing balance	-	(442,347)	(224,602)	(9,994)	(20,952)	(11,021)	(7,346)	(138,445)	(24,334)	(32,497)	-	(2,277,109)	(3,188,647)

Conciliation of changes in property, plant and equipment by class as of December 31, 2019, net amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	24,695	238,808	28,175	2,892	4,722	513	692	11,501	4,980	6,117	207,830	923,898	1,454,823
Initial recognition of IFRS 16	-	29,289	-	3,893	-	-	-	-	-	-	-	11,933	45,115
Balance with recognition NIIF 16	24,695	268,097	28,175	6,785	4,722	513	692	11,501	4,980	6,117	207,830	935,831	1,499,938
Additions	-	290	332	-	37	43	159	-	492	-	314,236	6,077	321,666
Disposals	-	-	-	-	-	-	-	-	(2)	-	-	(17)	(19)
Depreciation expense	-	(32,547)	(8,013)	(1,220)	(1,144)	(161)	(426)	(7,033)	(1,158)	(1,676)	-	(142,866)	(196,244)
Impairment	-	(49)	-	-	-	-	-	-	-	-	-	-	(49)
Increase (decrease) in foreign currency translation difference	(35)	(44)	(1)	(1)	(2)	(2)	-	-	(1)	-	-	(38)	(124)
Reclassifications	132	18,533	12,450	478	751	-	90	16,901	1,284	1,565	(140,104)	87,881	(39)
Other increases (decreases) (1)	-	(155)	(339)	-	215	27	148	1,805	(1,236)	(8)	(6,646)	(9,542)	(15,731)
Decreases for classification as held for sale (2)	(1,172)	(1,156)	-	-	-	-	-	-	-	-	-	-	(2,328)
Total changes	(1,075)	(15,128)	4,429	(743)	(143)	(93)	(29)	11,673	(621)	(119)	167,486	(58,505)	107,132
Closing balance	23,620	252,969	32,604	6,042	4,579	420	663	23,174	4,359	5,998	375,316	877,326	1,607,070

(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”.

(2) The Company classifies as non-current held for sale property, plant and equipment (disposal group) that, at the closing date of the financial statements, is subject to a commitment for sale or where the sales process has been initiated and where the sale is expected to occur within twelve months of that date, is classified by the Company as non-current assets held for sale.

These assets or disposal groups are valued at the lower of carrying amount or the estimated sales value less the costs to sell and stop being amortized from the moment they are classified as non-current assets held for sale.

Conciliation of changes in property, plant and equipment by class as of December 31, 2018, gross amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	24,900	610,264	244,831	11,195	19,498	11,105	7,356	129,028	27,038	36,643	165,054	2,938,287	4,225,199
Additions	-	28	833	-	41	15	-	-	489	-	263,290	1,448	266,144
Disposals	-	(38)	(7,811)	(51)	-	-	-	-	(10)	-	(6,582)	(1,666)	(16,158)
Increase (decrease) in foreign currency translation difference	(64)	(134)	(8)	(3)	(19)	(6)	-	-	(11)	-	-	(153)	(398)
Reclassifications	-	38,746	10,330	529	4,889	268	150	3,281	2,100	75	(184,095)	123,726	(1)
Other increases (decreases)	-	(147)	(2,444)	(2)	47	(5)	(1)	-	349	212	(29,837)	7,220	(24,608)
Decreases for classification as held for sale	(141)	-	-	-	-	-	-	-	-	-	-	-	(141)
Total changes	(205)	38,455	900	473	4,958	272	149	3,281	2,917	287	42,776	130,575	224,838
Closing balance	24,695	648,719	245,731	11,668	24,456	11,377	7,505	132,309	29,955	36,930	207,830	3,068,862	4,450,037

Conciliation of changes in property, plant and equipment by class as of December 31, 2018, 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	-	(379,945)	(219,969)	(7,938)	(17,626)	(10,618)	(6,306)	(112,791)	(23,637)	(28,782)	-	(1,988,233)	(2,795,845)
Disposals	-	38	7,737	8	-	-	-	-	10	-	-	1,722	9,515
Depreciation expense	-	(29,829)	(7,415)	(880)	(2,056)	(271)	(483)	(8,017)	(1,374)	(2,026)	-	(158,900)	(211,251)
Impairment	-	(437)	-	-	-	-	-	-	-	(12)	-	(941)	(1,390)
Increase (decrease) in foreign currency translation difference	-	41	4	1	12	3	-	-	(1)	-	-	61	121
Reclassifications	-	106	(483)	-	(87)	(17)	(28)	-	90	1	-	419	1
Other increases (decreases)	-	115	2,570	33	23	39	4	-	(63)	6	-	908	3,635
Total changes	-	(29,966)	2,413	(838)	(2,108)	(246)	(507)	(8,017)	(1,338)	(2,031)	-	(156,731)	(199,369)
Closing balance	-	(409,911)	(217,556)	(8,776)	(19,734)	(10,864)	(6,813)	(120,808)	(24,975)	(30,813)	-	(2,144,964)	(2,995,214)

(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

Conciliation of changes in property, plant and equipment by class as of December 31, 2018, net amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	24,900	230,319	24,862	3,257	1,872	487	1,050	16,237	3,401	7,861	165,054	950,054	1,429,354
Changes													
Additions	-	28	833	-	41	15	-	-	489	-	263,290	1,448	266,144
Disposals	-	-	(74)	(43)	-	-	-	-	-	-	(6,582)	56	(6,643)
Depreciation expense	-	(29,829)	(7,415)	(880)	(2,056)	(271)	(483)	(8,017)	(1,374)	(2,026)	-	(158,900)	(211,251)
Impairment	-	(437)	-	-	-	-	-	-	-	(12)	-	(941)	(1,390)
Increase (decrease) in foreign currency translation difference	(64)	(93)	(4)	(2)	(7)	(3)	-	-	(12)	-	-	(92)	(277)
Reclassifications	-	38,852	9,847	529	4,802	251	122	3,281	2,190	76	(184,095)	124,145	-
Other increases (decreases) (1)	-	(32)	126	31	70	34	3	-	286	218	(29,837)	8,128	(20,973)
Decreases for classification as held for sale (2)	(141)	-	-	-	-	-	-	-	-	-	-	-	(141)
Total changes	(205)	8,489	3,313	(365)	2,850	26	(358)	(4,736)	1,579	(1,744)	42,776	(26,156)	25,469
Closing balance	24,695	238,808	28,175	2,892	4,722	513	692	11,501	4,980	6,117	207,830	923,898	1,454,823

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) assets for retirement obligations and (v) software that is reclassified to Intangibles.

(2) The Company classifies as non-current held for sale property, plant and equipment (disposal group) that, at the closing date of the financial statements, is subject to a commitment for sale or where the sales process has been initiated and where the sale is expected to occur within twelve months of that date, is classified by the Company as non-current assets held for sale.

These assets or disposal groups are valued at the lower of carrying amount or the estimated sales value less the costs to sell and stop being amortized from the moment they are classified as non-current assets held for sale.

16.3 Conciliation of changes in right of use assets, by classes

Conciliation of changes in property, plant and equipment by class as of December 31, 2019, net amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	Energy generating assets	Assets under construction	Machinery, plant and equipment	Property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial recognition of IFRS 16	-	29,289	-	3,893	-	-	-	-	-	-	-	11,933	45,115
Balance with recognition NIIF 16	-	29,289	-	3,893	-	-	-	-	-	-	-	11,933	45,115
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(3,547)	-	(537)	-	-	-	-	-	-	-	(3,867)	(7,951)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increases (decreases)	-	-	-	-	-	-	-	-	-	-	-	-	-
Decreases for classification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes	-	(3,547)	-	(537)	-	-	-	-	-	-	-	(3,867)	(7,951)
Closing balance	-	25,742	-	3,356	-	-	-	-	-	-	-	8,066	37,164

The Company's lease activities included the following aspects:

- The nature of the Company's lease activities is related to contracts focused primarily on business operations, notably rights-of-use to equipment and real estate.
- The Company does not estimate any significant future cash outflows that would potentially expose the Company, and these are likewise not reflected in the measurement of lease liabilities, related to concepts such as (i) variable lease payments, (ii) expansion options and termination options, (iii) guaranteed residual value and (iv) leases not yet undertaken but committed by the Company.
- These are not subject to restrictions or agreements imposed by contracts.
- There were no sales lease back in the period.

16.4 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.

16.5 Impairment of assets

As indicated in Note 3.16 to the financial statements, the recoverable amount of property, plant and equipment is measured provided that there is an indication that the asset could be impaired. As of December 31, 2019, adjustments for impairment of assets were generated in the amount of ThUS\$ 49. As of December 31, 2018 adjustments for impairment of assets were generated in the amount of ThUS\$ 1,390.

16.6 Additional Information

As of December 31, 2019, interests were activated in the constructions underway as presented in Note 28.

Note 17 Other current and non-current non-financial assets

As of December 31, 2019, and December 31, 2018, the detail of other current and non-current assets is as follows:

Other non-financial assets, current	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Domestic Value Added Tax	17,807	20,209
Foreign Value Added Tax	8,566	7,211
Prepaid mining licenses	1,244	1,329
Prepaid insurance	7,135	1,763
Other prepayments	1,423	1,774
Refund of Value Added Tax to exporters	10,560	12,545
Other taxes	3,213	2,800
Other assets	604	341
Total	50,552	47,972

Other non-financial assets, non-current	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Stain development expenses and prospecting expenses (1)	18,654	26,189
Guarantee deposits	551	712
Other assets	524	638
Total	19,729	27,539

1) Conciliation 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, 2019, and December 31, 2018:

Conciliation	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Opening balance	26,189	17,721
Change in assets for exploration and evaluation of mineral resources		
Additions	-	11,298
Short-term reclassifications	(1,311)	1,987
Increase (decrease) due to transfers and other charges	(6,224)	(4,817)
Total changes	(7,535)	8,468
Saldo final	18,654	26,189

As of the presentation date, no reevaluations of assets for exploration and assessment of mineral resources have been conducted.

Note 18 Employee benefits

18.1 Provisions for employee benefits

Classes of benefits and expenses by employee	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current		
Profit sharing and bonuses	16,387	20,085
Total	16,387	20,085
Non-current		
Profit sharing and bonuses	8,026	8,831
Severance indemnity payments	27,814	28,233
Total	35,840	37,064

18.2 Policies on defined benefit plan

This policy is applied to all benefits received for services provided by the Company's employees. 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 only provides compensation and benefits to active employees, with the exemption of SQM North America. (see Note 18.4)

The Company maintains incentive programs for its employees based on their personal performance, the Company's performance and other short-term and long-term indicators.

For each incentive bonus delivered to the Company's employees, there will be a disbursement in the first quarter of the following year and this will be calculated based on profit for the period at the end of each period applying a factor obtained subsequent to each employee's appraisal process.

Employee benefits include retention bonuses for the Company's executives, which are linked to the Company's share price and are paid in cash.

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.

Law No. 19,728 published on May 14, 2001 which became effective on October 1, 2002 required Compulsory Unemployment Insurance in favor of all dependent employees regulated by the Chilean Labor Code, Article 5 of this law established that this insurance is paid through monthly contribution payments by both the employee and the employer.

18.3 Other long-term benefits

The other long-term benefits relate to staff severance indemnities and are recorded at their actuarial value, and an executive compensation plan (see Note 18.6).

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. The discount interest rate of expected flows to be used was 3.68%.

(a) 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.

(b) Methodology

The Company's benefits obligation under IAS 19, Projected Benefit Obligation (PBO) is determined as follows:

To determine the Company's total liability, we used computer software to develop a mathematical simulation model using the data for each individual employee.

This model considered months as discrete time, i.e., the Company determined the age of each person and his/her salary on a monthly basis according to the growth rate. This information on each person was simulated from the beginning of his/her employment contract or when he/she started earning benefits up to the month in which he/she reaches normal retirement age, generating in each period the possible retirement according to the Company's turnover rate and the mortality rate according to the age reached. When he/she reaches the retirement age, the employee finishes his/her service for the Company and receives a retirement indemnity.

The methodology followed to determine the accrual for all the employees covered by agreements took account of the turnover rates and the mortality rate RV-2014 established by the CMF to calculate pension-related life insurance reserves in Chile according to the Accumulated Benefit Valuation or Accrued Cost of Benefit Method. This methodology is established in IAS 19 on "Retirement Benefit Costs".

18.4 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 North America offers to its employees benefits related to pension plans based on the 401-K system, which do not generate obligations for the Company.

18.5 Staff severance indemnities

As of December 31, 2019 and December 31, 2018, severance indemnities calculated at the actuarial value are as follows:

Classes of benefits and expenses by employee	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Opening balance	(28,233)	(27,445)
Current cost of service	(2,880)	(1,529)
Interest cost	(1,661)	(1,658)
Actuarial gain/loss	(2,514)	(1,617)
Exchange rate difference	2,475	2,710
Benefits paid during the year	4,999	1,306
Total	(27,814)	(28,233)

(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, 2019	As of December 31, 2018	Annual/Years
Mortality rate	RV - 2014	RV - 2014	
Actual annual interest rate	3.68%	4.64%	
Voluntary retirement rate:			
Men	6.49%	6.49%	Annual
Women	6.49%	6.49%	Annual
Salary increase	3.00%	3.00%	Annual
Retirement age:			
Men	65	65	Years
Women	60	60	Years

(b) Sensitivity analysis of assumptions

As of December 31, 2019 and December 31, 2018, the Company has conducted a sensitivity analysis of the main assumptions of the actuarial calculation, determining the following:

Sensitivity analysis as of December 31, 2019	Effect + 100 basis points	Effect + 100 basis points
	ThUS\$	ThUS\$
Discount rate	(1,796)	2,021
Employee turnover rate	(236)	263

Sensitivity analysis as of December 31, 2018	Effect + 100 basis points	Effect + 100 basis points
	ThUS\$	ThUS\$
Discount rate	(1,807)	2,033
Employee turnover rate	(237)	265

Sensitivity relates to an increase/decrease of 100 basis points.

18.6 Executive compensation plan

The Company currently has a compensation plan with the purpose of motivating the Company's executives and encouraging them to remain with the Company, by granting payments based on the change in the price of SQM's shares. There is a partial payment of the share benefit program in the event of termination of the contract for causes other than the resignation and application of Article 160 of the Labor Code.

(a) Plan characteristics

This compensation plan is related to the Company's performance through the SQM Series B share price (Santiago Stock Exchange).

(b) Plan participants

A total of 30 Company executives are entitled to this plan, provided that they continue to work for the Company through to the end of 2020. The payment dates, if applicable, will be during the first quarter of 2021.

(c) Compensation

The compensation payable to each executive is calculated by multiplying:

- a) The average price of Series B shares on the Santiago Stock Exchange during the fourth quarter of 2020, at its equivalent amount in dollars (with a maximum amount or limit amount of US\$ 54 per share), multiplied
- b) By a number equal to the quantity of shares that have been individually assigned to each executive included in the plan.

This compensation plan was approved by the Company's Board of Directors and its application started on January 1, 2017.

The effect of the plan considers 427,652 shares reflected as a cost of ThUS\$ 806 in the results for the period ending December 31, 2019. As of December 31, 2018, the effect of the plan was 476,302 shares, equal to ThUS\$ 3,754 recognized as a provision reflected against profit or loss for 2018.

Executed shares during 2019 were 83,609.

Note 19 Provisions and other non-financial liabilities

19.1 Types of provisions

Types of provisions	As of December 31, 2019			As of December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for legal complaints (1)	13,472	1,452	14,924	11,862	3,000	14,862
Provision for dismantling, restoration and rehabilitation cost (2)	-	33,238	33,238	-	28,822	28,822
Other provisions (3)	97,093	-	97,093	94,335	-	94,335
Total	110,565	34,690	145,255	106,197	31,822	138,019

(1) These provisions correspond to legal processes that are pending resolution or that have not yet been disbursed. These provisions are mainly related to litigation involving the subsidiaries located in Chile, Brazil and the United States (see note 22.1).

(2) The commitments related to Sernageomin have been incorporated through the issuance of the guarantee for the restoration of the place where the production sites are located.

(3) See Note 19.2

19.2 Description of other provisions

Current provisions, other short-term provisions	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Rent under Lease contract (1)	90,320	84,826
Provision for additional tax related to foreign loans	543	471
End of agreement bonus	3,641	5,129
Directors' per diem allowance	1,802	2,881
Miscellaneous provisions	787	1,028
Total	97,093	94,335

(1) Payment Obligations for the lease contract with CORFO: These correspond to obligations assumed in the Lease Agreement. Part of these obligations are the quarterly lease payments to Corfo, according to SQM Salar's product sales from leased mining properties. Since 2018, another part are the annual contributions by SQM Salar 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.

19.3 Other non financial liabilities, Current

Description of other liabilities	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Tax withholdings	3,345	4,782
VAT payable	3,465	7,345
Guarantees received	2,641	2,641
Accrual for dividend	68,890	109,670
Monthly tax provisional payments	16,659	21,001
Deferred income	3,033	18,574
Withholdings from employees and salaries payable	4,575	6,052
Accrued vacations (1)	21,686	20,070
Other current liabilities	2,605	4,489
Total	126,899	194,624

(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.

19.4 Changes in provisions

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	4,416	150,314	158,841
Provision used	(4,049)	-	(147,532)	(151,581)
Increase(decrease) in foreign currency exchange	-	-	(24)	(24)
others	-	-	-	-
Total increase (decreases)	62	4,416	2,758	7,236
Total	14,924	33,238	97,093	145,255

Description of items that gave rise to variations as of December 31, 2018	Legal complaints	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	19,419	26,954	47,073	93,446
Changes				
Additional provisions	1,000	1,820	181,244	184,064
Provision used	(5,557)	-	(133,949)	(139,506)
Increase(decrease) in foreign currency exchange	-	-	-	-
others	-	48	(33)	15
Total increase (decreases)	(4,557)	1,868	47,262	44,573
Total	14,862	28,822	94,335	138,019

Note 20 Disclosures on equity

The detail and movements in the funds of equity accounts are shown in the consolidated statement of changes in equity.

20.1 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.

In addition, capital management should consider that with respect to Series H and Series O Bonds, if the Indebtedness Level (as this term is defined in the respective issuance contracts) exceeds 1.2 times (provided that this does not exceed 1.44 times), the Company must offer bondholders of these series the voluntary and individual option for early redemption of these bonds at par value. As a consequence of the IFRS 16 becoming effective and being implemented in these financial statements, the Indebtedness ratio for the fourth quarter of 2019 reached a proportion of 1.19.

The Company's management controls capital management based on the following ratios:

Capital Management	As of December 31, 2019	As of December 31, 2018	Description (1)	Calculation (1)
Net Financial Debt (ThUS\$)	719,809	471,755	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	3.45	4.32	Current Assets divided by Current Liabilities	Total Current Assets / Total Current Liabilities
Net Debt / Capitalization	0.25	0.18	Net Financial Debt divided by Total Equity	Net financial debt / Total Equity
ROE	13.154%	20.7%	Profit for the year divided by Total Equity	LTM ⁽²⁾ Profit for the year / Equity
Adjusted EBITDA (ThUS\$)	645,142	855,652	Adjusted EBITDA	Profit for the year + Depreciation and Amortization Expenses + Finance Costs + Income Tax – Other income and Share of profit of associates and joint ventures + Other expenses – Finance income – Currency differences
EBITDA (MUS\$)	669,831	902,450	EBITDA	Profit for the year + Depreciation and Amortization Expenses + Finance Costs + Income Tax
ROA	12.76%	20.31%	Adjusted EBITDA – Depreciation divided by Total Assets net of financial resources less related parties' investments	(LTM Gross Profit – Administrative Expenses) / (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets – Other Non-Current Financial Assets – Equity-accounted Investments)
Indebtedness	1.19	1.00	Total Liabilities on Equity	Total Liabilities / Total Equity
Indebtedness without IFRS 16	1.18	1.00	Total Liabilities less IFRS 16 liabilities on Equity	Total Liabilities - IFRS 16 liabilities / Total Equity

(1) Assumes the absolute value of the accounting records with the exception of exchange differences.

The Company's capital requirements change according to variables such as working capital needs, new investment financing and dividends, among others. The SQM Group manages its capital structure and makes adjustments based on the predominant economic conditions so as to mitigate the risks associated with adverse market conditions and take advantage of the opportunities there may be to improve the liquidity position of the SQM Group.

There have been no changes in the capital management objectives or policy within the years reported in this document. No breaches of external requirements of capital imposed have been recorded.

20.2 Disclosures on preferred share capital

Issued share capital is divided into 142,819,552 Series "A" shares and 120,376,972 Series "B" shares. All such shares are nominative, have no par value and are fully issued, subscribed and paid.

Series B shares may not exceed 50% of the total issued, subscribed and paid-in shares of the Company and have a limited voting right, in that all of them can only elect one director of the Company, regardless of their equity interest and preferences:

- (a) require the calling of an Ordinary or Extraordinary Shareholders' Meeting when so requested by Series B shareholders representing at least 5% of the issued shares thereof; and
- (b) require the calling of an extraordinary meeting of the board of directors, without the president being able to qualify the need for such a request, when so requested by the director who has been elected by the shareholders of said Series B.

The limitation and preferences of Series B shares have a duration of 50 consecutive and continuous years as of June 3, 1993.

The Series A shares have the preference of being able to exclude the director elected by the Series B shareholders in the voting process in which the president of the board of directors and of the Company must be elected and which follows the one in which the tie that allows such exclusion resulted.

The preference of the Series A shares will have a term of 50 consecutive and continuous years as of June 3, 1993. The form of the titles of the shares, their issuance, exchange, disablement, loss, replacement, assignment and other circumstances thereof shall be governed by the provisions of Law No. 18,046 and its regulations.

At December 31, 2019 and December 31, 2018, the Group does not hold shares of the Parent Company either directly or through its investees.

Detail of capital classes in shares:

As of December 31, 2019 and December 31, 2018, the Company has not placed any new shares issues on the market

Type of capital in preferred shares	As of December 31, 2019		As of December 31, 2018	
	Series A	Series B	Series A	Series B
Description of type of capital in preferred shares				
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of fully subscribed and paid shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-
Par value of shares in US\$	0.9435	2.8464	0.9435	2.8464
Increase (decrease) in the number of current shares	-	-	-	-
Number of current shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of shares owned by the entity or its subsidiaries or associates	-	-	-	-
Number of shares whose issuance is reserved due to the existence of options or agreements to dispose shares	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-
Total number of subscribed shares	142,819,552	120,376,972	142,819,552	120,376,972

20.3 Disclosures on reserves in Equity

As of December 31, 2019 and December 31, 2018, this caption comprises the following:

Disclosures on reserves un Equity	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Reserve for currency exchange conversion	(25,745)	(26,307)
Reserve for cash flow hedges	7,196	7,971
Reserve for gains and losses from financial assets measured at fair value through other comprehensive income	(270)	(1,111)
Reserve for actuarial gains or losses in defined benefit plans	(9,490)	(6,884)
Other reserves	14,086	11,332
Total	(14,223)	(14,999)

Reserves for foreign currency translation differences

This balance reflects retained earnings for changes in the exchange rate when converting the financial statements of subsidiaries whose functional currency is that of each company's origin country and the presentation currency is the US dollar.

Reserve for cash flow hedges

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.

Reserve for gains and losses from financial assets measured at fair value through other comprehensive income

This caption includes investments in shares where the Company has no significant influence and these have accordingly been measured at fair value through equity. 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 profit or loss.

Reserve for actuarial gains or losses in defined benefit plans

For domestic subsidiaries the effects of changes in assumptions are considered, mainly changes in the discount rate.

The subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation of staff severance indemnities using a net salary progressive rate net of adjustments to inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 4% interest rate for 2019.

Movements in other reserves and changes in interest were as follows:

Movements	Foreign currency translation difference	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, 2018	(24,913)	2,248	-	(6,847)	894	4,787	(1,850)	11,332	(13,393)	(956)	(14,349)
Increase	6,542	14,794	-	674	(133)	294	(79)	-	22,304	(212)	22,092
Decrease	(7,936)	(9,071)	-	(2,003)	531	(5,841)	1,578	-	(24,851)	2,109	(22,742)
Closing balance as of December 31, 2018	(26,307)	7,971	-	(8,176)	1,292	(760)	(351)	11,332	(15,940)	941	(14,999)
Increase	1,824	8,628	(2,683)	-	-	1,570	(424)	3,093	15,115	(3,107)	12,008
Decrease	(1,262)	(6,720)	-	(3,306)	700	(418)	113	(339)	(12,045)	813	(11,232)
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)

Other reserves

This caption corresponds to the legal reserves reported in the individual financial statements of the subsidiaries and Associates that are mentioned below and that have been recognized in SQM's equity through the application of the equity method.

Subsidiary - Associate	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
SQM Iberian S.A. (1)	9,464	9,464
SQM Europe NV	1,957	1,957
Soquimich European holding B.V.	828	828
Abu Dhabi Fertilizer Industries WWL	455	455
Doktor Tarsa Tarim Sanayi AS	305	305
Kore Potash PLC	2,754	-
Total	15,763	13,009
Corresponds to the acquisition of the subsidiary SQM Iberian S.A., which was already under Company ownership at the acquisition date (IAS 27 R).	(1,677)	(1,677)
Total Other reserves	14,086	11,332

- (1) In the case of SQM Iberian S.A., the balance corresponds to the results obtained in the previous financial year which are presented as forming part of other reserves because of local regulations

20.4 Dividend policies

As required by Article 79 of the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated profit for the year ended as of December 31, unless and except to the extent it has a deficit in retained earnings (losses not absorbed in prior years).

Dividend policy for commercial year 2019

The Company has defined the following dividend policy:

- a) Distribute and pay, as a final dividend and in favor of the respective shareholders, a percentage of the net income that shall be determined per the following financial parameters:
 - (I) 100% of the profit for 2019 if all the following financial parameters are met: (a) “all current assets” divided by “all current liabilities” is equal to or greater than 2.5 times, and (b) the sum of “all current liabilities” and “all non-current liabilities”, less “cash equivalents”, less “other current financial assets”, all of the above divided by “total equity” in equal or less than 0.8 times.
 - (II) 80% of the profit for 2019 if all the following financial parameters are met: (a) “all current assets” divided by “all current liabilities” is equal to or greater than 2.0 times, and (b) the sum of “all current liabilities” and “all non-current liabilities”, less “cash equivalents”, less “other current financial assets”, all of the above divided by “total equity” in equal or less than 0.9 times.
 - (III) 60% of the profit for 2019 if all the following financial parameters are met: (a) “all current assets” divided by “all current liabilities” is equal to or greater than 1.5 times, and (b) the sum of “all current liabilities” and “all non-current liabilities”, less “cash equivalents”, less “other current financial assets”, all of the above divided by “total equity” in equal or less than 1.0 times.

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 2019 net income.
- b) Distribute and pay, if possible and during 2019, three interim dividends that will be charged against the aforementioned final dividend. These interim dividends shall likely be paid during the month following the approval of the March, June, and September 2019 interim financial statements, respectively. Its amounts shall be calculated as follows:
 - (i) For the interim dividends that will be charged to the accumulated net income reflected in the March 2019 interim financial statements, the percentage distributed shall be determined per the financial parameters expressed in letter a) above.
 - (ii) For the interim dividends that will be charged to the accumulated net income reflected in the June 2019 interim financial statements, the percentage distributed shall be determined per the financial parameters expressed in letter a) above, discounting the total amount of interim dividends previously distributed during 2019.
 - (iii) For the interim dividends that will be charged to the accumulated net income reflected in the September 2019 interim financial statements, the percentage distributed shall be determined per the financial parameters expressed in letter a) above, discounting the total amount of interim dividends previously distributed during 2019.
- c) The amount of the interim dividends mentioned above may vary, pursuant to the information available to the Board of Directors on the date on which it agrees to the distribution of said dividends given that the dividend will not materially or negatively affect SQM’s capacity to impact its investments, fulfill its liabilities, or in general, comply with the investment and finance policy approved at the ordinary shareholders’ meeting.
- d) At the ordinary shareholders meeting that will be held in 2020, the Board of Directors shall propose a final dividend pursuant to the financial parameters expressed in letter a) above, discounting the total amount of the interim dividends previously distributed during 2019.

- e) If there is an excess of net income in 2019, this may be retained and assigned or allocated for financing its own operations, to one or more investment projects of the Company, notwithstanding a future distribution of special dividends charged to the accumulated net income previously approved at the shareholders' meeting, or the possible and future capitalization of all or part of the latter.
- f) the payment of additional dividends is not considered.

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 periodic projections that could 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.

20.5 Interim and provisional dividends

The ordinary shareholders' meeting held on April 25, 2019, agreed to distribute and pay 100% of the distributable net profit obtained by the Company during the 2018 fiscal year, as dividend. Consequently, in May 2019, the Company paid a definitive dividend of US\$ 1.67111 per share as distributable net profit obtained during the 2018 fiscal year. An amount of US\$ 1.25837 per share was subtracted from this amount, as it had already been paid as interim dividend in 2018.

On May 22, 2019, the Board agreed to pay an interim dividend equivalent to US\$ 0.30598 per share, charged to the Company's net income for 2019. This amount was paid in Chilean pesos at the official exchange rate to the Dollar published in the Official Gazette on May 29, 2019.

On August 21, 2019, the Board paid a provisional dividend equivalent to US\$ 0.26669 per share with a charge to Company earnings for 2019. Such amount was paid in its equivalent in Chilean pesos, according to the observed U.S. dollar exchange rate published in the Official Gazette on August 30, 2019.

On November 20, 2019, the Board of Directors agreed to pay an interim dividend equivalent to US \$ 0.22987 per share, to be charged to the Company's 2019 earnings. This amount was paid in its Pesos equivalent according to the value of the Observed Dollar published in the Official Gazette of November 29, 2019.

20.6 Potential and provisional dividends

Dividends discounted from equity from December 2019 and January to December 2018 were the following:

Dividends	Fort the year ended 31, 2019	Fort the year ended 31, 2018
	ThUS\$	ThUS\$
Ajay SQM Chile S.A. Dividends	882	823
Soquimich Comercial S.A. Potential Dividend	3,936	7,872
Soquimich Comercial S.A. Payable Dividend	1,999	1,038
Non-controlling interests	6,817	9,733
Interim dividend	211,224	331,199
Potential dividend	-	100,000
Dividends payable	66,891	108,631
Owners of the Parent	278,115	539,83
Dividends discounted from equity for the period	284,932	549,563

Note 21 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average of the number of shares in circulation during that period.

As expressed, earnings per share are detailed as follows:

Basic earnings per share	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Earnings (losses) attributable to owners of the parent	278,115	439,830

Basic earnings per share	As of December 31, 2019	As of December 31, 2018
	Units	Units
Number of common shares in circulation	263,196,524	263,196,524
Basic earnings per share (US\$ per share)	1.0567	1.6711

The Company has not made any operations with a potential dilutive effect that assumes diluted earnings per share are different from the basic earnings per share.

Note 22 Contingencies and restrictions

In accordance with note 19.1, the Company has only registered a provision for those lawsuits in which there is a probability that the judgments will be unfavorable to the Company, The Company is party to the following lawsuits and other relevant legal actions:

22.1 Lawsuits and other relevant events

- (a) Plaintiff : City of Pomona California, USA
 Defendants : SQM North America Corporation
 Date : December 2010
 Court : United States District Court Central District of California
 Reason : Payment of expenses and other amounts related to the treatment of groundwater to allow for its consumption by removing the existing perchlorate in such groundwater that allegedly comes from Chilean fertilizers.
 Status : On May 17, 2018, district judge Gary Klausner sentenced in favor of SQM NA following the verdict of the jury, On February 6, 2020, the court of appeals of the 9th circuit of United States ordered a retrial before the District Court.
 Nominal value : ~ ThUS\$ 32,000
- (b) Plaintiff : City of Lindsay, California, USA
 Defendants : SQM NA and the Company (still not noticed)
 Date : December 2010
 Court : United States District Court Eastern District of California.
 Reason : Payment of expenses and other amounts related to the treatment of groundwater to allow for its consumption by removing the existing perchlorate in such groundwater that allegedly comes from Chilean fertilizers.
 Status : Filing of the case, processing suspended.
 Nominal value : Not possible to determine.
- (c) Plaintiff : H&V Van Mele N.V.
 Defendants : NV Euroports, SQM Europe N.V. y and its insurance companies
 Date : July 2013
 Court : Commercial Court
 Reason : Alleged indirect responsibility for the absence of adequate specifications for the SOP-WS by the Belgian distributor
 Status : Sentencing against NV Euroports and subsidy SQM Europe N.V., for EUR 206,675.91, Appeal presented in November 2017
 Nominal value : ~ ThUS\$ 430

- (d) Plaintiff : Carlos Aravena Carrizo et al.
 Defendants : SQM Nitratos S.A. and its insurers
 Date : May 2014
 Court : 18th Civil Court Santiago
 Reason : Lawsuit seeking compensation for damages for alleged civil liability under tort as a result of an explosion that occurred during 2010 near Baquedano, causing the death of 6 employees
 Status : On May 7, 2019 2019 The 18th Civil Court of Santiago rejected the lawsuit. The case is before the Santiago Court of Appeals, which will hear the plaintiffs' appeal
 Nominal value : ~ ThUS\$ 1,235
- (e) Plaintiff : SQM Salar S.A. and the Company
 Defendants : Seguros Generales Suramericana S.A. (formerly - RSA Seguros Chile S.A.)
 Date : August 29, 2016.
 Court : Arbitration award in accordance with the arbitration rules established by the CAM
 Reason : Complaint for forced compliance and collection of indemnification for insurance claim of February 7 and 8, 2013
 Status : Evidence stage
 Nominal value : ~ ThUS\$ 20,658
- (f) Plaintiff : Tyne and Wear Pension Fund represented by el Council of the Borough of South Tyneside acting as Lead Plaintiff
 Defendants : The Company
 Date : January 2016
 Court : United States District Court – Southern District of New York
 Reason : Alleged damage to ADS holders of the Company resulting from alleged non compliance with the securities regulations in the United States by the Company
 Status : Initial stage of disclosure of background information
 Nominal value : Not determined

- (g) Plaintiff : Ernesto Saldaña González et al
 Defendants : SQM Salar S.A., SQM Industrial S.A. and their insurance companies
 Date : May 2016
 Court : 13th Civil Court of Santiago
 Reason : Lawsuit seeking compensation for damages for alleged civil liability under tort law arising from the accident that occurred in July 2014 in the María Elena location
 Status : On March 6, 2019, the ruling in first instance was passed, dismissing the claim. The case is currently before the Santiago Court of Appeals, which will hear the plaintiffs' appeal.
 Nominal value : ~ ThUS\$ 515
- (h) Plaintiff : Transportes Buen Destino S.A.
 Defendants : SQM Salar.
 Date : January 24, 2018
 Court : Arbitration award in accordance with the arbitration rules established by the CAM
 Reason : Discrepancies generated in the implementation of the following contracts entered into between TBD and SQM Salar: (i) lithium brine transportation; and (ii) salt transportation
 Status : Pending evidentiary stage.
 Nominal value : ~ ThUS\$ 3,019
- (i) Plaintiff : Atacameña de Peine Indigenous Community, Atacameña de Camar Indigenous Community and the Consejo de Pueblos Atacameños.
 Defendants : SMA. SQM Salar has intervened as an independent third party.
 Date : January 30, 2019
 Court : 1st Environmental Court
 Reason : Declare the SMA's decision illegal, which approved the PdC submitted by SQM Salar.
 Status : On December 26, 2019, the First Environmental Court of Antofagasta partially accepted the claim presented by the indigenous communities, rendering null and void the SMA resolution that approved the PdC and suspended the sanctions process against SQM Salar. On January 16, 2020, motions for cassation on grounds of form and substance, filed by the Company, were declared admissible and these will be addressed and resolved by the Supreme Court.
 Nominal value : Not determined
- (j) Plaintiff : Quillagua Aymara Indigenous Community and Quechua de Huatacondo Indigenous Community
 Defendants : SMA
 Date : March 22, 2019
 Court : First Environmental Court of Santiago
 Reason : Declare the SMA's decision illegal, which approved the PdC submitted by the Company
 Status : Pending the case hearing
 Nominal value : Not determined
- (k) Plaintiff : Congresspersons Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya, Camila Ruslay Rojas Valderrama et al.
 Defendants : CORFO. The entity has intervened as an independent third party

- Date : September 6,2018
 Court : Special Magistrate, Mr. Alejandro Madrid Crohare
 Reason : To render null and void the contract for the Salar de Atacama Project signed between CORFO and SQM Salar.
 Status : Discussion stage
 Nominal value : Not determined
- (l) Plaintiff : Danilo Andrés Araya Rojas et al.
 Defendants : FPC Ingeniería y Construcción SpA, SQM S.A. and its insurers
 Date : May, 2019
 Court : 19° Civil Court of Santiago
 Reason : Claim seeking compensation for damages, for extracontractual liability resulting from the traffic accident occurring on March 5, 2018 on Route 5, kilometer 1713, near Pozo Almonte, involving an overturned pick-up truck owned by FPC resulting in the death of its two occupants, both employees of FPC, one of which was father of the four claimants. At the time the accident occurred, the employees were heading towards their homes on the SQM site in Nueva Victoria (traffic accident). The four children of one of the deceased employees are the claimants in this case, compensation for moral damages
 Status : Discussion stage
 Nominal value : ~ ThUS\$ 1,194.
- (m) Plaintiff : Servicios Logísticos Integrales Inversol SpA
 Defendants : SQM Salar
 Date : June 24, 2019.
 Court : Arbitration in accordance with the rules established by CAM
 Reason : Controversies originating in the implementation of the salt transportation contract
 Status : Discussion stage
 Nominal value : ~ ThUS\$ 7,029
- (n) Plaintiff : Fennix Industrial SpA
 Defendants : SQM Salar
 Date : April 17, 2019.
 Court : First Civil Court of Concepción.
 Reason : Disputes arising from the execution of civil works and electromechanical assembly contracts.
 Status : Pending ruling on motion to dismiss based on lack of jurisdiction.
 Nominal value : ~ ThUS\$ 770
- (o) Plaintiff : Fennix Industrial SpA
 Defendants : SQM Salar and other
 Date : May 8, 2019.
 Court : Criminal Court of San Pedro de la Paz
 Reason : Alleged misappropriation of funds - controversies originating from contract execution for civil works and electromechanical assembly
 Status : Research stage.
 Nominal value : ~ThUS\$ 436

(p) Plaintiff	Arrigoni Ingeniería y construcción S.A.
Defendants	SQM Salar
Date	November 21, 2019
Court	Arbitration award in accordance with the arbitration rules established by the CAM
Reason	Request to declare the end of Works Contract No. SC 9500002949, named “Expansion of Lithium Carbonate Plant Phase II” dated April 2, 2018
Status	Discussion stage
Nominal value	ThUS\$ 13,054

The Company and its subsidiaries have been involved and will probably continue to be involved either as plaintiffs or defendants in certain judicial proceedings that have been and will be heard by the arbitration or ordinary courts of justice that will make the final decision. Those proceedings that are regulated by the appropriate legal regulations are intended to exercise or oppose certain actions or exceptions related to certain mining claims either granted or to be granted and that do not or will not affect in an essential manner the development of the Company and its subsidiaries.

Soquimich Comercial S.A. has been involved and will probably continue being involved either as plaintiff or defendant in certain judicial proceedings through which it intends to collect and receive the amounts owed, the total nominal value of which is approximately US\$ 1.2 million.

The Company and its subsidiaries have made efforts and continues making efforts to obtain payment of certain amounts that are still owed to the Company due to its activities. Such amounts will continue to be required using judicial or non-judicial means by the plaintiffs, and the actions and exercise related to these are currently in full force and effect.

The Company and its subsidiaries have received no legal notice on lawsuits other than those indicated above, which exceed US\$ 0.2 million.

22.2 Restrictions to management or financial limits

Contracts that subscribed the issuance of bonuses in the local and international market require the Company to comply with the following level of consolidated financial indicators, calculated for the last 12 month period:

Maintain a borrowing ratio less than 1.44 for the Series H bond and Series O bond.

Furthermore, both bonds establish that if the borrowing ratio (as this term is defined in the respective issuance contracts) exceeds 1.2, (provided that this does not exceed than 1.44 times), the bondholders can voluntarily and individually choose to redeem these bonds early at par value. The Indebtedness ratio for the fourth quarter of 2019 reached a proportion of 1.19.

As of December 31, 2019, the above-mentioned financial indicator has the following values:

Indicator	As of December 31, 2019	As of December 31, 2018
Leverage	1.19	1.00

Bond issue agreements issued abroad require the Company to neither merge nor dispose of the whole or a substantial part of its assets, unless all the following conditions are met: (i) the legal successor company is an entity subject to either Chilean or United States law, and assumes SQM S.A.'s obligations under a complimentary contract, (ii) the Issuer does not fail to comply immediately after the merger or disposal, and (iii) the Issuer delivers a legal opinion stating that the merger or disposal and the complimentary contract meet the requirements described in the original contract.

In addition, SQM S.A. is committed to disclosing financial information on quarterly basis.

The Company and its subsidiaries have complied and are fully complying with all the aforementioned limitations, restrictions and obligations.

22.3 Environmental contingencies

On June 6, 2016, the "SMA" filed charges against the Company with respect to the Pampa Hermosa project for possible noncompliance with RCA 890/2010.

This relates to charges related to certain variables of the follow-up plan and the implementation of a mitigation measure included in the respective environmental impact assessment. The Company has presented for the approval of SMA a compliance program detailing the actions and commitments it will carry out to address the SMA's objections.

On June 29, 2017, the SMA rejected the compliance program presented by the Company, On July 10, 2017, the Company presented its rebuttals to the charges made by the SMA, On August 21, 2018, the Second Environmental Court accepted the Company's claim, ordering the SMA to take the procedure back to the stage prior to their resolution rejecting the compliance program presented by the Company.

The SMA approved SQM's proposed compliance program in its resolution dated January 26, 2019, and this program is currently being executed. On March 22, 2019, the indigenous communities of Quillagua and Huatacondo filed a complaint against the resolution that approved the compliance program before the First Environmental Court of Antofagasta (R-21-2019). This process was suspended on May 16, 2019.

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, amending variables, and other charges.

SQM Salar S.A. presented a compliance program that was accepted by the SMA. On December 26, 2019, the Environmental Court of Antofagasta rendered null and void the SMA ruling that approved the program and the SMA and SQM Salar presented motions for cassation against this verdict. These were accepted for processing and submitted

to the Supreme Court and are currently pending final ruling. Although the ruling approving the compliance program has been rendered null and void, SQM Salar continues to comply with the measures it agreed to under this program. Once the Supreme Court resolves these issues, approval of the compliance program may be confirmed, a new program may be presented that considers other measures in agreement with the SMA or the sanctions process may be reinstated. This latter event may consider the application of fines up to US\$9 million, temporary or permanent closure of facilities and in extreme circumstances, revocation of the respective environmental permit.

22.4 Tax Contingencies

On August 26, 2016, SQM Salar filed a tax claim before the Third Tax and Customs Court of the Metropolitan Region against settlements 169, 170, 171 and 172, which extend the application of specific mining tax to lithium exploitation. The disputed amount is approximately US\$17.8 million. On November 28, 2018, the Third Tax and Customs Court rejected the claim, and the case was transferred to the Santiago Court of Appeals, following an appeal filed by SQM Salar.

On March 24, 2017, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessment No. 207 of 2016 and ruling No. 156 of 2016, both issued by the Chilean IRS, which seek to expand application of the specific tax on mining activities to include lithium exploitation for tax years 2015 and 2016. The amount involved is approximately US\$14.4 million. On November 28, 2018, the Third Tax and Customs Court accepted SQM Salar's claim for US\$ 7.0 million corresponding to the overcharge made by the SII and rejected the remainder of the claim. The case is in the Santiago Court of Appeals, based on the appeal filed by SQM Salar.

These amounts are classified as taxes for current assets, non-current, as of December 31, 2018 and the same as of December 31, 2019.

The amount in dispute is US\$ 32.2 million, and approximately US\$ 25.2 million of this sum is the potential specific mining tax associated with lithium, whereas US\$7.0 million is an excess charge by the SII regarding this latter value, the internal revenue service (SII) has acknowledged the excessive charge of US\$5.8 million, and a request has been made on October 17, 2019 for it to be returned, The difference of US\$ 1.2 million for the lower first category tax rate plus interests and fines will be reinstated at the end of the trial.

The SII has not settled differences with respect to specific mining taxes for 2016, 2017, 2018 and 2019. the current business year. As of the date of these financial statements, the Company has not made provisions for these potential differences.

If the Chilean IRS uses criteria similar to that used in previous years, it may issue an assessment in the future for the 2016, 2017, 2018 y 2019 financial years. It is reasonable to expect that should these assessments for the period 2016 through the fourth quarter of 2019 be issued, the value would be approximately US\$ 69 million (without considering potential interest and fines).

The company continues to undertake all legal efforts to actively and decidedly defend its interests.

22.5 Contingencies regarding the Changes to the Contracts with Corfo:

On September 6, 2018, representatives Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya and Camila Ruslay Rojas Valderrama and the Poder Ciudadano political party filed an annulment suit against Corfo, which requested that the Contract for the Salar de Atacama Project between Corfo and the Companies be annulled. The Companies have taken part of the process as interested third parties.

In the event that the annulment claim is approved for the Salar de Atacama Project Contract, SQM Salar may be prevented from exploit the mining claims in the Salar de Atacama that it has leased from Corfo.

22.6 Contingencies related to the Class Action lawsuit

Since October 2015, a consolidated class action lawsuit has been pending against the Company before the District Court for the Southern District of New York of the United States. The consolidated lawsuit alleges that certain statements made by the Company between June 30, 2010, and June 18, 2015, mainly in documents filed with the SEC and in Company press releases, were materially false and this constitutes a violation of Section 10 (b) of the Securities Exchange Act and of the correlative Standard 10b-5. Specifically, the consolidated lawsuit challenges certain statements issued by the Company associated with its compliance with or implementation of the laws and regulations that regulate it, the effectiveness of its internal controls, the adoption of a code of ethics consistent with SEC requirements, of its income or revenue and taxes paid, and of the applicable accounting standards. The primary plaintiff seeks compensation for the class in a yet undetermined amount for economic losses occurring as a result of the questioned statements. On January 10, 2018, the primary plaintiff filed a motion to certify a class composed of all people or entities who purchased ADSs in the Company between June 30, 2010, and March 18, 2015, and this motion is still pending with the court.

Although the Company expects to actively and decisively defend its position, the outcome of this litigation cannot be predicted.

22.7 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, 2019, the guarantee amounts to ThUS\$ 551.

22.8 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\$ 9,611 and ThUS\$ 9,423 on December 31, 2019 and December 31, 2018 respectively; which is detailed as follows:

Grantor	Relationship	As of December 31, 2019	As of December 31, 2019
		ThUS\$	ThUS\$
Ferosor Agrícola S.A.	Unrelated Third party	5,372	3,598
Tattersall Agroinsumos S.A.	Unrelated Third party	2,000	2,000
Contador Frutos S.A.	Unrelated Third party	-	1,587
Covepa SPA	Unrelated Third party	671	720
Johannes Epple Davanzo	Unrelated Third party	300	321
Hortofrutícola La Serena	Unrelated Third party	282	294
Com. Serv Johannes Epple Davanz	Unrelated Third party	269	-
Juan Luis Gaete Chesta	Unrelated Third party	182	195
Arena Fertilizantes y Semillas	Unrelated Third party	201	216
Vicente Oyarce Castro	Unrelated Third party	213	222
Soc. Agrocom. Julio Polanco	Unrelated Third party	-	144
Bernardo Guzmán Schmidt	Unrelated Third party	121	126
Total		9,611	9,423

22.9 Indirect guarantees

Guarantees without pending balance indirectly reflect that the respective guarantees are in force and approved by the Company's Board of Directors and have not been used by the respective subsidiary.

Creditor of the guarantee	Debtor		Type of guarantee	Outstanding balances as of the closing date of the financial statements	
	Name	Relationship		As of December 31, 2019	As of December 31, 2018
				ThUS\$	ThUS\$
Australian and New Zealand Bank	SQM North America Corp	Subsidiary	Guarantee	-	-
Australian and New Zealand Bank	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Generale Bank	SQM North America Corp	Subsidiary	Guarantee	-	-
Generale Bank	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Kredietbank	SQM North America Corp	Subsidiary	Guarantee	-	-
Kredietbank	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Bancos e Instituciones Financieras	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Bancos e Instituciones Financieras	SQM Europe N.V.	Subsidiary	Guarantee	-	-
Bancos e Instituciones Financieras	SQM North America Corp	Subsidiary	Guarantee	-	-
Bancos e Instituciones Financieras	Nitratos Naturais do Chile Ltda.	Subsidiary	Guarantee	-	-
Bancos e Instituciones Financieras	SQM México S.A. de C.V.	Subsidiary	Guarantee	-	-
Bancos e Instituciones Financieras "BNP"	SQM Brasil Ltda.	Subsidiary	Guarantee	-	-
Sociedad Nacional de Minería A.G.	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Scotiabank & Trust (Cayman) Ltd.	SQM Potasio S.A.	Subsidiary	Guarantee	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
Bank of America	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
Export Development Canada	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Guarantee	-	-
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Guarantee	-	-
The Bank of Nova Scotia	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Morgan Stanley Capital Services	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
HSBC	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Deutsche Bank AG	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-
Credit Suisse International	SQM Investment Corp. N.V.	Subsidiary	Guarantee	-	-

Note 23 Lawsuits and complaints

Investigation by the Department of Justice and the Securities Exchange Commission and Agreements

On January 13, 2017, the Company signed agreements with the DOJ and the SEC relating to their investigations into Company payments to suppliers and organizations that may have had links with politically exposed persons during the period from 2008 to 2015. As a result, the Company conducted its own internal investigation through an ad-hoc Board committee. The Company's securities are traded in the USA, so the Company is subject to US law. The Company has voluntarily submitted the results of its internal investigation and supporting documents to the DOJ, the SEC and the relevant Chilean authorities.

In accordance with the terms of the Deferred Prosecution Agreement with the DOJ, denominated DPA the Company has accepted that the DOJ formulates (i) a charge for infractions for the lack of implementation of effective internal accounting systems and internal accounting controls and (ii) a charge for infractions for failure to adequately maintain books, records and accounting sections in relation to the events investigated, Under the DPA, the DOJ has agreed not to pursue such charges against the Company for a period of 3 years and release the Company from liability after such period, inasmuch as within that period the Company complies with the terms of the DPA, These include payment of a fine of US\$15,487,500 and acceptance of an external monitor for a period of 24 months that will assess the Company's compliance program, and continue to report on the Company independently for an additional year.

In relation to the agreement with the SEC, the Company has agreed to (i) pay a fine of 15 million dollars and (ii) maintain the Monitor for the aforementioned period.

The SEC has issued a *Cease and Desist Order* that does not identify other breaches of United States regulations.

The aforementioned amounts of approximately US\$ 30.5 million, were reflected in the Company's profit and loss during the fourth quarter of 2016 in the "Other Expenses by function" line.

Note 24 Environment

24.1 Disclosures of disbursements related to the environment

The Company is continuously concerned with protecting the environment both in its production processes and with respect to products manufactured. This commitment is supported by the principles indicated in the Company's Sustainable Development Policy. The Company is currently operating under an Environmental Management System (EMS) that has allowed it to strengthen its environmental performance through the effective application of the Company's Sustainable Development Policy.

Operations that use caliche as a raw material are carried out in desert areas with climatic conditions that are favorable for drying solids and evaporating liquids using solar energy. Operations involving the open-pit extraction of minerals.

Many of the Company's products are shipped in bulk at the Port of Tocopilla. In 2007, the city of Tocopilla was declared a zone saturated with MP10 Particles mainly due to the emissions from the electric power plants that operate in that city. In October 2010, the Decontamination Plan for Tocopilla was put in place. Accordingly, the Company has committed to taking several measures to mitigate the effects derived from bulk product movements in the port. These measures have been timely implemented since 2007.

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies. Follow-up on relevant variables defined for each project enables the Company to verify the status, for example, of vegetation, flora, fauna and aquatic life in the ecosystems to protect. Follow-up plans are supported by a broad control network that includes monitoring points such as meteorological stations and wells, satellite images, plots for recording the status of vegetation and fauna, etc. The activities comprised in these plans are reported regularly to authorities based on the Company's commitments made through resolutions that approve different SQM projects.

The Company maintains environmental monitoring across the systems where it operates, which is supported by numerous studies that integrate diverse scientific efforts from prestigious research centers on a national and international level, such as the Spanish National Research Council (CSIC) and the Universidad Católica del Norte.

Furthermore, within the framework of the environmental studies which the Company is conducting, the Company performs significant activities in relation to the recording of Pre-Columbian and historical cultural heritage, as well as the protection of heritage sites, in accordance with current Chilean laws. These activities have been especially performed in the areas surrounding Maria Elena and the Nueva Victoria plant. This effort is being accompanied by cultural initiatives within the community and the organization of exhibits in local and regional museums.

As emphasized in its Sustainable Development Policy, the Company strives to maintain positive relationships with the communities surrounding the locations in which it carries out its operations, as well as to participate in communities' development by supporting joint projects and activities which help to improve the quality of life for residents. For this purpose, the Company has focused its efforts on activities involving the rescue of historical heritage, education and culture, as well as development. In order to do so, it acts both individually and in conjunction with private and public entities.

24.2 Detailed information on disbursements related to the environment

The cumulative disbursements which the Company had incurred as of December 31, 2019 for the concept of investments in production processes, verification and control of compliance with ordinances and laws related to industrial processes and facilities amounted to ThUS\$ 16,983 and are detailed as follows

Accumulated expenses as of December 31, 2019

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Miscellaneous	Environment - Operating Area	Not classified	Expense	8,054	12-31-2019
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	15	12-31-2019
SQM S.A.	01-I017200 - CEDAM at Puquios (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	3	12-31-2019
SQM S.A.	01-I017400 - Value Added Paints and Deposits	Sustainability: Environment and Risk Prevention	Expense	2	12-31-2019
SQM S.A.	01-I017600 - Regularization of Substances Decree	Environmental processing	Expense	63	12-31-2019
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Assets	522	12-31-2019
SQM S.A.	01-I019400 - EIA Ampliación de TEA e Impulsión agua de mar	Environmental processing	Assets	898	12-31-2019
SQM S.A.	01-I028200 - EIA Llamara	Environmental processing	Expense	253	12-31-2019
SQM S.A.	01-I028300 - Implementation of PDC 2019	Sustainability: Environment and Risk Prevention	Expense	1,057	12-31-2019
SQM S.A.	01-I030700 - Sector Permits EIA Tente en el Aire Project	Environmental processing	Expense	131	12-31-2019
SQM Industrial S.A.	04-I017700 - Basic Engineering and EIA for TEA industrial area and seawater impulsion N.V.	Sustainability: Environment and Risk Prevention	Assets	318	12-31-2019
SQM Industrial S.A.	04-I025000 - Re-perforación Pozo 2PL-2 y Ma	Sustainability: Environment and Risk Prevention	Expense	7	12-31-2019
SQM Industrial S.A.	04-J007000 - Environmental impact statement	Environmental processing	Expense	7	12-31-2019
SQM Industrial S.A.	04-J010700 - Recovery Water Intake from Rivers	Sustainability: Environment and Risk Prevention	Assets	119	12-31-2019
SQM Industrial S.A.	04-J012200 - Environmental Impact Statement and Regularization of CS Ponds	Environmental processing	Assets	19	12-31-2019
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	251	12-31-2019
SQM Industrial S.A.	04-J015200 - Implement Economizers	Sustainability: Environment and Risk Prevention	Assets	195	12-31-2019
SQM Industrial S.A.	04-J015700 - Update closure plans	Sustainability: Environment and Risk Prevention	Expense	52	12-31-2019
SQM Industrial S.A.	04-J017200 - Guarantee availability S	Sustainability: Environment and Risk Prevention	Assets	253	12-31-2019
SQM Industrial S.A.	04-J019900 - Provisional Access to Cerro Domina	Sustainability: Environment and Risk Prevention	Expense	141	12-31-2019
SQM Industrial S.A.	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	225	12-31-2019
SQM Salar S.A.	19-C005700 - Solar Electric Recharge Point Project-	Sustainability: Environment and Risk Prevention	Assets	53	12-31-2019
SQM Salar S.A.	19-L012100 - Upgrade to weather stations	Sustainability: Environment and Risk Prevention	Assets	17	12-31-2019
SQM Salar S.A.	19-L018000 - Upgrade TT illumination	Sustainability: Environment and Risk Prevention	Assets	40	12-31-2019
SQM Salar S.A.	19-L018700 - 5th Update of environmental modeling	Environmental processing	Expense	10	12-31-2019
SQM Salar S.A.	19-L018800 - UPC Consulting for NW and others	Sustainability: Environment and Risk Prevention	Expense	166	12-31-2019
SQM Salar S.A.	19-L018900 - Evaporation 2018-2019	Sustainability: Environment and Risk Prevention	Assets	8	12-31-2019
SQM Salar S.A.	19-L019800 - Paleoclimate Study (Iberia)	Sustainability: Environment and Risk Prevention	Expense	1	12-31-2019
SQM Salar S.A.	19-L020000 - Improvement of Operations Monitoring Network	Sustainability: Environment and Risk Prevention	Assets	5	12-31-2019
SQM Salar S.A.	19-L020300 - Telemetry boreholes	Sustainability: Environment and Risk Prevention	Assets	821	12-31-2019
SQM Salar S.A.	19-L021400 - Environmental Monitoring 2019	Environmental processing	Expense	2,767	12-31-2019
SQM Salar S.A.	19-L021700 - Improvement of RH and MA 2019	Environmental processing	Expense	80	12-31-2019
SQM Salar S.A.	19- S013400- Online Monitoring	Sustainability: Environment and Risk Prevention	Expense	430	12-31-2019
Total				16,983	

Future expenses as of December 31, 2019

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Miscellaneous	Environment - Operating Area	Not classified	Expense	10,085	12-31-2020
SQM S.A.	01-I017200 - CEDAM at Puquíos (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	28	12-31-2020
SQM S.A.	01-I017400 - Development of Pintados and surrounding area.	Sustainability: Environment and Risk Prevention	Expense	108	12-31-2020
SQM S.A.	01-I017600 - Regularization of Substances Decree	Environmental processing	Expense	75	12-31-2020
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	426	12-31-2020
SQM S.A.	01-I028200 - EIA Llamara	Environmental processing	Expense	1,527	12-31-2020
SQM S.A.	01-I028300 - Implementation of PDC 2019	Sustainability: Environment and Risk Prevention	Expense	1,231	12-31-2020
SQM S.A.	01-I030700 - Permisos Sectoriales EIA Proyecto Tente en el Aire	Environmental processing	Expense	284	12-31-2020
SQM Industrial S.A.	04-I025000 - Re-perforación Pozo 2PL-2 y Ma	Sustainability: Environment and Risk Prevention	Expense	128	12-31-2020
SQM Industrial S.A.	04-J012200 - DIA and Regularization of CS Ponds	Environmental processing	Assets	35	12-31-2020
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	303	12-31-2020
SQM Industrial S.A.	04-J015200 - Implementation Economizers	Sustainability: Environment and Risk Prevention	Assets	59	12-31-2020
SQM Industrial S.A.	04-J015700 - Update of Closure Plans	Sustainability: Environment and Risk Prevention	Expense	127	12-31-2020
SQM Industrial S.A.	04-J015800 - Other Sector Regulatory Measures	Sustainability: Environment and Risk Prevention	Expense	237	12-31-2020
SQM Industrial S.A.	04-J017200 - Guarantee availability S	Sustainability: Environment and Risk Prevention	Assets	104	12-31-2020
SQM Industrial S.A.	04-J019900 - Provisional Access to Cerro Domina	Sustainability: Environment and Risk Prevention	Expense	95	12-31-2020
SQM Industrial S.A.	04-M003900 - Revocation of PDME	Sustainability: Environment and Risk Prevention	Expense	47	12-31-2020
SQM Salar S.A.	19-L014700 - Industrial Waste Management	Sustainability: Environment and Risk Prevention	Expense	135	12-31-2020
SQM Salar S.A.	19-L018800 - UPC Consulting for NW and others	Sustainability: Environment and Risk Prevention	Expense	238	12-31-2020
SQM Salar S.A.	19-L018900 - Evaporation 2018-2019	Sustainability: Environment and Risk Prevention	Assets	172	12-31-2020
SQM Salar S.A.	19-L019800 - Paleoclimate Study (Iberia)	Sustainability: Environment and Risk Prevention	Expense	49	12-31-2020
SQM Salar S.A.	19-L020000 - Improvement of Operations Monitoring Network	Sustainability: Environment and Risk Prevention	Assets	95	12-31-2020
SQM Salar S.A.	19-L021400 - Environmental Monitoring 2019	Environmental processing	Expense	33	12-31-2020
SQM Salar S.A.	19-L021700 - Improvement of RH and MA 2019	Environmental processing	Expense	132	12-31-2020
SQM Salar S.A.	19- S013400- Online Monitoring	Sustainability: Environment and Risk Prevention	Expense	300	12-31-2020
Total				16,053	

Accumulated expenses as of December 31, 2018

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Miscellaneous	Environment - Operating Area	Not classified	Expense	9,002	12-31-2018
SQM S.A.	01-I005500 - Standardization of SO2 plants	Environmental processing	Assets	27	31-12-2018
SQM S.A.	01-I007300 - Compliance with Iodine Gas Exposure Standard	Environmental processing	Assets	59	31-12-2018
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	124	31-12-2018
SQM S.A.	01-I017200 - CEDAM at Puquíos (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	25	31-12-2018
SQM S.A.	01-I017400 - Development of Pintados and surrounding area.	Sustainability: Environment and Risk Prevention	Expense	5	31-12-2018
SQM S.A.	01-I018300 - Cultural Heritage Baseline Environmental Impact Statement (EIS) Mina Oeste N.V.	Environmental processing	Expense	117	31-12-2018
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Expense	992	31-12-2018
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	1,914	31-12-2018
SQM S.A.	01-I017600 - Regularization of Substances Decree	Environmental processing	Expense	121	31-12-2018
SQM Industrial S.A.	04-J007000 - Environmental Impact Statement	Environmental processing	Expense	30	31-12-2018
SQM Industrial S.A.	04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant)	Sustainability: Environment and Risk Prevention	Assets	100	31-12-2018
SQM Industrial S.A.	04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant	Sustainability: Environment and Risk Prevention	Assets	130	31-12-2018
SQM Industrial S.A.	04-J012200 - Environmental Impact Statement and Regularization of CS Ponds	Environmental processing	Assets	131	31-12-2018
SQM Industrial S.A.	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	161	31-12-2018
SQM Industrial S.A.	04-I025000 - Re-drilling of Well 2PL-2 and Maintenance of Access Road to Wells	Sustainability: Environment and Risk Prevention	Expense	18	31-12-2018
SQM Industrial S.A.	04-P006500 - Installation, electrical wiring	Sustainability: Environment and Risk Prevention	Assets	3	31-12-2018
SQM Industrial S.A.	04-I017700 - Basic engineering and Environmental Impact Assessment for TEA industrial area and seawater impulsion N.V.	Sustainability: Environment and Risk Prevention	Assets	561	31-12-2018
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	127	31-12-2018
SIT S.A.	03-T003400 - 2016 Port maintenance Capex	Sustainability: Environment and Risk Prevention	Assets	28	31-12-2018
SIT S.A.	03-T001900 - Storage Warehouse Cover	Sustainability: Environment and Risk Prevention	Assets	25	31-12-2018
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	50	31-12-2018
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	218	31-12-2018
SIT S.A.	03-T003600 - Improved Port SQM Bulk Storage	Sustainability: Environment and Risk Prevention	Assets	33	31-12-2018
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	795	31-12-2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	200	31-12-2018
SIT S.A.	03-T005000 - Ground leveling and paving of warehouse	Sustainability: Environment and Risk Prevention	Assets	210	31-12-2018
SIT S.A.	03-T006400 - Pollution Control and Management Equipment	Sustainability: Environment and Risk Prevention	Assets	246	31-12-2018
SIT S.A.	03-T006200 - Storage Facilities Yard 6	Sustainability: Environment and Risk Prevention	Assets	299	31-12-2018
SIT S.A.	03-T006100 - Closure of Storage Facilities Yard 9	Sustainability: Environment and Risk Prevention	Assets	443	31-12-2018
SQM Salar S.A.	19-L012200 - Installation of flow meters per environmental standard	Sustainability: Environment and Risk Prevention	Assets	74	31-12-2018
SQM Salar S.A.	19-L012100 - Renewal of equipment with certification required by RCA	Sustainability: Environment and Risk Prevention	Assets	39	31-12-2018
SQM Salar S.A.	19-C003900 - Extension of Carbonate 120,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	776	31-12-2018
SQM Salar S.A.	19-L014700 - Industrial Waste Management	Sustainability: Environment and Risk Prevention	Assets	120	31-12-2018
SQM Salar S.A.	19-L014900 - Sludge Drying Project	Sustainability: Environment and Risk Prevention	Assets	180	31-12-2018
SQM Salar S.A.	19-L018400 - EIA, PSA, Hydrogeology and Conservation	Environmental processing	Expense	1,824	31-12-2018
SQM Salar S.A.	19-L018700 5th Update of environmental modeling	Environmental processing	Expense	76	31-12-2018
SQM Nitratos S.A.	12-I012700 - Mine Site Workshop Water Recovery Plant	Sustainability: Environment and Risk Prevention	Assets	156	31-12-2018
Total				19,439	

Future expenses as of December 31, 2018

Parent Company or Subsidiary	Project Name	Reason for Disbursement	Asset / Expense	Disbursement	Exact or Estimated Date of Disbursement
				ThUS\$	
Varias	Environment - Operating Area	Not classified	Expense	10,204	12-31-2018
SQM S.A.	01-I012200 - Repair or replacement of borehole	Sustainability: Environment and Risk Prevention	Assets	76	12-31-2018
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	15	12-31-2018
SQM S.A.	01-I017200 - CEDAM at Puquíos (ponds) at Llamara	Sustainability: Environment and Risk Prevention	Expense	90	12-31-2018
SQM S.A.	01-I017400 - Development of Pintados and surrounding area, Pintados y Depósitos	Sustainability: Environment and Risk Prevention	Expense	116	12-31-2018
SQM S.A.	01-I018700 - Penalization Process for Salar de Llamara	Environmental processing	Expense	528	12-31-2018
SQM S.A.	01-I019400 - EIA Expansion of TEA and Seawater Impulsion	Environmental processing	Assets	536	12-31-2018
SQM S.A.	01-I017600 - Regularización Decreto Sustanc,	Environmental processing	Expense	485	01-23-2019
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	321	12-31-2018
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	141	12-31-2018
SIT S.A.	03-T006200 - Warehouses, yard 6	Sustainability: Environment and Risk Prevention	Assets	1,147	12-01-2019
SIT S.A.	03-T006400 - Pollution Control Equipment and Maintenance	Sustainability: Environment and Risk Prevention	Assets	144	13-01-2019
SIT S.A.	03-T006100 - Warehouses, yard 9	Sustainability: Environment and Risk Prevention	Assets	490	01-18-2019
SQM Salar S.A.	19-L012100 - Renewal of equipment with certification required by RCA	Sustainability: Environment and Risk Prevention	Assets	13	12-31-2018
SQM Salar S.A.	19-L018000 - Regularize TT lighting	Sustainability: Environment and Risk Prevention	Assets	74	01-16-2019
SQM Salar S.A.	19-L018700 - Fifth environmental model update	Environmental processing	Expense	27	01-22-2019
SQM Industrial S.A.	04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant)	Sustainability: Environment and Risk Prevention	Assets	3	12-31-2018
SQM Industrial S.A.	04-I017700 - Basic engineering and Environmental Impact Assessment for TEA industrial area and seawater impulsion N.V.	Sustainability: Environment and Risk Prevention	Assets	452	12-31-2018
SQM Industrial S.A.	04-J010700 - Recovery Water Intake from Rivers	Sustainability: Environment and Risk Prevention	Assets	120	12-31-2018
SQM Industrial S.A.	04-J012200 - Environmental Impact Statement and Regularization of CS Ponds	Environmental processing	Assets	187	12-31-2018
SQM Industrial S.A.	04-M002000 - Recovery of Potable Water at María Elena	Sustainability: Environment and Risk Prevention	Assets	264	12-31-2018
SQM Industrial S.A.	04-J013500 - Handling of Equipment associated with PCBs	Sustainability: Environment and Risk Prevention	Expense	34	12-31-2018
SQM Industrial S.A.	04-J013300 - Increase solid waste management in Dual Plant (Delkor Filter)	Sustainability: Environment and Risk Prevention	Assets	68	12-31-2018
SQM Industrial S.A.	04-P006500 - Installation, electrical wiring	Sustainability: Environment and Risk Prevention	Assets	104	12-31-2018
SQM Industrial S.A.	04-J015200 - Implementación Economizadores	Sustainability: Environment and Risk Prevention	Assets	276	12-31-2018
SQM Industrial S.A.	04-I025000 - Re-perforación Pozo 2PL-2 y Ma	Sustainability: Environment and Risk Prevention	Expense	242	12-31-2018
SQM Industrial S.A.	04-J014200 - Compromisos con la RCAs	Environmental processing	Expense	70	12-31-2018
Total				16,227	

24.3 Description of each project, indicating whether these are in process or have been finished

SQM S.A.

0138: This project is to increase the height of each SO₂ absorber tower (regular and stand-by towers) by 2.5 meters. The towers' additional height will allow the height of the packing to be increased by 2.5, thereby improving the efficiency of the SO₂ absorption. The main activities are: Basic and detailed engineering; supply of the bodies of the absorber towers (frp), liquid distributors, tower brine pump pad, tri-pack packing type, polyethylene pipes and fitting; gas measurement service; metallic structure manufacturing and installation services; and project start-up.

I0172: The commitments of the Pampa Hermosa project for the Salar de Llamara include the Tamarugos Environmental Management Plan (PMAT), which contemplates an Environmental Education Program that includes the design, construction and start-up of an Environmental Education Center (CEDAM) at Puquios de Llamara. Conceptual design, detailed design, construction and start-up are necessary for the CEDAM, which will be subject to approval by the authorities so its duration and costs are subject to the approval of third parties.

I0174: The commitments within the Pampa Hermosa project include implementing "Value Added" at the former Pintados station. The "Value Added" proposal was submitted to the authority and once approved, it should be implemented (parking, path, shade and information panels). The commitments within the "Zona de Mina Nueva Victoria" and "Pampa Hermosa" projects include implementing a storage facility in Humberstone to store archaeological material recovered as a result of the archaeological compensation measures included in these projects. The Humberstone storage facility requires a proposal and subsequent implementation, which is subject to approval by the authority. Therefore, its duration and cost is subject to such third-party approvals.

I0187: The project involves the implementation of measures that were committed to during the penalty process, including urgent and transitory measures. Actions to be implemented include monthly biotic monitoring, quarterly landscape monitoring, metagenomic analysis, study accrediting the nonexistence of environmental effects in puquios (aquatic biota) and study accrediting the implementation of adequate water quality control of water injected into the system, both accredited by a center for excellence in a state or state-recognized university.

I0194: Tender and awarding of environmental permits, implement archeology, biota, human environment campaigns, etc., develop marine studies, prepare reports and enter study into the assessment system, monitor and respond to addenda until the system is approved. Prepare and submit claims to third parties associated with the request for rights of way.

I0055: The gas/liquid ratio is deficient in the SO₂ plant, preventing the absorption of SO₂, resulting in free iodine losses, due to inadequate stripping of kerosene and prilling air. This phenomenon also causes plugs in ducts and furnaces (unscheduled plant shutdowns), a highly contaminated environment for people (hygiene and health deviations), excessive acid rain (corrosion of facilities), and a high sulphur and sodium metabisulphite consumption factor. By changing the extraction fans to increase airflow and SO₂ absorption towers for prilling, the diameter of the ducts can be expanded. This ensures that the gas/liquid ratio can be increased and sustained. A scrubber unit must be installed (tower, pump, gas extractor and piping) to reduce SO₂ emissions. The same concept was developed for the SO₂ Iodine plant in Maria Elena.

I0073: The iodine gas capture system is operating very inefficiently. The iodine steam levels are between 150% and 4,900% above the levels allowed for jobs at iodine plants and warehouses as established in Article 61 of Supreme Decree 594/1999 approving the Regulation on Basic Sanitary and Environmental Conditions in Workplaces. This project is in progress.

I0122: The project will repair and replace environmental monitoring boreholes that need to be deepened. Improvements in pique boreholes are also included, to avoid risk conditions. the priority wells are N° 8 and 10-S1 in the pampa of the tamarugal and PO-5 in Salar de Llamara.

I0183: A heritage baseline in the western mine sector will be prepared, which is a DIA requirement.

I0176: The project will prepare an initial diagnosis at various sites, which will identify the deviations and measures required to adapt them, in order to subsequently prepare an adaptation program that will be submitted to the Regional Health Ministerial Secretary.

I0282: The project will prepare an initial diagnosis at various sites, which will identify the deviations and measures required to adapt them, in order to subsequently prepare an adaptation program that will be submitted to the Regional Health Ministerial Secretary. The measures will be defined on the basis of this diagnosis, and minor or major structural amendments that require prior environmental assessment (DIA/EIA) may be necessary.

I0283: The project will implement the measures described in the PDC. The implementation includes advice from consultants (regarding legal, hydrogeological, and PDC procedures), studies and additional monitoring (UCN, ANAM, FísioAguas, and other studies), in addition to building infrastructure.

I0307: The project consists of the preparation of reports to obtain sectoral permits: Authorization for the Exploitation Method (SERNAGEOMIN) – For project “Tente en el Aire”.

SQM Industrial S.A.

I0177: The project will complete the basic engineering, execute the EIA Tente en el Aire, obtain the legal and sectoral permits for a second stage to secure the execution of the project.

I0156: The project will recover water from the osmosis rejection plant and use it in the pile leaching area, increasing the efficiency of water resource use.

I0250: The project consists of re-drilling well 2PI-2, which implies the detention of the extraction well, extraction of current casing and its re-drilling, with the relevant development work and pump tests. Road maintenance works imply leveling roads, filling damaged areas and compacting this fill.

J0070: This is preparing and processing the Environmental Impact Statement (DIA), in order to obtain an Environmental Qualification Resolution (RCA). The required background information includes the baseline air quality. Therefore, a MP 2.5 and gas monitoring station was installed that compliments the current stations at Maria Elena. The project is underway.

J0102: It is proposed to build a new PTS plant that is integrated into the NPT 2 crystallization process. The engineering design of this plant considers the reuse of the equipment already acquired for the NK PV plant. The plant includes a new raw materials yard, a grinder stage (sizer), a wet mill, a dissolution stage with reactors and thickener and a filtration and centrifuge unit for discarded salt. The crystallization from the NPT1 and NPT2 plants will be reused, as well as the refining plant at the NPT2 plant.

P0065: The project will install a transformer, posting and collecting tank for trench solutions. It will also improve the trench sector to safely position the low suction pumps. Heavy machinery will be required.

J0107: The project looks to renovate and automate the operation of pump stations at the three water intakes, by incorporating automatic valves and smart controls for pumps, In addition, water intake pipe sections, cut-off valves, check valves, drains and vents should be renewed, Due to the water conditions and length of pipes, these face the risk of failure due to overpressure, corrosion and material wear, Maintenance and repair works must also be undertaken on pumps at each water intake as a result of wear and corrosion due to the characteristics of river water.

J0122: The project consists of entering the Coya Sur wells into the “environmental impact assessment system” and processing the permits for these wells with the General Directorate of Water Resources (DGA).

J0135: This project consists of dealing with all the oils and components that contain 50ppm or more of Policlorobife PCB by 2025 at the latest. The activities to be undertaken will be to deal with all those elements with oil that have previously been identified as having more than 50ppm of PCB.

M0020: The project consists of concluding the system of the drinking water network, in addition to renewing several sections of the network, due to the deterioration of original pipes. It also intends to acquire equipment to better address water seepage in town and problems in the sewage chambers. Sewage water management requires a single backfill for final sludge disposal, in keeping with current legislation.

J0133: The project will increase filtration capacity with the centrifuge of the Anhydrous Sulphate Plant: Industrial test. If it is favorable, install belts to transfer waste to the collection yard.

J0152: The project will install exhaust gas heat recovery equipment in boilers and implement associated structural improvements.

J0142: The project will implement environmental measures associated with updating the CS DIA (heritage sign and paving ME road) and the Pedro de Valdivia DIA (controlled disturbance plan).

J0157: The project will update the closure plans in accordance with the normal regime established by current legislation. These requirements include an initial external audit, detailed risks analysis and their control, and other requirements

J0158: The project will prepare and process sectorial permits for favorable reports to construct in Coya Sur (CS), and permits for hydraulic works defined in Article 294 of the Water Code (evaporation wells) at CS and NV.

J0172: The project will ensure the availability of water resources. It includes: Acquisition of a Flowserve 6GT booster pump, as a “spare” to drive water to Pedro de Valdivia. Acquisition of 2 motor pump sets to renew the current Coya-Vergara 3 and 4 sets, as the current brand has become obsolete. Repair the industrial water accumulation pond in Recinto Vergara (increasing the storage capacity by 1500 m3). Continue renovating pipes and vents in water lines in "CS, ME, VE and CV" adductions.

J0199: The project considers obtaining a provisional roadway approval from the Ministry of Public Works to prepare and use the intersection, incorporating leveling and signposting in accordance with the roadways manual, ensuring adequate conditions for safe transit in compliance with standards.

M0039: The project considers requesting the revocation of the saturated zone and the PDME. Currently the Maria Elena and Pedro de Valdivia zone has been declared PM10 saturation zone, with a current Decontamination Plan. The monitoring results from these last few years have resulted in the revocation of the saturation zone and the PDME.

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T0018: The project will install an underground conveyor belt that runs outside the storage boxes of yards 8 and 9, and connects to belt 5 and then to the loading system. The project has an environmental component, although it is an operational improvement. The project includes the purchase and implementation of belt coverage as an emissions mitigation measure (internal emissions control measure), in order to improve compliance with the Tocopilla Atmospheric Decontamination Plan (PDA). The project is in progress.

T0019: The project installed coverings (roof and sides) to the 4 new storage boxes that will be built in areas within yards 8 and 9. The project has an environmental component, although it is an operational improvement. The project includes the construction of a warehouse as an emissions mitigation measure, in order to improve compliance with the Tocopilla Atmospheric Decontamination Plan (PDA) and reduce dust emissions. The project has been completed.

T0032: The project will install an underground conveyor belt that runs outside the storage boxes of yard 6, with feeding points connected directly to belt 6 and then to the loading system. The project has an environmental component, although it is an operational improvement. The project includes implementing conveyor belt 6 from yard 6, which is an emission control measure that was committed in the Tocopilla PDA. The project is currently underway.

T0034: The project invested as required to maintain the operational capacity of the port, and to ensure the high availability of loading equipment. The project has an environmental component, although it is an operational improvement. The project included replacing and/or repositioning the damaged wind breaks in yard 3, which is an emission control measure that was committed in the Tocopilla PDA. The project has been completed.

T0036: The project will install rainwater collection gutters in the storage warehouses. It will carry out an engineering study of potential multiproduct storage in a single silo and potentially install vibrating floors that allow product free runoff thus avoiding manual operation risks and the effect that this causes during loading.

T0042: In accordance with regulatory matters in Article 13 Supreme Decree. 70/2010, Tocopilla PDA must incorporate dust collection systems in TV-1 and TV-2 hoppers at yards 8 and 9.

T0045: Belts for yards 8 and 9 will be finished by joining them to belt 5 and thus become part of the loading system. This involves the extension, joining and overhaul of belt 5, and joining it to pan feeder 3 and its corresponding improvements, to become an integral part of the loading system. This complies with the environmental regulations required by the Tocopilla Decontamination Plan. "Atmospheric Decontamination Plan for the City of Tocopilla and its Surrounding Zone" (Supreme Decree 70/2010; Art.13 II.3).

T0050: Loose soil within the perimeter of the supply warehouse in yard 17 is uneven, which causes difficulties and operational risks for both the supply and operational warehouses. The surface area to be covered in paving stones is 2,100 m². Furthermore, it includes the construction of a hazardous waste yard.

T0061: The project will construct the second stage of the warehouse for yard 9 (1,500 square meters).

T0062: An aerodrome yard facility measuring 6 by 35 by 110 meters will be installed for bulk product storage at heights with product loading and unloading from front end loaders and trucks as well as a proper remount. Yard storage facility 6 will be expanded in Box 5 and 6 for storing bulk product.

T0064: Sentinel Sweeper Equipment Purchase - Purchase of operationally critical equipment.

SQM Salar S.A.

C0039: The project consists of increasing the production capacity of lithium carbonate, from 70,000 tons per year to 120,000 tons per year.

C0057: The project is focused on developing and promoting electro-mobility in our company, promoting the market for electric vehicles in the region and supporting a technological project to change the image. The project aims to build and maintain operational 1 off-grid electroliner in Salar del Carmen (charging points of electric vehicles), which will be supplied 100% with solar energy and which will have a bank of lithium batteries which will increase the efficiency of the system, storing the energy not consumed.

L0121: Change of the weather station equipment to comply with the standard.

L0122: The project considers the change in flow meters to meet new standard requirements as well as adding standby flow meters. This project is in progress.

L0147: This project contemplates the reduction of these industrial waste storage points. This work will be undertaken with an external company that works in separation, organization and packaging of different industrial waste according to the RCA and legislation in force, to be removed from the same points until final disposal offsite.

L0149: The project involves assembly of a dehydrator plant in current SQM Salar facilities designated for treatment, storage, transport and final disposal of sludge generated in different sewage water treatment plants and provision of the necessary solutions for compliance with Supreme Decree No. 04/09 “Regulation for Sludge Management in Sewage Water Treatment Plants”.

L0180: Standardization of lighting and electrical circuits for ground transport operations in Salar de Atacama.

L0156: The project aims to increase efficiency in the truck weighing and tare process, with an impact on the time that these spend on site. This will require an engineering study and installation of a new weigh station located in the former Oscar guard station at the Salar de Atacama. It also aims to increase efficiency of the truck weighing circuit by relocating Weigh Station 1 in the Salar de Atacama. This weigh station will be relocated to an appropriate sector, eliminating current issues. Weigh stations will be superficial.

L0184: The project involves advising for the Environmental Monitoring Plan, as well as improved environmental monitoring.

L0187: The project involves this 5th update to numeric modeling, which would provide compliance with the commitments undertaken during the environmental qualification process for the project “Changes and Improvements to Mining Operations in the Salar de Atacama

L0188: The project involves the participation of an external consulting team to narrow down the sources of the risks identified, propose operational optimization plans, improvements to control systems (monitoring networks) and support in modeling this deposit with a view to a better evolution of short- and medium-term projections (5 years). It will also propose the identification of alternative sources of productive brine equivalent at the nucleus. It proposes 3 stages: Diagnosis, operational improvements and monitoring-identification of new sources. Others: support in the development of 3D Peine and Quelana models, through a collaboration with CSIC involving 2 professionals for 6 months at a total cost of ThUS\$36. Others: doctorate-level development in quantification and recharge from rain and snow, by supporting a doctoral student under the supervision of Emilio Custodio and Enric Vásquez for a 3-year period, with an annual budget of ThUS\$36 (total ThS\$108).

L0189: It includes improving the current lysimeter stations (7) and implementing new stations (7) in important sectors that are not currently measured, with the ability to remotely transmit information. This will improve the spatial coverage of the stations that measure evaporation within the basin. The initial stage includes constructing 7 lysimeters on land inside the Salar. Subsequently, the equipment implementation stage will initiate recording, storing and transmitting information. Finally, an international expert will provide advice regarding an analysis of the information from all the current stations, to recalculate basin evaporation and propose methodological improvements.

L0198: The project will date sediment using the 14C method (or another to be defined) in the depositional environments of the last 50,000 years to complement the facies sedimentological model provided by the consultant. The project will try to reconstruct the variability history of the lagoon system with absolute ages.

L0200: The project will identify an appropriate device. Field testing of sensors. Purchase of sensors for all points. Installation of sensors. Analyze remote data transmission (future project)

L0203: The project will install a remote telemetry system in boreholes.

L0214: The project consists of implementing a 2019 environmental monitoring plan to monitor an optimum compliance of current environmental regulations.

L0217: The project involves quoting new equipment. Purchase of new equipment. Reparation of old equipment for use as backup in the event of unexpected failure of new equipment.

S0134: The project considers displaying online information on withdrawals and reinjections from the salar using equipment and technology that allows information to be captured 24 hours a day every 1 minute. Additionally, it includes biotic and hydrogeological information according to the frequency associated with compliance with the compromised environmental qualification resolutions that allow showing the authorities and the community the actions implemented by SQM to take charge of the compromised environmental variables.

SQM Nitratos S.A.

I0127: By installing a reverse osmosis system or a process that enables the recovery of industrial water and that reduces the hardness of the water for cleaning the equipment, we can reuse this water to wash equipment again, thereby reducing the damage to the electrical systems of the equipment as a result of corrosion.

Note 25 Mineral resource exploration and evaluation expenditure

Given the nature of operations of the Sociedad Química y Minera de Chile S.A. and Subsidiaries 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) **Implementation:** Disbursements for prospecting under implementation and therefore prior to determination of economic feasibility, are classified in accordance with Note 3.23 as Non-Current Assets, in the line item Construction in progress of Property, Plant and Equipment
- Chile: ThUS\$ 12,841 and ThUS\$ 10,292 corresponds to exploration relating caliche and brine exploration as of December 31, 2019 and 2018.
 - For Mt Holland, total disbursements corresponding to construction in progress (which includes exploration disbursements) amount to ThUS\$ 30,475 as of December 31, 2019, and ThUS\$ 11,298 as of December 31, 2018.
- (b) **Economically feasible:** Prospecting disbursements corresponding to caliche exploration, wherein the study concluded that its economic feasibility is viable, are classified under “Non-Current Assets in Other Non-current Non-Financial Assets”, The balance as of December 31, 2019, is ThUS\$ 6,576 and as of December 31, 2018, it is ThUS\$ 5,099.

At December 31, 2019, ThUS\$ 3,433 corresponding to advanced metallic exploration are also presented under the heading "Other Non-Current Non-Financial Assets", as of 31 December 2018, there were no activations for this concept.

For the exploration of the Salar de Atacama, the associated assets correspond to wells that can be used both in monitoring and exploitation of the Salar, Therefore, once the studies are concluded, these are classified as “Non-current Assets” in “Properties, Plants and Equipment”, assigning them a technical useful life of 10 years.

- (c) **Not economically feasible:** Prospecting disbursements, once finalized and concluded to be not economically feasible, will be charged to profit and loss. As of December 31, 2019, there was a total of ThUS\$ 165 for this concept, and as of December 31, 2018, there were no disbursements for this concept.
- (d) **In Exploitation:** Caliche exploration disbursements that are found in this area are amortized based on the material exploited, the portion that is exploited in the following 12 months is presented as “Current Assets” in the “Process Inventories”, the remaining portion is classified as “Other Non-current Non-Financial Assets”.

As of December 31, 2019, the amount in “Current Assets” is ThUS\$ 1,367 and the balance as of December 31, 2018 for this concept is ThUS\$ 2,028, while in the item “Other Non-current Non-Financial Asset” as of December 31, 2019 is ThUS\$ 8,645 and as of December 31, 2018 is ThUS\$ 9,791.

Note 26 Gains (losses) from operating activities in the statement of income of expenses, included according to their nature

26.1 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:

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
Europe	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

As of December 31, 2018							
Geographic areas	Specialty plant nutrition	Iodine and derivatives	Lithium and derivatives	Potassium	Industrial chemicals	Other	Total ThUS\$
Chile	111,595	1,052	700	25,593	4,575	45,834	189,349
Latin America and the Caribbean	77,737	6,389	3,598	80,192	12,098	177	180,191
Europe	200,229	112,080	103,430	46,068	17,384	473	479,664
North America	240,995	83,587	68,254	50,685	27,347	647	471,515
Asia and Others	151,195	121,864	558,819	64,936	46,863	1,407	945,084
Total	781,751	324,972	734,801	267,474	108,267	48,538	2,265,803

(b) Main product and service lines:

Products and Services	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Specialty plant nutrition	723,920	781,751
- Sodium Nitrates	20,679	17,688
- Potassium nitrate and sodium potassium nitrate	457,477	527,945
- Specialty Blends	153,739	145,511
- Other specialty fertilizers	92,025	90,607
Iodine and derivatives	371,020	324,972
Lithium and derivatives	505,714	734,801
Potassium	212,151	267,474
Industrial chemicals	94,875	108,267
Other	35,975	48,538
- Services	3,410	4,017
- Income from leasing properties	1,438	1,474
- Income from subleases on right-of-use assets	261	-
- Commodities	16,176	18,581
- Other ordinary income Commercial Offices	14,690	24,466
Total	1,943,655	2,265,803

26.2 Cost of sales

Cost of sales broken down by nature of expense

Cost of sales	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Raw materials and consumables used	(271,912)	(260,869)
Classes of employee benefit expenses	(178,493)	(203,571)
Depreciation expense	(188,157)	(212,641)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(5,450)	-
Amortization expense	(5,102)	(6,376)
Investment plan expenses	(18,367)	(11,860)
Provision for site closure	(911)	(2,045)
Provision for materials, spare parts and supplies	(7,500)	1,721
Contractors	(123,096)	(120,923)
Operating leases	(47,007)	(37,245)
Mining concessions	(7,856)	(8,168)
Operations transport	(56,376)	(64,352)
Freight and product transport costs	(46,264)	(51,387)
Purchase of products from third parties	(189,583)	(182,695)
Insurance	(16,968)	(11,923)
CORFO rights	(143,861)	(182,954)
Export costs	(97,103)	(107,418)
Expenses related to Variable Parts Leases (contracts under IFRS 16)	(1,096)	-
Variation in inventory	52,557	20,597
Variation in inventory provision	17,107	(8,997)
Other	(48,165)	(34,525)
Total	(1,383,603)	(1,485,631)

26.3 Other income

Other income	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Discounts obtained from suppliers	676	705
Fines charged to suppliers	483	698
Taxes recovered	457	996
Amounts recovered from insurance	492	443
Overestimate of provisions for third-party obligations	983	375
Other operating income	2,422	1,536
Options on mining claims	5,298	16,095
Easements, pipelines and roads	7,204	10,806
Reimbursement mining licenses and notary expenses	203	394
Total	18,218	32,048

26.4 Administrative expenses

Administrative expenses	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Remuneration and benefits to employees	(60,255)	(63,880)
Marketing costs	(3,911)	(3,078)
Amortization expenses	(5)	(15)
Entertainment expenses	(5,783)	(4,805)
Advisory services	(13,862)	(12,848)
Leases	(3,653)	(4,556)
Insurance	(2,553)	(1,758)
Office expenses	(7,327)	(8,165)
Contractors	(4,874)	(5,730)
Depreciation of Right-of-use Assets (contracts under IFRS 16)	(2,501)	-
Other expenses, by nature	(12,456)	(13,291)
Total	(117,180)	(118,126)

26.5 Other expenses

Other expenses by function	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Depreciation and amortization expense		
Depreciation of assets not in use	(136)	(59)
Subtotal	(136)	(59)
Impairment losses (reversals of impairment losses) recognized in profit (loss) for the year		
Property, plant and equipment	(49)	(1,390)
Intangible assets other than goodwill	(913)	(1,736)
Goodwill	(140)	(3,254)
Non-current assets and disowned groups held for sale	(607)	-
Subtotal	(1,709)	(6,380)
Other expenses, by nature		
Legal expenses	(9,277)	(15,139)
VAT and other unrecoverable taxes	(613)	(1,187)
Fines paid	(145)	(965)
Investment plan expenses	(1,694)	(7,555)
Non-metallic exploration expenses	(5,537)	(5,864)
Donations	(5,026)	(4,502)
Reorganization of related businesses	-	6,000
Other operating expenses	(1,858)	(1,256)
Subtotal	(24,150)	(30,468)
Total	(25,995)	(36,907)

26.6 Other gains (losses)

Other income (expenses)	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Adjust previous year application method of participation	(984)	(664)
Impairment of interests in joint ventures	631	(8,802)
Sales of investments in associates	-	(759)
Sales of investments in joint ventures	-	14,507
Others	(30)	2,122
Total	(383)	6,404

26.7 Impairment of gains and reversal of impairment losses

Impairment of gains and reversal of impairment losses (impairment losses)	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
(Impairment) /reversion value of financial assets	(1,057)	2,967
Total	(1,057)	2,967

The following summary corresponds to the requirements of CMF and considers notes 26.2, 26.4 and 26.5

26.8 Summary of expenses by nature

Expenses by nature	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Raw materials and consumables	(271,912)	(260,869)
Classes of Employee Benefit Expenses	(238,748)	(267,451)
Depreciation and amortization expense		
Depreciation expense	(188,293)	(212,700)
Depreciation of Right-of-use Assets	(7,951)	-
Property, plant and equipment	(49)	(1,390)
Goodwill	(140)	(3,254)
Non-current assets and disowned groups held for sale	(607)	-
Amortization expense	(6,020)	(8,127)
Legal expenses	(9,277)	(15,139)
Investment plan expenses	(20,061)	(19,415)
Non-metallic exploration expenses	(5,537)	(5,864)
Provision for site closure	(911)	(2,045)
Provision for materials, spare parts and supplies	(7,500)	1,721
Contractors	(127,970)	(126,653)
Leases	(50,660)	(41,801)
Mining concessions	(7,856)	(8,168)
Operation transport	(56,376)	(64,352)
Freight and product transport costs	(46,264)	(51,387)
Purchase of products from third parties	(189,583)	(182,695)
CORFO rights	(143,861)	(182,954)
Export costs	(97,103)	(107,418)
Expenses related to Variable Parts Leases (IFRS 16)	(1,096)	-
Insurance	(19,521)	(13,681)
Restructuring of joint ventures.	-	6,000
Consultant and advisor services	(13,862)	(12,848)
Variation in inventory	52,557	20,597
Variation in provision on product inventory	17,107	(8,997)
Other expenses	(85,284)	(71,774)
Total expenses by nature	(1,526,778)	(1,640,664)

26.9 Finance expenses

Financial costs	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Interest expense from bank borrowings and overdrafts	(2,133)	(1,707)
Interest expense from bonds	(72,983)	(55,887)
Interest expense from loans	(2,682)	(3,093)
Capitalized interest expenses	7,841	5,021
Financial expenses for site closure	(4,417)	(960)
Lease interest	(1,535)	-
Other finance costs	(1,030)	(1,181)
Total	(76,939)	(57,807)

Note 27 Reportable segments

27.1 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 27.2).

The performance of each segment is measured based on net income and revenues. Inter-segment sales are made using terms and conditions at current market rates.

(b) Factors used to identify segments on which a report should be presented:

The segments covered in the report are strategic business units that offer different products and services. These are managed separately because each business requires different technology and marketing strategies.

(c) Description of the types of products and services from which each reportable segment obtains its income from ordinary activities

The operating segments, which obtain income from ordinary activities, generate expenses and have its operating results reviewed on a regular basis by the highest authority who makes decisions regarding operations, relate to the following groups of products:

1. Specialty plant nutrients
2. Iodine and its derivatives
3. Lithium and its derivatives
4. Industrial chemicals
5. Potassium
6. Other products and services

(d) Description of income sources for all the other segments

Information regarding assets, liabilities, profits and expenses that cannot be assigned to the segments indicated above, due to the nature of production processes, is included under the "Unallocated amounts" category of the disclosed information.

(e) Basis of accounting for transactions between reportable segments

Inter-segment sales are made under the same conditions as sales to third parties and are measured consistently as presented in the statement of income.

(f) Description of the nature of the differences between measurements of results of reportable segments and the result of the entity before the expense or income tax expense of incomes and discontinued operations

The information reported in the segments is extracted from the Company's consolidated financial statements and therefore there is no need to prepare reconciliations between the data mentioned above and those reported in the respective segments, according to what is stated in paragraph 28 of IFRS 8, "Operating Segments".

For the allocation of inventory valuation costs, we identify the direct expenses (can be directly allocated to products) and the common expenses (belong to coproduction processes, for example common leaching expenses for production of Iodine and Nitrates), Direct costs are directly allocated to the product and the common costs are distributed according to percentages that consider different variables in their determination, such as margins, rotation of inventories, revenue, production and etc.

The allocation of other common costs that are not included in the inventory valuation process, but go straight to the cost of sales, use similar criteria: the costs associated with a product or sales in particular are assigned to that particular product or sales, and the common costs associated with different products or business lines are allocated according to the sales.

(g) 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.

(h) 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.

27.2 Reportable segment disclosures:

Operating segments for the year ended 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	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)
Interest expense	-	-	-	-	-	-	-	-	(76,939)	(76,939)
Depreciation and amortization expense	(68,007)	(43,533)	(45,443)	(6,885)	(37,862)	(534)	(202,264)	(202,264)	-	(202,264)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	9,786	9,786
Income tax expense, continuing operations	-	-	-	-	-	-	-	-	(110,019)	(110,019)
Income (loss) before taxes	150,112	140,552	199,464	31,285	35,952	2,687	560,052	560,052	(169,430)	390,622
Net income (loss) from continuing operations	150,112	140,552	199,464	31,285	35,952	2,687	560,052	560,052	(279,449)	280,603
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	124,569	124,569
Increase of non-current assets	-	-	-	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-	2,549,679	2,549,679
Impairment loss recognized in profit or loss	-	-	-	-	-	-	-	-	(1,057)	(1,057)
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	426,971	426,071
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	(485,471)	(485,471)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	105,896	105,896

Operating segments for the year ended December 31, 2018	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, 2018
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	781,751	324,972	734,801	108,267	267,474	48,538	2,265,803	2,265,803	-	2,265,803
Revenues from transactions with other operating segments of the same entity	-	-	-	-	-	-	-	-	-	-
Revenues	781,751	324,972	734,801	108,267	267,474	48,538	2,265,803	2,265,803	-	2,265,803
Costs of sales	(613,267)	(217,464)	(316,875)	(72,964)	(217,386)	(47,675)	(1,485,631)	(1,485,631)	-	(1,485,631)
Administrative expenses	-	-	-	-	-	-	-	-	(118,126)	(118,126)
Interest expense	-	-	-	-	-	-	-	-	(57,807)	(57,807)
Depreciation and amortization expense	(79,061)	(42,438)	(42,283)	(8,454)	(47,940)	(651)	(220,827)	(220,827)	-	(220,827)
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	6,351	6,351
Income tax expense, continuing operations	-	-	-	-	-	-	-	-	(178,975)	(178,975)
Income (loss) before taxes	168,484	107,508	417,926	35,303	50,088	863	780,172	780,172	(159,134)	621,038
Net income (loss) from continuing operations	168,484	107,508	417,926	35,303	50,088	863	780,172	780,172	(338,109)	442,063
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-
Net income (loss)	168,484	107,508	417,926	35,303	50,088	863	780,172	780,172	(338,109)	442,063
Assets	-	-	-	-	-	-	-	-	4,268,094	4,268,094
Equity-accounted investees	-	-	-	-	-	-	-	-	111,549	111,549
Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts	-	-	-	-	-	-	-	-	(15,028)	(15,028)
Increase of non-current assets	-	-	-	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-	2,130,292	2,130,292
Impairment loss recognized in profit or loss	-	-	-	-	-	-	-	-	2,967	2,967
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-	-
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	524,839	524,839
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	(187,004)	(187,004)
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	(387,313)	(387,313)

27.3 Statement of comprehensive income classified by reportable segments based on groups of products

Items in the statement of comprehensive income as of December 31, 2019	Specialty plant nutrients	Iodine and its derivatives	Lithium and its derivatives	Industrial chemicals	Potassium	Other products and services	Corporate Unit	Total segments and Corporate unit
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	723,920	371,020	505,714	94,875	212,151	35,975	-	1,943,655
Cost of sales	(573,808)	(230,468)	(306,250)	(63,590)	(176,199)	(33,288)	-	(1,383,603)
Gross profit	150,112	140,552	199,464	31,285	35,952	2,687	-	560,052
Other incomes by function	-	-	-	-	-	-	18,218	18,218
Administrative expenses	-	-	-	-	-	-	(117,180)	(117,180)
Other expenses by function	-	-	-	-	-	-	(25,995)	(25,995)
Impairment of gains and review of impairment losses (impairment losses) determined in accordance with IFRS 9	-	-	-	-	-	-	(1,057)	(1,057)
Other gains (losses)	-	-	-	-	-	-	(383)	(383)
Financial income	-	-	-	-	-	-	26,289	26,289
Financial costs	-	-	-	-	-	-	(76,939)	(76,939)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	9,786	9,786
Exchange differences	-	-	-	-	-	-	(2,169)	(2,169)
Profit (loss) before taxes	150,112	140,552	199,464	31,285	35,952	2,687	(169,430)	390,622
Income tax expense	-	-	-	-	-	-	(110,019)	(110,019)
Profit (loss) from continuing operations	150,112	140,552	199,464	31,285	35,952	2,687	(279,449)	280,603
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	150,112	140,552	199,464	31,285	35,952	2,687	(279,449)	280,603
Profit (loss), attributable to								
Profit (loss) attributable to the controller's owners	-	-	-	-	-	-	278,115	278,115
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	2,488	2,488
Profit (loss)	-	-	-	-	-	-	280,603	280,603

Items in the statement of comprehensive income as of December 31, 2018	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	781,751	324,972	734,801	108,267	267,474	48,538	-	2,265,803
Cost of sales	(613,267)	(217,464)	(316,875)	(72,964)	(217,386)	(47,675)	-	(1,485,631)
Gross profit	168,484	107,508	417,926	35,303	50,088	863	-	780,172
Other incomes by function	-	-	-	-	-	-	32,048	32,048
Administrative expenses	-	-	-	-	-	-	(118,126)	(118,126)
Other expenses by function	-	-	-	-	-	-	(36,907)	(36,907)
Impairment of gains and review of impairment losses (impairment losses) determined in accordance with IFRS 9	-	-	-	-	-	-	2,967	2,967
Other gains (losses)	-	-	-	-	-	-	6,404	6,404
Financial income	-	-	-	-	-	-	22,533	22,533
Financial costs	-	-	-	-	-	-	(57,807)	(57,807)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	6,351	6,351
Exchange differences	-	-	-	-	-	-	(16,597)	(16,597)
Profit (loss) before taxes	168,484	107,508	417,926	35,303	50,088	863	(159,134)	621,038
Income tax expense	-	-	-	-	-	-	(178,975)	(178,975)
Profit (loss) from continuing operations	168,484	107,508	417,926	35,303	50,088	863	(338,109)	442,063
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	168,484	107,508	417,926	35,303	50,088	863	(338,109)	442,063
Profit (loss), attributable to								
Profit (loss) attributable to the controller's owners	-	-	-	-	-	-	439,830	439,830
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	2,233	2,233
Profit (loss)	-	-	-	-	-	-	442,063	442,063

27.4 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.

27.5 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. Credit risk concentrations with respect to trade and other accounts receivable are limited due to the significant number of entities in the Company's portfolio and its worldwide distribution. The Company's policy requires guarantees (such as letters of credit, guarantee clauses and others) and/or to maintain insurance policies for certain accounts as deemed necessary by the Company's Management.

27.6 Segments by geographical areas

Items as of December 31, 2019	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	211,857	161,928	393,764	451,272	724,834	1,943,655
Investment accounted for under the equity method	-	(5,175)	42,243	14,669	57,698	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	1,559,080	513	6,241	8,333	32,903	1,607,070
Other non-current assets	20,321	28	4	(624)	-	19,729
Non-current assets	1,709,516	(4,214)	61,406	25,061	167,549	1,959,318

Items as of December 31, 2018	Chile	Latin America and the Caribbean	Europe	North America	Asia and others	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	189,349	180,189	479,664	471,515	945,086	2,265,803
Investment accounted for under the equity method	(6,588)	-	61,256	16,115	40,766	111,549
Intangible assets other than goodwill	110,544	1,215	238	152	77,201	189,350
Goodwill	22,535	86	11,521	724	-	34,866
Property, plant and equipment, net	1,445,349	347	4,451	3,098	1,578	1,454,823
Other non-current assets	17,111	23	-	(892)	11,297	27,539
Non-current assets	1,588,951	1,671	77,466	19,197	130,842	1,818,127

27.7 Property, plant and equipment classified by geographical areas

The company's main production facilities are located near their mines and extraction facilities in northern Chile. The following table presents the main production facilities as of December 31, 2019 and December 31, 2018:

Location	Products
- Pedro de Valdivia	: Production of iodine and nitrate salts
- María Elena	: Production of iodine and nitrate salts
- Coya Sur	: Production of nitrate salts
- Nueva Victoria	: Production of iodine and nitrate salts
- Salar de Atacama	: Potassium chloride, lithium chloride, boric acid and potassium sulfate
- Salar del Carmen	: Production of lithium carbonate and lithium hydroxide
- Tocopilla	: Port facilities

Note 28 Borrowing costs

The cost of interest is recognized as an expense in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23.

The Company capitalizes all interest costs directly related to the construction or to the acquisition of property, plant and equipment, which require a substantial time to be suitable for use.

(a) Costs of capitalized interest, property, plant and equipment

The cost of capitalized interest is determined by applying the average or weighted average of all financing costs incurred by the Company to the monthly end balances of works-in-progress meeting the requirements of NIC 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, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Capitalization rate of costs for capitalized interest	4%	4%
Amount of costs for interest capitalized in ThUS\$	7,841	5,021

Note 29 Effect of fluctuations in foreign currency exchange rates

a) Foreign currency exchange differences recognized in profit or loss and other comprehensive income:

Exchange rate differences recognized in income and other comprehensive income	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Conversion foreign exchange gains (losses) recognized in the result of the year.	(2,169)	(16,597)
Reserves for translation differences		
Conversion foreign exchange reserves attributable to the owners of the controlling entity.	562	(1,394)
Conversion foreign exchange reserves attributable to the non-controlling entity.	226	174
Total	788	(1,220)

b) Reserves for foreign currency exchange differences:

As of December 31, 2018 and 2017, foreign currency exchange differences are detailed as follows:

Detail	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Changes in equity generated by conversion of equity value:		
Comercial Hydro S.A.	1,004	1,004
SQMC Internacional Ltda.	(9)	(17)
Proinsa Ltda.	(10)	(11)
Comercial Agrorama Ltda.	33	(21)
Isapre Norte Grande Ltda.	(44)	(1)
Almacenes y Depósitos Ltda.	142	113
Sacal S.A.	(3)	(3)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	(19)	(10)
Agrorama S.A.	231	132
Doktor Tarsa Tarim Sanayi AS	(13,811)	(13,811)
SQM Vitas Fzco.	(2,267)	(2,682)
Ajay Europe S.A.R.L.	(1,449)	(1,270)
SQM Eastmed Turkey	(155)	(113)
Doctochem Tarim Sanayai Ticaret LTD	7	-
Coromandel SQM India	(431)	(393)
SQM Italia SRL	(236)	(213)
SQM Oceania Pty Ltd.	(634)	(634)
SQM Indonesia S.A.	(124)	(124)
Abu Dhabi Fertilizers Industries WWL.	372	(435)
SQM Vitas Holland	(197)	(170)
SQM Thailand Limited	(68)	(68)
SQM Europe N.V.	(1,983)	(1,983)
SQM Australia Pty Ltd.	(4,035)	(4,222)
Pavoni & C. Spa	(185)	70
Terra Tarsa BV	116	(82)
Plantacote NV	(16)	(34)
Doktolab Tarim Arastirma San.	(54)	(29)
Kore Potash PLC (a)	(1,754)	(1,206)
SQM Colombia SAS	(166)	(94)
Total	(25,745)	(26,307)

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 U.S. dollar.

d) Reasons to use one presentation currency and a different functional currency

- The total revenues of these subsidiaries are associated with the local currency.
- The commercialization cost structure of these companies is affected by the local currency.

Note 30 Disclosures on the effects of fluctuations in foreign currency exchange rates

Assets held in foreign currency subject to fluctuations in exchange rates are detailed as follows:

Class of assets	Currency	As of December 31, 2019	As of December 31, 2018
		ThUS\$	ThUS\$
Cash and cash equivalents	USD	558,572	353,674
Cash and cash equivalents	ARS	3	2
Cash and cash equivalents	CLP	8,240	157,500
Cash and cash equivalents	CNY	2,484	2,305
Cash and cash equivalents	EUR	3,131	4,738
Cash and cash equivalents	GBP	3	-
Cash and cash equivalents	AUD	8,492	29,598
Cash and cash equivalents	INR	6	-
Cash and cash equivalents	MXN	2,103	1,242
Cash and cash equivalents	PEN	4	1
Cash and cash equivalents	AED	-	1
Cash and cash equivalents	JPY	1,559	1,786
Cash and cash equivalents	ZAR	3,929	5,219
Cash and cash equivalents	IDR	3	-
Cash and cash equivalents	PLN	1	-
Subtotal cash and cash equivalents		588,530	556,066
Other current financial assets	USD	127,889	291,790
Other current financial assets	CLF	36,896	-
Other current financial assets	CLP	340,705	20,931
Subtotal other current financial assets		505,490	312,721
Other current non-financial assets	USD	16,535	19,523
Other current non-financial assets	ARS	-	2
Other current non-financial assets	AUD	285	102
Other current non-financial assets	BRL	2	-
Other current non-financial assets	CLF	31	47
Other current non-financial assets	CLP	24,374	20,276
Other current non-financial assets	CNY	326	8
Other current non-financial assets	EUR	3,055	3,153
Other current non-financial assets	MXN	2,629	3,274
Other current non-financial assets	THB	22	19
Other current non-financial assets	JPY	174	21
Other current non-financial assets	ZAR	3,119	1,547
Subtotal other current non-financial assets		50,552	47,972
Trade and other receivables	USD	225,554	255,528
Trade and other receivables	PEN	6	-
Trade and other receivables	BRL	19	20
Trade and other receivables	CLF	504	453
Trade and other receivables	CLP	56,023	71,730
Trade and other receivables	CNY	3,340	11,361
Trade and other receivables	EUR	24,925	31,426
Trade and other receivables	GBP	148	-
Trade and other receivables	MXN	211	452
Trade and other receivables	AED	1,193	15,841
Trade and other receivables	THB	1,695	2,970
Trade and other receivables	JPY	66,266	76,267
Trade and other receivables	AUD	801	-
Trade and other receivables	ZAR	15,900	571
Trade and other receivables	COP	2,557	-
Subtotal trade and other receivables		399,142	466,619
Receivables from related parties	USD	60,135	42,685
Receivables from related parties	EUR	1,092	105
Subtotal receivables from related parties		61,227	42,790
Current inventories	USD	983,338	913,674
Subtotal Current inventories		983,338	913,674

Assets held in foreign currency subject to fluctuations in exchange rates are detailed as follows:

Class of assets	Currency	As of December 31, 2019	As of December 31, 2018
		ThUS\$	ThUS\$
Current tax assets	USD	87,509	52,033
Current tax assets	ARS	1	2
Current tax assets	CLP	1,623	601
Current tax assets	EUR	61	3,500
Current tax assets	MXN	1,806	843
Current tax assets	PEN	-	131
Current tax assets	ZAR	139	-
Current tax assets	COP	294	-
Subtotal current tax assets		91,433	57,110
Non-current assets or groups of assets classified as held for sale	USD	2,454	1,430
Subtotal Non-current assets or groups of assets classified as held for sale		2,454	1,430
Total current assets		2,682,166	2,398,382
Non-current assets			
Other non-current financial assets	USD	8,687	17,039
Other non-current financial assets	CLP	20	20
Other non-current financial assets	JPY	71	72
Subtotal Other non-current financial assets		8,778	17,131
Other non-current non-financial assets	USD	19,101	26,758
Other non-current non-financial assets	BRL	22	23
Other non-current non-financial assets	COP	6	-
Other non-current non-financial assets	EUR	4	-
Other non-current non-financial assets	CLP	596	758
Subtotal Other non-current non-financial assets		19,729	27,539
Other receivables, non-current	USD	522	139
Other receivables, non-current	CLF	165	329
Other receivables, non-current	MXN	43	-
Other receivables, non-current	CLP	980	1,807
Subtotal Other receivables, non-current		1,710	2,275
Investments classified using the equity method of accounting	USD	57,777	41,923
Investments classified using the equity method of accounting	TRY	26,624	21,892
Investments classified using the equity method of accounting	AED	9,111	31,023
Investments classified using the equity method of accounting	EUR	14,315	14,929
Investments classified using the equity method of accounting	INR	1,568	1,729
Investments classified using the equity method of accounting	THB	40	53
Subtotal Investments classified using the equity method of accounting		109,435	111,549
Intangible assets other than goodwill	USD	185,951	189,265
Intangible assets other than goodwill	MXN	1,137	-
Intangible assets other than goodwill	CLP	136	85
Intangible assets other than goodwill	EUR	1,134	-
Subtotal intangible assets other than goodwill		188,358	189,350
Purchases goodwill, gross	USD	34,438	34,866
Purchases goodwill, gross	CLP	140	-
Purchases goodwill, gross	EUR	148	-
Subtotal Purchases goodwill, gross		34,726	34,866
Property, plant and equipment	USD	1,593,324	1,451,436
Property, plant and equipment	CLP	3,294	3,387
Property, plant and equipment	EUR	4,756	-
Property, plant and equipment	MXN	5,588	-
Property, plant and equipment	COP	108	-
Subtotal property, plant and equipment		1,607,070	1,454,823
Current tax assets, non-current	USD	32,179	32,179
Subtotal Current tax assets, non-current		32,179	32,179
Total non-current assets		2,001,985	1,869,712
Total assets		4,684,151	4,268,094

Current liabilities	Currency	As of December 31, 2019			As of December 31, 2018		
		Up to90 days	91 days to 1 year	Total	Up to90 days	91 days to 1 year	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current liabilities							
Other current financial liabilities	USD	20,582	258,388	278,970	12,471	4,464	16,935
Other current financial liabilities	CLF	19,518	323	19,841	342	6,256	6,598
Other current financial liabilities	BRL	11	-	11	52	-	52
Subtotal other current financial liabilities		40,111	258,711	298,822	12,865	10,720	23,585
Trade and other payables	USD	44,146	-	44,146	51,489	3	51,492
Trade and other payables	ARS	-	-	-	4,082	-	4,082
Trade and other payables	BRL	10	-	10	34	-	34
Trade and other payables	THB	53	-	53	65	-	65
Trade and other payables	CLP	73,703	17,108	90,811	69,789	-	69,789
Trade and other payables	EUR	58,538	5	58,543	36,439	-	36,439
Trade and other payables	GBP	17	-	17	-	-	-
Trade and other payables	INR	1	-	1	1	-	1
Trade and other payables	MXN	5,122	-	5,122	7	-	7
Trade and other payables	PEN	5	-	5	-	-	-
Trade and other payables	AUD	4,442	-	4,442	-	-	-
Trade and other payables	ZAR	2,260	-	2,260	1,842	-	1,842
Trade and other payables	AED	188	-	188	-	-	-
Trade and other payables	COP	192	-	192	-	-	-
Subtotal trade and other payables		188,677	17,113	205,790	163,748	3	163,751
Trade payables due to related parties, current	USD	475	-	475	-	9	9
Subtotal Trade payables due to related parties, current		475	-	475	-	9	9
Other current provisions	USD	109,650	820	110,470	74,020	31,150	105,170
Other current provisions	ARS	7	-	7	-	13	13
Other current provisions	BRL	-	-	-	707	-	707
Other current provisions	CLP	82	-	82	-	64	64
Other current provisions	EUR	6	-	6	243	-	243
Subtotal other current provisions		109,745	820	110,565	74,970	31,227	106,197
Current tax liabilities	USD	2,863	14,994	17,857	-	41,612	41,612
Current tax liabilities	CLP	-	17	17	-	31	31
Current tax liabilities	BRL	-	-	-	-	3	3
Current tax liabilities	CNY	-	-	-	-	8	8
Current tax liabilities	EUR	-	-	-	4,548	1,000	5,548
Current tax liabilities	ZAR	-	-	-	-	201	201
Current tax liabilities	MXN	-	-	-	-	9	9
Subtotal current tax liabilities		2,863	15,011	17,874	4,548	42,864	47,412

Class of liability	Currency	As of December 31, 2019			As of December 31, 2018		
		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\$
Provisions for employee benefits, current	USD	12,486	3,901	16,387	20,085	-	20,085
Subtotal Provisions for employee benefits, current		12,486	3,901	16,387	20,085	-	20,085
Other current non-financial liabilities	USD	117,136	154	117,290	176,506	2,489	178,995
Other current non-financial liabilities	THB	30	-	30	158	-	158
Other current non-financial liabilities	BRL	3	-	3	3	-	3
Other current non-financial liabilities	CLP	5,969	2,439	8,408	7,703	6,431	14,134
Other current non-financial liabilities	CNY	-	-	-	11	40	51
Other current non-financial liabilities	EUR	842	-	842	1,053	-	1,053
Other current non-financial liabilities	MXN	129	64	193	103	46	149
Other current non-financial liabilities	JPY	21	12	33	-	-	-
Other current non-financial liabilities	PEN	70	-	70	70	-	70
Other current non-financial liabilities	ZAR	10	-	10	11	-	11
Other current non-financial liabilities	COP	20	-	20	-	-	-
Subtotal other current non-financial liabilities		124,230	2,669	126,899	185,618	9,006	194,624
Total current liabilities		478,587	298,225	776,812	461,834	93,829	555,663

Class of liability	Currency	As of December 31, 2019					
		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current liabilities							
Other non-current financial liabilities	USD	89,896	42,336	313,749	13,749	647,258	1,106,988
Other non-current financial liabilities	CLF	-	-	-	-	411,938	411,938
Subtotal Other non-current financial liabilities		89,896	42,336	313,749	13,749	1,059,196	1,518,926
Other non-current provisions	USD	23,014	167	-	1,452	10,057	34,690
Subtotal Other non-current provisions		23,014	167	-	1,452	10,057	34,690
Deferred tax liabilities	USD	69,048	-	-	114,353	10	183,411
Subtotal Deferred tax liabilities		69,048	-	-	114,353	10	183,411
Provisions for employee benefits, non-current	USD	34,884	-	-	-	-	34,884
Provisions for employee benefits, non-current	CLP	519	-	-	-	-	519
Provisions for employee benefits, non-current	MXN	236	-	-	-	-	236
Provisions for employee benefits, non-current	JPY	201	-	-	-	-	201
Subtotal Provisions for employee benefits, non-current		35,840	-	-	-	-	35,840
Total non-current liabilities		217,798	42,503	313,749	129,554	1,069,263	1,772,867
Total liabilities							2,549,679

Class of liability	Currency	As of December 31, 2018					
		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Non-current liabilities							
Other non-current financial liabilities	USD	249,869	80,903	297,994	-	247,798	876,564
Other non-current financial liabilities	CLF	-	-	-	-	453,818	453,818
Subtotal Other non-current financial liabilities		249,869	80,903	297,994	-	701,616	1,330,382
Other non-current provisions	USD	28,822	3,000	-	-	-	31,822
Subtotal Other non-current provisions		28,822	3,000	-	-	-	31,822
Deferred tax liabilities	USD	63,534	33,355	56,040	-	22,432	175,361
Subtotal Deferred tax liabilities		63,534	33,355	56,040	-	22,432	175,361
Provisions for employee benefits, non-current	USD	-	9,081	-	-	27,116	36,197
Provisions for employee benefits, non-current	CLP	-	-	-	-	521	521
Provisions for employee benefits, non-current	MXN	-	-	-	-	175	175
Provisions for employee benefits, non-current	YEN	-	-	-	-	171	171
Subtotal Provisions for employee benefits, non-current		-	9,081	-	-	27,983	37,064
Total non-current liabilities		342,225	126,339	354,034	-	752,031	1,574,629
Total liabilities							2,130,292

Note 31 Income tax and deferred taxes

Accounts receivable from taxes as of December 31, 2019 and December 31, 2018, are as follows:

31.1 Current and non-current tax assets

a) Current tax assets

Current tax assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Monthly provisional income tax payments, Chilean companies	47,283	21,172
Monthly provisional income tax payments, foreign companies	124	5,199
Corporate tax credits (1)	1,262	1,858
1st category tax absorbed by tax loss (2)	916	-
Taxes in recovery process	41,848	28,881
Total	91,433	57,110

b) Non-current tax assets

Non-current tax assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Monthly provisional income tax payments, Chilean companies compensated by the specific tax on mining activity (Lithium)	6,398	6,398
Specific tax on mining activities (IEAM) paid by Lithium (on consignment)	25,781	25,781
Total	32,179	32,179

- (1) These credits are available for Companies and are related to corporate tax payments in April of the following year. These credits include, among others, credits for training expenses (SENCE), credits for acquisition of fixed assets, donations and credits in Chile for taxes paid abroad.
- (2) This concept corresponds to the absorption of the tax losses determined by the company at the end of the year, which must be attributed to the dividends received during the year.

31.2 Current tax liabilities

Current tax liabilities	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
1st Category income tax	7,863	25,163
Foreign company income tax	9,944	21,097
Article 21 single tax	67	1,152
Total	17,874	47,412

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, a progressive income tax rate has been established, which is 27% from 2018.

The royalty is determined by applying the taxable rate to the net operating income obtained, according to the chart in force, the Company currently provisioned 5% for mining royalties that involve operations in the Salar de Atacama and 5.24% for caliche extraction operations.

The income tax rate for the main countries where the Company operates is presented below:

Country	Income tax	Income tax
	2019	2018
Spain	25%	25%
Belgium	29.58%	29.58%
Mexico	30%	30%
United States	21% + 6%	21% + 6%
South Africa	28%	28%

31.3 Income tax and deferred taxes

Assets and liabilities recognized in the statement of financial position are offset if and only if:

- 1 The Company has recognized legally before the tax authority the right to offset the amounts recognized in these entries; and
- (b) Deferred income tax assets and liabilities are derived from income tax related to the same tax authority on:
 - (i) the same entity or tax subject; or
 - (ii) different entities or tax subjects who intend either to settle current fiscal assets and liabilities for their net amount, or to exercise tax assets and pay liabilities simultaneously in each of the future periods in which the Company expects to settle or recover significant amounts of deferred tax assets or liabilities.

Recognized deferred income tax assets are the income taxes that are to be recovered in future periods, related to:

- a) deductible temporary differences.
- b) the offsetting of losses obtained in prior periods and not yet subject to tax deduction; and
- c) the offsetting of unused credits from prior periods.

The Company recognizes a deferred tax asset when there is certainty that these can be offset with tax income from subsequent periods, losses or fiscal credits not yet used, but solely as long as it is more likely than not that there will be tax earnings in the future against which to charge these losses or unused fiscal credits.

Recognized deferred tax liabilities refer to the amounts of income taxes payable in future periods related to taxable temporary differences.

(a) Income tax assets and liabilities as of December 31, 2019 are detailed as follows:

Description of deferred tax assets and liabilities as of December 31, 2019	Net liability position	
	Assets	Liabilities
	ThUS\$	ThUS\$
Unrealized loss	82,075	-
Property, plant and equipment and capitalized interest	-	(197,167)
Facility closure provision	7,313	-
Manufacturing expenses	-	(106,420)
Staff severance indemnities, unemployment insurance	-	(6,000)
Vacation accrual	5,591	-
Inventory provision	23,885	-
Materials provision	7,982	-
Forward	-	-
Employee benefits	2,689	-
Research and development expenses	-	(3,533)
Provision Accounts receivable	3,542	-
Provision for legal complaints and expenses	2,546	-
Loan approval expenses	-	(3,856)
Financial instruments recorded at market value	-	(1,287)
specific tax on mining activity	-	(1,357)
Tax loss benefit	2,296	-
Other	-	(2,021)
Foreign items (other)	311	-
Balances to date	138,230	(321,641)
Net balance		(183,411)

(b) Income tax assets and liabilities as of December 31, 2018 are detailed as follows

Description of deferred tax assets and liabilities as of December 31, 2018	Net liability position	
	Assets	Liabilities
	ThUS\$	ThUS\$
Unrealized loss	75,832	-
Property, plant and equipment and capitalized interest	-	(196,843)
Facility closure provision	4,280	-
Manufacturing expenses	-	(103,760)
Staff severance indemnities, unemployment insurance	-	(5,679)
Vacation accrual	5,155	-
Inventory provision	28,155	-
Materials provision	6,239	-
Forward	2,169	-
Employee benefits	3,309	-
Research and development expenses	-	(2,216)
bad debt provisions	4,188	-
Provision for legal complaints and expenses	4,013	-
Loan approval expenses	-	(2,337)
Financial instruments recorded at market value	-	(976)
specific tax on mining activity	-	(3,278)
Tax loss benefit	1,124	-
Other	5,005	-
Foreign items (other)	259	-
Balances to date	139,728	(315,089)
Net balance		(175,361)

(c) Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2019

Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2019	Deferred tax liability (asset) at beginning of period	Deferred tax expense (benefit) recognized in profit (loss) for the year	Deferred taxes related to items credited (charged) directly to equity	Total increases (decreases) in deferred tax liabilities (assets)	Deferred tax liability (asset) at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Unrealized loss	(75,832)	(6,243)	-	(6,243)	(82,075)
Property, plant and equipment and capitalized interest	196,843	324	-	324	197,167
Facility closure provision	(4,280)	(3,033)	-	(3,033)	(7,313)
Manufacturing expenses	103,760	2,660	-	2,660	106,420
Staff severance indemnities, unemployment insurance	5,679	1,007	(686)	321	6,000
Vacation accrual	(5,155)	(436)	-	(436)	(5,591)
Inventory provision	(28,155)	4,270	-	4,270	(23,885)
Materials provision	(6,239)	(1,743)	-	(1,743)	(7,982)
Forward	(2,169)	(514)	2,683	2,169	-
Employee benefits	(3,309)	620	-	620	(2,689)
Research and development expenses	2,216	1,317	-	1,317	3,533
bad debt provisions	(4,188)	646	-	646	(3,542)
Provision for legal complaints and expenses	(4,013)	1,467	-	1,467	(2,546)
Loan approval expenses	2,337	1,519	-	1,519	3,856
Financial instruments recorded at market value	976	-	311	311	1,287
specific tax on mining activity	3,278	(1,905)	(16)	(1,921)	1,357
Tax loss benefit	(1,124)	(1,172)	-	(1,172)	(2,296)
Other	(5,005)	7,026	-	7,026	2,021
Foreign items (other)	(259)	(52)	-	(52)	(311)
Total temporary differences, unused losses and unused tax credits	175,361	5,758	2,292	8,050	183,411

(d) Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2018

Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2018	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	(68,544)	(7,288)	-	(7,288)	(75,832)
Property, plant and equipment and capitalized interest	211,374	(14,531)	-	(14,531)	196,843
Facility closure provision	(3,469)	(811)	-	(811)	(4,280)
Manufacturing expenses	102,748	1,012	-	1,012	103,760
Staff severance indemnities, unemployment insurance	6,792	(667)	(446)	(1,113)	5,679
Vacation accrual	(4,887)	(268)	-	(268)	(5,155)
Inventory provision	(25,172)	(2,983)	-	(2,983)	(28,155)
Materials provision	(7,107)	868	-	868	(6,239)
Forward	(624)	(1,545)	-	(1,545)	(2,169)
Employee benefits	(2,317)	(992)	-	(992)	(3,309)
Research and development expenses	3,501	(1,285)	-	(1,285)	2,216
bad debt provisions	(4,253)	686	(621) ¹	65	(4,188)
Provision for legal complaints and expenses	(5,243)	1,230	-	1,230	(4,013)
Loan approval expenses	2,670	(333)	-	(333)	2,337
Financial instruments recorded at market value	2,474	-	(1,498)	(1,498)	976
specific tax on mining activity	4,084	(795)	(11)	(806)	3,278
Tax loss benefit	(1,437)	313	-	313	(1,124)
Other	(5,002)	(64)	61	(3)	(5,005)
Foreign items (other)	(305)	46	-	46	(259)
Total temporary differences, unused losses and unused tax credits	205,283	(27,407)	(2,515)	(29,922)	175,361

(1) This corresponds to the adjustment to the beginning balance of the impairment provision for receivables against other reserves.

(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, 2019 and December 31, 2018, tax loss carryforwards are detailed as follows:

Deferred taxes related to benefits for tax losses	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Chile	2,296	1,124
Total	2,296	1,124

The tax losses as of December 31, 2019 that form the basis of these deferred taxes correspond mainly to SIT S.A., Exploraciones Mineras S.A. Comercial Agrorama Ltda. and Orcoma Estudio SpA.

(f) Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of December 31, 2019 and December 31, 2018 are detailed as follows:

Movements in deferred tax assets and liabilities	Assets (liabilities)	
	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Deferred tax assets and liabilities, net opening balance	(175,361)	(205,283)
Increase (decrease) in deferred taxes in profit or loss	(5,758)	27,407
Increase (decrease) in deferred taxes in equity	(2,292)	2,515
Total	(183,411)	(175,361)

(g) Disclosures on income tax expense (income)

The Company recognizes current and deferred taxes as income or expenses, and they are included in profit or loss, unless they arise from:

- (a) a transaction or event recognized in the same period or in a different period, outside profit or loss either in other comprehensive income or directly in equity; or
- (ii) a business combination

Current and deferred tax expenses (income) are detailed as follows:

Disclosures on income tax expense (income)	Assets (liabilities)	
	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current income tax expense		
Current tax expense	(116,483)	(207,959)
Adjustments to prior year current income tax	12,222	1,577
Current income tax expense, net, total	(104,261)	(206,382)
Deferred tax expense		
Deferred tax expense (income) relating to the creation and reversal of temporary differences	2,551	26,434
Tax adjustments related to the creation and reversal of temporary differences from the previous year	(8,309)	973
Deferred tax expense, net, total	(5,758)	27,407
Tax expense (income)	(110,019)	(178,975)

Tax expenses (income) for foreign and domestic parties are detailed as follows:

Income tax (expense) benefit	Assets (liabilities)	
	For the year ended December 31, 2019	For the year ended December 31, 2018
	ThUS\$	ThUS\$
Current income tax expense by foreign and domestic parties, net		
Current income tax expense, foreign parties, net	(7,394)	(7,516)
Current income tax expense, domestic, net	(96,867)	(198,866)
Current income tax expense, net, total	(104,261)	(206,382)
Deferred tax expense by foreign and domestic parties, net		
Current income tax expense, foreign parties, net	2,370	(1,885)
Current income tax expense, domestic, net	(8,128)	29,292
Deferred tax expense, net, total	(5,758)	27,407
Income tax expense	(110,019)	(178,975)

The values presented include a higher current tax of ThUS\$ 1,068 due to a tax difference in SQM Europe N.V. determined at the close of audit due to transfer prices from the 2017 fiscal year.

(h) Equity interest in taxation attributable to equity-accounted investees

The Company does not recognize any deferred tax liability in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associated companies or interest in joint ventures, because as indicated in the standard, the following two conditions are jointly met:

- (i) the parent, investor or interest holder is able to control the time for reversal of the temporary difference; and
- (ii) It is more likely than not that the temporary difference will not be reversed in the foreseeable future.

In addition, the Company does not recognize deferred income tax assets for all deductible temporary differences from investments in subsidiaries, branches and associated companies or interests in joint ventures because it is unlikely that they will meet the following requirements:

- (i) Temporary differences are reversed in a foreseeable future; and
- (ii) The Company has tax earnings, against which temporary differences can be used.

(i) Disclosures on the tax effects of other comprehensive income components:

Income tax related to other income and expense components with a charge or credit to net equity	For the year ended December 31, 2019		
	Amount before taxes (expense) gain	(Expense) income for income taxes	Amount after taxes
	ThUS\$	ThUS\$	ThUS\$
Gain (loss) from defined benefit plans	(3,310)	702	(2,608)
Cash flow hedge	1,907	(2,683)	(776)
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	1,152	(311)	841
Total	(251)	(2,292)	(2,543)

Income tax related to other income and expense components with a charge or credit to net equity	For the year ended December 31, 2018		
	Amount before taxes (expense) gain	(Expense) income for income taxes	Amount after taxes
	ThUS\$	ThUS\$	ThUS\$
Gain (loss) from defined benefit plans	(1,327)	396	(931)
Cash flow hedge	5,723	-	5,723
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	(5,546)	1,498	(4,048)
Total	(1,150)	1,894	744

(j) Explanation of the relationship between expense (income) for tax purposes and accounting income.

Based on IAS 12, paragraph 81, letter “c”, the company has estimated that the method that reveals the most significant information for users of the financial statements is the numeric conciliation between the tax expense (income) and the result of multiplying the accounting profit by the current rate in Chile. The afore mentioned choice is based on the fact that the Company and subsidiaries established in Chile generate a large part of the Company’s tax expense (income). The amounts provided by subsidiaries established outside Chile have no relative importance in the overall context.

Conciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile.

Income Tax Expense (Benefit)	Benefits (Expenses)	
	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Consolidated income before taxes	390,622	621,038
Income tax rate in force in Chile	27%	27%
Tax expense using the legal rate	(105,468)	(167,680)
Effect of royalty tax payments	(4,314)	(4,919)
Tax effect of revenue from regular activities exempt from taxation	2,376	1,446
Tax rate effect of non-tax-deductible expenses for determining taxable profit (loss)	(2,128)	(2,327)
Tax effect of tax rates supported abroad	(252)	(3,724)
IRS provision surplus (*)	-	3,517
Other tax effects from reconciliation between accounting gains and tax expenses	(233)	(5,288)
Tax expense using the effective rate	(110,019)	(178,975)

(*) internal revenue service

(k) Tax periods potentially subject to verification:

The Group’s Companies are potentially subject to income tax audits by tax authorities in each country. These audits are limited to a number of interim tax periods, which, in general, when they elapse, give rise to the expiration of these inspections.

Tax audits, due to their nature, are often complex and may require several years. Below, we provide a summary of tax periods that are potentially subject to verification, in accordance with the tax regulations in force in the country of origin:

(i) Chile

According to article 200 of Decree Law No 830, the taxes will be reviewed for any deficiencies in terms of payment and to generate any taxes that might arise. There is a 3-year prescriptive period for such review, dating from the expiration of the legal deadline when payment should have been made. This prescriptive period can be extended to 6 years for the revision of taxes subject to declaration, when such declaration has not been filed or has been presented with maliciously false information.

(ii) United States

In the United States, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return. In the event that an omission or error is detected in the tax return of sales or cost of sales, the review can be extended for a period of up to 6 years.

As a result of the audit performed by the tax authority, SQM North America Corp., a subsidiary of the Company, paid in November 2018, for income tax and interest between 2013 and 2015, approximately US\$3.8 million. On top of this, SQM North America Corp would have to pay an additional US\$0.4 million in state taxes for the same period. These charges are already provisioned in the financial statements.

(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.

(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.

Note 32 Assets held for sale and detail of assets sold

The non-current assets held for sale and the components of the disposal groups classified as held for sale are presented in the Consolidated Statement of Financial Position under the item “Non-current assets or groups of assets classified as held for sale”.

The following table shows the movements in assets held for sale:

Assets held for sale	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Land owned by Soquimich Comercial S.A.	2,454	1,430
Total assets held for sale	2,454	1,430

Note 33 Events occurred after the reporting date

33.1 Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries, prepared in accordance with IFRS for the period ended December 31, 2019, were approved and authorized for issuance by the Company's Board of Directors on March 02, 2020.

33.2 Disclosures on events occurring after the reporting date

On January 22, 2020, the Company placed an unsecured bond in the international markets for US\$ 400 million at an annual interest rate of 4.250% with maturity in 2050, pursuant to Rule 144 -A and Regulation S of the Securities and Exchange Commission.

The Company hopes to use net income from this placement for general corporate purposes, including financing its capital expense program and reduction of its pending debt, considering the payment of bonds for US\$ 250 million with 5.50% interest and maturity on April 21, 2020.

The bond has been sold to qualified institutional buyers in the United States and no security laws from other states or jurisdictions have been registered in accordance with SEC regulations.

On February 26, 2020, the Company reported that its Board of Directors had agreed to call an Ordinary Shareholders' Meeting for 10:00 am on Thursday, April 23, 2020.

33.3 Details of dividends declared after the reporting date

At the reporting dates of the financial statements, there are no dividends declared after the reporting date.

Report of Accounting Inspectors**REPORT OF ACCOUNTING INSPECTORS**

We have examined the Financial Statements of Sociedad Química y Minera de Chile S.A. corresponding to the business year ended December 31, 2019.

Our exam and revision as Accounting Inspectors spanned the comparison of the outstanding balances of the General Ledger with the Balance Sheet and the corresponding Income Statements as of December 31, 2019. We found these accounts to be in accordance with their balances.

We confirm that in as part of work as account inspectors, we have had access to the Company's accounting information, inventory, balance sheet and financial statements.

At the same time, we confirm to be of legal age, with the ability to make and independent decision, and have not have been convicted of crimes that merit punishment.

Santiago, March 16, 2020

Genoveva Cofré Gutiérrez
CMF Registered Account Inspector and
External Auditor N° 45

Héctor Vera Jiménez
CMF Registered Account Inspector and
External Auditor N° 70
Vera y Asociados S.A.

Reasoned Analysis of the Financial Situation

1. Analysis of the Financial Statements

Balance			
(US\$ Millions)	As of December 31, 2019		As of December 31, 2018
Total Current Assets	2,682.2		2,398.4
Cash and cash equivalents	588.5		556.1
Other current financial assets	505.5		312.7
Accounts receivable (1)	460.4		509.4
Inventory	983.3		913.7
Others	144.4		106.5
Total Non-current Assets	2,002.0		1,869.7
Other non-current financial assets	8.8		17.1
Investments in related companies	109.4		111.5
Property, plant and equipment	1,607.1		1,454.8
Other Non-current Assets	276.7		286.2
Total Assets	4,684.2		4,268.1
Total Current Liabilities	776.8		555.7
Other current financial liabilities	298.8		23.5
Other current liabilities	478.0		532.1
Total, pasivos no corrientes	1,772.9		1,574.6
Other non-current financial liabilities	1,518.9		1,330.40
Other non-current liabilities	253.9		244.2
Shareholders' Equity before Minority Interest	2,086.3		2,085.50
Minority Interest	48.2		52.3
Total Shareholders' Equity	2,134.5		2,137.8
Total Liabilities & Shareholders' Equity	4,684.2		4,268.1
Liquidity (2)	3.5		4.3
(1) Accounts receivable + accounts receivable from related companies			
(2) Current assets / current liabilities			

1.1 Analysis of the Consolidated Statement of Financial Position

As of December 31, 2019, the company's total assets amount to MUS\$4,684.2, which represents an increase of approximately 10% compared to the MUS\$4,268.1 obtained as of December 31, 2018. This difference between both periods is mainly produced by the variation in the following items:

Current assets decreased by approximately 12%, from MUS\$2,398.4 recorded at the end of the prior year to MUS\$2,466.3 in the current period:

- Cash and cash equivalents increased by MUS\$32.5 (6%) as of December 31, 2019 amounting to MUS\$588.5. The detail of this item is disclosed in Note 11.
- Other current financial assets increased by MUS\$192.8 (62%) as of December 31, 2019 amounting to MUS\$505.5. The detail of the item is disclosed in Note 14.
- Accounts receivable decreased by MUS\$49.0 (10%) as of December 31, 2019 amounting to MUS\$460.4. The detail of this item is disclosed in Note 14.
- Current inventories increased by MUS\$69.7 (8%) as of December 31, 2019 amounting to MUS\$983.3. The detail of this item is disclosed in Note 12.

Non-current assets increased by approximately 7%, from MUS\$1,869.7 recorded at the end of prior year, to MUS\$1,868.5 for the current quarter.

- Other non-current financial assets decreased by MUS\$8.4 (49%) as of December 31, 2019 amounting to MUS\$8.8. The detail of the item is disclosed in Note 14.
- Property, plant and equipment increased by MUS\$152.6 (10%), as of December 31, 2019 amounting to MUS\$1,607.1. The detail of this item is disclosed in Note 16.

As of December 31, 2019, the Company's total liabilities amount to MUS\$2,549.7, representing an increase of approximately 20% compared to MUS\$2,130.3 recorded as of December 31, 2018. This difference is mainly generated by changes in the following items:

Current liabilities increased by approximately 40%, from MUS\$555.7 recorded at the end of December of the previous year to MUS\$776.8.7 for the current quarter.

- Other current financial liabilities increased by MUS\$275.2 (1,167%) as of December 31, 2019 amounting to MUS\$298.8. The detail of this item is disclosed in Note 14.
- Other current non-financial liabilities decreased by MUS\$54.1 (10%) as of December 31, 2019 amounting to MUS\$478. The detail of this item is disclosed in Note 13, 14, 18, 19 and 31.

Non-current liabilities increased by approximately 13%, from MUS\$1,574.6 recorded at the end of the previous year, to MUS\$1,772.9 for the current quarter.

- Other non-current financial liabilities increased by MUS\$188.5 (14%) as of December 31, 2019 amounting to MUS\$1,518.9. The detail of this item is disclosed in Note 14.

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and Subsidiaries have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the comprehensive, explicit and unreserved adoption of International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Should there be any discrepancies between IFRS and the instructions issued by the Chilean Commission for the Financial Market (CMF) the latter shall prevail.

These consolidated financial statements fairly reflect the Company’s equity and financial position and the results of its operations, changes in in the statement of income and expenses recognized and cash flows, which have occurred in the year then ended.

The valuation of the main assets and liabilities has been performed as follows:

Inventories: The Company states inventories for the lower of cost and net realizable value. The cost price of finished products and products in progress includes the direct cost of materials and, when applicable, labor costs, indirect costs incurred to transform raw materials into finished products, and general expenses incurred in carrying inventories to their current location and conditions. The method used to determine the cost of inventories is weighted average cost.

Commercial discounts, rebates obtained, and other similar entries are deducted in the determination of the acquisition price.

The net realizable value represents the estimate of the sales price, less all finishing estimated costs and costs which will be incurred in commercialization, sales, and distribution processes.

The Company conducts an evaluation of the net realizable value of inventories at the end of each year, recording an estimate with a charge to income when these are overstated. When a situation arises whereby the circumstances, which previously caused the rebate to cease to exist, or when there is clear evidence of an increase in the net realizable value due to a change in the economic circumstances or prices of main raw materials, the estimate made previously is modified.

The valuation of obsolete, impaired or slow-moving products relates to their net estimated, net realizable value.

The provisions for technical specification on the Company’s inventories have been made based on a technical study covering different variables affecting products in stock (density, moist, among others).

Raw materials, supplies and materials are recorded at the lower of acquisition cost or market value. Acquisition cost is calculated according to the annual average price method.

Property, plant and equipment: Tangible property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation and impairment losses that they have experienced.

1.2 Consolidated Statement of Comprehensive Income

Income Statement				
<i>(US\$ Millions)</i>	<i>For the 4th quarter</i>		<i>For the twelve months ended December 31,</i>	
	2019	2018	2019	2018
Revenues	472.2	565.2	1,943.7	2,265.8
Lithium and Lithium Derivatives	99.7	233.9	505.7	734.8
Specialty Plant Nutrition (1)	172.8	174.4	723.9	781.8
Iodine and Iodine Derivatives	93.6	81.9	371.0	325.0
Potassium Chloride & Potassium Sulfate	49.9	47.7	212.2	267.5
Industrial Chemicals	47.0	13.7	94.9	108.3
Other Income	9.2	13.8	36.0	48.5
Cost of Goods Sold	(281.8)	(315.4)	(1,181.3)	(1,264.2)
Depreciation and Amortization	(52.6)	(48.8)	(202.3)	(221.4)
Gross Profit	137.8	201.1	560.1	780.2
Administrative Expenses	(33.4)	(34.6)	(117.2)	(118.1)
Financial Expenses	(18.0)	(17.4)	(76.9)	(57.8)
Financial Income	7.0	6.0	26.3	22.5
Exchange Difference	(1.1)	(7.2)	(2.2)	(16.6)
Other	1.9	14.9	0.6	10.9
Income Before Taxes	94.1	162.9	390.6	621.0
Income Tax	(26.0)	(52.7)	(110.0)	(179.0)
Net Income before minority interest	68.2	110.2	280.6	442.1
Minority Interest	1.3	1.5	2.5	2.2
Net Income	66.9	108.6	278.1	439.8
Net Income per Share (US\$)	0.25	0.41	1.06	1.67
⁽¹⁾ Includes other specialty fertilizers				

1.2.1 Analysis by business area and market variances

Lithium and Derivatives

Revenues from lithium and derivatives totaled US\$505.7 million during the twelve months ended December 31, 2019, a decrease of 31.2% compared to the US\$734.8 million for the twelve months ended December 31, 2018.

Lithium and derivatives revenues decreased 57.4% during the fourth quarter of 2019 compared to the fourth quarter of 2018. Total revenues amounted to US\$99.7 million during the fourth quarter of 2019, compared to US\$233.9 million in the fourth quarter of 2018.

During 2019, we believe total market demand reached 307,000 metric tons. Our sales volumes remained flat compared to 2018, and our average prices fell over 30% in line with our estimates. The decrease in lithium price was a result of lower than expected demand growth, which we believe reached approximately 14% during 2019. During 2020, we believe the European electric vehicle market will gain momentum and contribute significantly to lithium demand growth. However, we believe the oversupply seen in 2019 may continue in 2020 and could further impact average prices this year when compared to 2019. We remain optimistic about the long-term growth of the lithium market related to electric vehicles.

We believe that our sales volumes in 2020 could reach approximately 55,000-60,000 metric tons, allowing us to increase our market share. We continue our expansion plans in Chile, expecting to reach a capacity of 120,000 metric tons in 2021. We have decided to complete our lithium hydroxide expansion in two modules of 8,000 metric tons and believe the first stage will be completed next year. We have plans to further expand lithium carbonate in Chile and continue to work on the development of our Mt. Holland project in Australia.

Gross profit⁽¹⁾ for the Lithium and Derivatives segment accounted for approximately 36% of SQM's consolidated gross profit for the twelve months ended December 31, 2019.

Specialty plant nutrition

Revenues from the SPN business line for the twelve months ended December 31, 2019 totaled US\$723.9 million, a decrease of 7.4% compared to \$781.8 million reported for the twelve months ended December 31, 2018.

Fourth quarter 2019 revenues reached US\$172.8 million, 0.9% lower than the US\$174.4 million reported in the fourth quarter of 2018.

In the potassium nitrate market, demand growth was weaker than expected in 2019, as a result of weather conditions in various geographical markets. Our average prices fell as a result of this lower demand, about 3% less in 2019 than average prices reported in 2018. We expect that to change in 2020, as we should see strong demand in the North America, specifically the United States and Mexico. We believe that water soluble potassium nitrate could see growth rates of approximately 6%. This demand recovery could also have a positive impact on prices this year.

SPN **gross profit** accounted for approximately 27% of SQM's consolidated gross profit for the twelve months ended December 31, 2019.

Iodine and derivatives

Revenues from sales of iodine and derivatives during the twelve months ended December 31, 2019 were US\$371.0 million, an increase of 14.2% compared to US\$325.0 million generated for the twelve months ended December 31, 2018.

Revenues from sales of iodine and derivatives for the fourth quarter of 2019 amounted to US\$93.6 million, an increase of 14.3% compared to US\$81.9 million achieved during the fourth quarter of 2018.

Higher iodine revenues were the result of higher prices during 2019 compared to the 2018 where average prices in the business line increased almost 20%. We believe that this positive price momentum should continue during 2020, increasing margins per ton significantly in this business lines. This should offset the slightly lower sales volumes that we expect during 2020.

Gross profit for the Iodine and Derivatives segment accounted for approximately 25% of SQM's consolidated gross profit for the twelve months ended December 31, 2019.

Potassium: Potassium chloride and potassium sulfate

Potassium chloride and potassium sulfate revenues for 2019 totaled US\$212.2 million, a 20.7% decrease compared to the US\$267.5 million reported for the twelve months ended December 31, 2018.

Potassium chloride and potassium sulfate revenues increased 4.8% in the fourth quarter of 2019, totaling US\$49.9 million compared to the US\$47.7 million reported for the fourth quarter of 2018.

In 2019, we believe that the potassium chloride market reached approximately 64 million metric tons and could grow an additional 2 million tons in 2020. Revenues in the potassium chloride and potassium sulfate business line during 2019 were impacted by lower sales volumes when compared to 2018, which were not offset by higher average prices in the business line. Sales volumes for potassium chloride and potassium sulfate reached almost 600k metric tons, which is significantly higher than our original annual sales estimate of 500k metric tons. We believe that sales volumes in 2020 could increase another 20-25% when compared to 2019, but the lower price dynamics that we have seen during the first two months of this year could continue.

Gross profit for Potassium Chloride and Potassium Sulfate business line accounted for approximately 6% of SQM's consolidated gross profit for the twelve months ended December 31, 2019.

Industrial chemicals

Industrial chemicals revenues for the twelve months ended December 31, 2019 reached US\$94.9 million, a 12.4% decrease compared to US\$108.3 million for the twelve months ended December 31, 2018.

Revenues for the fourth quarter of 2019 totaled US\$47.0 million, an increase of 243.2% compared to US\$13.7 million for the fourth quarter of 2018.

Our lower revenues in this business line were a result of lower sales volumes in the business line. We reported sales of over 48,000 metric tons of solar salts during the fourth quarter of the year, in line with our estimates. We will be supplying a very large CSP project in the Middle East with the expected 2020 sales volumes of approximately 150,000 MT.

Gross profit for the Industrial Chemicals segment accounted for approximately 6% of SQM's consolidated gross profit for the twelve months ended December 31, 2019.

Other commodity fertilizers and other revenues

Revenues from sales of other commodity fertilizers and other income reached US\$36.0 million in the twelve months ended December 31, 2019, lower than the US\$48.5 million for the twelve months ended December 31, 2018.

Financial Information

Cost of Goods Sold

Cost of goods sold, excluding total depreciation and amortization expenses, amounted to US\$1,181.3 million for the twelve months ended December 31, 2019, a decrease of 6.6% compared to US\$1,264.2 million for the same period in 2018.

Administrative expenses

Administrative expenses totaled US\$117.2 million (6.0% of revenues) for the twelve months ended December 31, 2019, compared to US\$118.1 million (5.2% of revenues) recorded during the twelve months ended December 31, 2018.

Net finance costs

Net financial expenses for the twelve months ended December 31, 2019 were US\$50.6 million, compared to US\$35.3 million recorded for the twelve months ended December 31, 2018.

Income tax expense

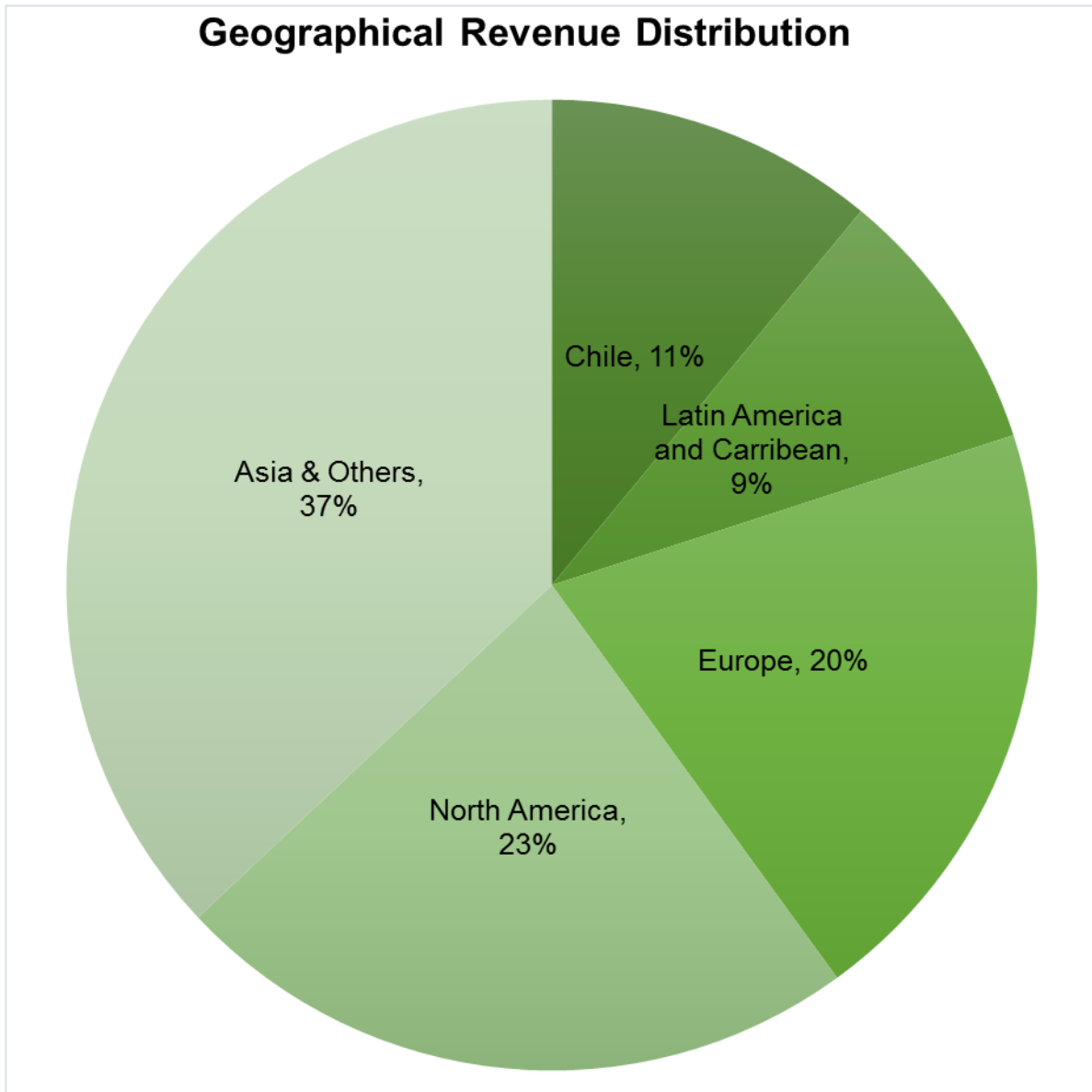
Income tax expense reached US\$110.0 million for the twelve months ended December 31, 2019, representing an effective tax rate of 28.2%, compared to an income tax expense of US\$179.0 million during the twelve months ended December 31, 2018. The Chilean corporate tax rate was 27.0% during 2019 and 2018.

Other

The adjusted EBITDA margin was approximately 33.2% for the twelve months ended December 31, 2019. Adjusted EBITDA margin for the twelve months ended December 31, 2018 was approximately 39.0%. The adjusted EBITDA margin for the fourth quarter of 2019 was approximately 33.3%.

1) A significant portion of SQM's costs of goods sold are costs related to common productive processes (mining, crushing, leaching, etc.) which are distributed among the different final products. To estimate gross profit by business line in both periods covered by this report, the Company employed similar criteria on the allocation of common costs to the different business areas. This gross profit distribution should be used only as a general and approximated reference of the margins by business line.

2) Adjusted EBITDA = gross profit - administrative expenses + depreciation and amortization. Adjusted EBITDA margin = Adjusted EBITDA/revenues.



2. Financial ratios

<i>Liquidity ratios</i>		31-12-2019	31-12-2018	
Current liquidity	Times	3.45	4.32	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Acid test	Times	2.19	2.67	$\frac{(\text{Current assets} - \text{Inventories})}{\text{Current liabilities}}$

<i>Indebtedness ratios</i>		31-12-2019	31-12-2018	
Indebtedness ratio	%	119.5	99.6	$\frac{\text{Liabilities}}{\text{Equity attributable to owners of the Parent}}$
Short-term debt to total debt ratio	%	30.5	26.1	$\frac{\text{Current liabilities}}{\text{Total debt}}$
Long-term debt to total debt ratio	%	69.5	73.9	$\frac{\text{Non-current liabilities}}{\text{Total debt}}$

<i>Activity ratios</i>		31-12-2019	31-12-2018	
Total assets	MUS\$	4.684	4.268	
Inventory turnover	%	1.44	1.62	$\frac{\text{Cost of sales LTM}}{\text{Inventories}}$
Inventory permanence	%	251	222	$\frac{360 \text{ days}}{\text{Inventory turnover}}$

<i>Profitability ratios</i>		31-12-2019	31-12-2018	
Earnings per share	Times	1.07	1.68	$\frac{\text{Net profit (loss) LTM}}{\text{Shares subscribed}}$
Return on equity	%	13.1	20.7	$\frac{\text{Net profit (loss) LTM}}{\text{Equity}}$
Return on assets	%	12.8	20.3	$\frac{\text{Net profit (loss) LTM}}{\text{Assets}^{(1)}}$

(1) Assets = Total Assets – (Cash and cash equivalents + Financial Assets + Investments in related companies)

2.1 Analysis of Financial Indicators

Liquidity:

- **Current liquidity:** the decrease in the ratio can be explained because even though there was an increase in Current Assets (CA) of US\$284 million (12%), there was also greater percentage magnitude in Current Liabilities (CL) of US\$221 million (40%), resulting in a lower ratio value. The main variation in assets was seen in the US\$193 million increase in Other current financial assets, mainly due to the US\$178 million increase in more than 90 days deposits, and an increase in Inventory of US\$70 million. On the liabilities side, the greatest change was seen in Other Current Financial Liabilities, which increased by US\$275 million, an amount explained mainly by the transfer of a US\$250 million bond that matures this year into the short-term debt from the long-term debt.
- **Acid test:** As mentioned in the previous ratio, when comparing both periods it can be seen that there was an increase in Inventory of US\$70 million, considering that CA increased by US\$284 million, if we remove these US\$70 million from the equation, the effect explained above remains, because of the magnitude, and therefore the ratio should have decreased as it did.

Indebtedness:

- **Debt ratio:** it can be seen that this ratio increased, since the CL increased in the aforementioned manner, and the Non-Current Liabilities (NCL) increased by US\$198 million (12.6%), mainly explained by the increase in Other Non-Current Financial Liabilities of US\$189 million, as a result of the transfer of the aforementioned US\$250 million bond in the short-term and the issuance of a new 144A bond of US\$450 million that will mature in 2029. Given these movements, the Total Liability can be seen increased by US\$419 million while the equity was held almost constant, causing the ratio to increase.
- **Proportional amount of debt:** as mentioned above, both the CL and the NCL increased, however, as the CL increased by a greater percentage (40% vs. 12% of the NCL), it can be concluded that the short-term debt ratio has increased and the long-term decreased.

Activities:

- **Inventory Turnover and Permanence:** you can see a decrease in inventory turnover, mainly because inventory increased by US\$70 million, close to 8%, while LTM cost of sales decreased US\$102 million, a proportion close to 7%, mainly due to a decrease in sales for the year. Since the denominator increased and the ratio numerator decreased, a lower ratio is therefore obtained. Due to this increase, an increase in inventory permanence of 29 days can also be seen, since both ratios are inversely proportional.

Profitability:

- **Earnings per share:** with the same number of shares, as there is a decrease in the profit obtained during the 2019 period of US\$161.5 million (36.5%), if compared to that obtained during 2018, a decrease in this ratio is generated. For further details, please, see the statement of income for the corresponding periods.

- **ROE:** The decrease in this ratio was due to the decrease in the LTM Net Income in the amount and proportion mentioned above, while equity remained almost constant (decreased by US\$3.3 million, about 0.1%).
- **ROA:** The decrease in this ratio was affected both by the decrease in the dividend by US\$221 million (around 33%), and by the increase in Assets that affect this ratio, which increased by US\$201 million (approximately 6%).

3. Analysis of the Statement of Cash Flows

The detail of the main components of cash flows as of December 31, 2019 and 2018 is as follows:

Statement of cash flows	31-12-2019	31-12-2018
	ThUS\$	ThUS\$
Net cash flows from (used in) operating activities	426,971	524,839
Net cash flows from (used in) investing activities	(485,471)	(187,004)
Net cash flows from (used in) financing activities	105,896	(387,313)
Effects of changes in exchange rates on cash and cash equivalents	(14,932)	(24,894)
Cash and cash equivalents at the beginning of the period	556,066	630,438
Cash and cash equivalents at the end of the period	588,530	556,066

4. Market risk analysis

Interest rate: As of December 31, 2019, the Company's financial liabilities, current and non-current that accrue interest amount to US\$1,790.9 million and include the following types of financing:

- Unsecured obligations bearing interest, current and non-current (considering principal owed only): a bond in U.S. dollars of US\$300 million considering a fixed interest rate of 3.625%, a bond in U.S. dollars of US\$250 million considering a fixed interest rate of 5.5%, a bond in U.S. dollars of US\$250 million considering a fixed interest rate of 4.375%; a bond in UF for the amount equivalent to US\$148.2 million at fixed rate in U.S. dollars, through a Cross Currency Swap, of 6.24%; a bond in UF for the amount equivalent to MUS\$58.7 at fixed rate in U.S. dollars, through a Cross Currency Swap, of 4.47%; a bond in UF for the amount equivalent to MUS\$134.2 at fixed rate in U.S. dollars, through a Cross Currency Swap, of 5.11%; and a bond in UF for the amount equivalent to US\$113.4 million at variable rate in U.S. dollars of UF+3.45.
- A loan in U.S. dollars of US\$70 million at a variable rate of LIBOR6M+1.1%.

As of December 31, 2019, the Company recorded US\$298.8 million within other current financial liabilities and US\$1,518.9 million within other non-current financial liabilities.

Exchange rate: SQM's main economic environment operates in U.S. dollars. However, because of the Company's internationalization, the Company operates in different countries which generate exposure to changes in exchange rates for the different currencies with respect to U.S. dollar. Accordingly, SQM has hedging contracts to mitigate the exposure generated by its main mismatches (assets net of liabilities) in currencies other than U.S.

dollar against the variation in the exchange rate, updating such contracts on a weekly basis depending on the quantity of assets and liabilities necessary to hedge in currencies other than U.S. dollar.

To ensure the difference between its assets and liabilities, as of December 31, 2019, the Company had the following derivative contracts (as the sum of the absolute value of their notional values): US\$56.75 million in Chilean peso/U.S. dollar derivative contracts, US\$26.5 million in Euro/U.S. dollar derivative contracts, US\$16.1 million in South African rand/U.S. dollar contracts and US\$52 million in other currencies.

In addition, the Company had US\$289.4 million in derivative contracts to hedge its investments in term deposits in Chilean pesos.

To hedge its expected net cash flows in Chilean pesos related to the businesses associated with the trading of fertilizers in Chile, the Company did not maintain any Chilean peso/U.S. dollar derivative contract as of December 31, 2019. To hedge its expected net cash flows in Euros the Company did not maintain any Euro/U.S. dollar derivative contracts as of December 31, 2019.

Commodity prices: The main commodities the Company uses are oil (petroleum) as fuel and in all its forms. Currently, the Company has no hedging contracts hedging international changes in prices. However, the Company has long-term contracts for energy supply.

As indicated in the Company's Annual Report, markets in which the Company operates are unpredictable, exposed to significant fluctuations in supply and demand, and price high volatility. Additionally, the supply of certain fertilizers or chemicals, including certain products which the Company trades, vary mainly depending on the production of top producers and their related business strategies. Accordingly, the Company cannot forecast with certainty changes in demand, responses from competitors or fluctuations in the final price of its products. These factors can lead to significant impacts on the Company's product sales volumes, financial position and share price.

The Company's Annual Report includes a detailed analysis of risks associated with the Company's businesses.

10) B) SUMMARY FINANCIAL STATEMENTS

The summary consolidated or individual financial statements of all companies mentioned in CMF ex SVS General Rule No. 346, Section I, No. 2.1, Letter a. 4.2 are provided below. The complete financial statements of such companies are available to the public in our offices and at the offices of the CMF.

SQM Potasio S.A. and Subsidiaries
Summary Consolidated Classified Statements of Financial Position

Assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	84,010	88,268
Trade receivables due from related parties, current	351,069	423,292
Current inventories	245,229	217,103
Other current assets	104,929	46,404
Total current assets	785,237	775,067
Non-current assets		
Property, plant and equipment	892,894	826,122
Other non-current assets	221,948	203,908
Total non-current assets	1,114,842	1,030,030
Total assets	1,900,079	1,805,097
Liabilities and Equity		
Liabilities and Equity	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current liabilities		
Other current financial liabilities	3,532	-
Trade payables due to related parties, current	509,616	470,957
Other current liabilities	169,456	165,323
Total current liabilities	682,604	636,280
Non-current liabilities		
Deferred tax liabilities	191,056	182,555
Other non-current liabilities	14,619	11,072
Total non-current liabilities	205,675	193,627
Total liabilities	888,279	829,907
Equity		
Equity attributable to owners of the Parent	853,456	826,246
Non-controlling interest	158,344	148,944
Total equity	1,011,800	975,190
Total liabilities and equity	1,900,079	1,805,097

SQM Potasio S.A. and Subsidiaries
Summary Consolidated Statements of Income by Function

Consolidated Statements of Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Revenue	780,312	1,038,987
Cost of sales	(556,296)	(592,385)
Gross profit	224,016	446,602
Profit from operating activities	214,856	454,230
Profit before taxes	208,797	463,652
Income tax expense	(54,906)	(133,108)
Profit for the year	153,891	330,544
Profit attributable to Owners of the Parent	125,975	271,247
Profit (loss) attributable to Non-controlling interests	27,916	59,297
Profit for the year	153,891	330,544

Summary Consolidated Statements of Comprehensive Income

Summary Consolidated Statements of Comprehensive Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Profit for the year	153,891	330,544
Changes in other comprehensive income	(720)	82
Total comprehensive income	153,171	330,626
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	125,395	271,492
Comprehensive income attributable to non-controlling interest	27,776	59,134
	153,171	330,626

SQM Potasio S.A. and Subsidiaries**Summary Consolidated Statements of Cash Flows**

Consolidated Statements of Cash Flows	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Net cash generated from operating activities	259,551	549,648
Net cash generated used in investing activities	(150,299)	(180,873)
Net cash generated used in financing activities	(112,300)	(391,729)
Net decrease in cash and cash equivalents before the effect of changes in the exchange rate	(3,048)	(22,954)
Effects of exchange rate fluctuations on cash held	(1,210)	(1,057)
Net decrease in cash and cash equivalents	(4,258)	(24,011)
Cash and cash equivalents at beginning of period	88,268	112,279
Cash and cash equivalents at end of period	84,010	88,268

SQM Potasio S.A. y Subsidiarias

Summary Consolidated Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	257,010	(3,983)	(504)	11,289	6,802	562,434	826,246	148,944	975,190
Net profit	-	-	-	-	-	125,975	125,975	27,916	153,891
Other comprehensive income	-	61	(641)	-	(580)	-	(580)	(140)	(720)
Comprehensive income	-	61	(641)	-	(580)	125,975	125,395	27,776	153,171
Dividends	-	-	-	-	-	(98,184)	(98,184)	(18,376)	(116,560)
Increase (decrease) in equity	-	61	(641)	-	(580)	27,791	27,211	9,400	36,611
Equity as of December 31, 2019	257,010	(3,922)	(1,145)	11,289	6,222	590,225	853,457	158,344	1,011,800

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2018	257,010	(4,956)	229	11,289	6,562	823,017	1,086,589	165,714	1,252,303
Net profit	-	-	-	-	-	271,247	271,247	59,297	330,544
Other comprehensive income	-	972	(733)	-	240	-	240	(163)	77
Comprehensive income	-	972	(733)	-	240	271,247	271,487	59,134	330,621
Dividends	-	-	-	-	-	(531,830)	(531,830)	(75,904)	(607,734)
Increase (decrease) in equity	-	972	(733)	-	240	(260,583)	(260,343)	(16,770)	(277,113)
Equity as of December 31, 2018	257,010	(3,983)	(504)	11,289	6,802	562,434	826,246	148,944	975,190

SQM Potasio S.A. and Subsidiaries

Detail of related parties and related party transactions

As of December 31, 2019 and 2018, the detail of transactions with related parties is as follows:

SQM Potasio S.A. and Subsidiaries

Tax ID No.	Company	Nature	Country of origin	Transaction	For the year ended December 31, 2019	For the year ended December 31, 2018
					ThUS\$	ThUS\$
Foreign	SQM Africa Pty. Ltd.	Other related parties	South Africa	Sale of products	26,928	32,092
76.686.311-9	SQM Mag SPA	Common Controller	Chile	Sale of products	-	308
96.592.180-K	Ajay SQM Chile	Other related parties	Chile	Sale of products	1	-
Foreign	SQM Internacional S.A.	Other related parties	Belgium	Sale of products	4,664	-
Foreign	SQM Ecuador S.A.	Other related parties	Ecuador	Sale of products	15,006	8,937
Foreign	SQM Europe N.V.	Other related parties	Belgium	Sale of products	322,666	524,991
96.592.190-7	SQM Nitratos S.A.	Associate	Chile	Current account interest	151	295
96.592.190-7	SQM Nitratos S.A.	Associate	Chile	Services provided	1,098	1,084
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Sale of products	83,854	81,869
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Current account interest	97	3,934
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Current account interest	306	123
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Services provided	886	853
79.947.100-0	SQM Industrial S.A.	Associate	Chile	Dividends	1,334	-
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	-	2,586
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	17,559	5,581
93.007.000-9	SQM S.A.	Parent	Chile	Sale of products	-	39
93.007.000-9	SQM S.A.	Parent	Chile	Services provided	1,365	1,332
93.007.000-9	SQM S.A.	Parent	Chile	Sale of fixed asset	-	88
Foreign	SQM North América Corp.	Other related parties	United States	Sale of products	44,370	55,808
Foreign	SQM North América Corp.	Other related parties	United States	Current account interest	407	207
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	Sale of products	7,790	15,340
Foreign	Ajay North América	Associate	United States	Dividends	2,796	2,807
79.770.780-5	SIT S.A.	Other related parties	Chile	Current account interest	2	5
79.770.780-5	SIT S.A.	Other related parties	Chile	Current account interest	470	678
Foreign	SQM Comercial de México S.A. de C.V.	Associate	México	Sale of products	25,502	22,477
Foreign	SQM Iberian S.A.	Other related parties	Spain	Sale of products	4,575	12,142
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	Sale of products	17,303	11,081
Foreign	SQM Vitas Perú S.A.C.	Other related parties	Perú	Sale of products	6,941	1,682
Foreign	SQM Thailand Limited	Other related parties	Thailand	Sale of products	-	2,238
Foreign	SQM Japan Co. Ltd.	Associate	Japan	Sale of products	156,471	195,343
Foreign	SQM Colombia S.A.S.	Subsidiary	Colombia	Sale of products	4,787	2,649
Foreign	Minera Exar (1)	Joint venture	Argentina	Current account interest	-	1,864
Foreign	Soquimich European Holding B.V.	Other related parties	Holland	Current account interest	509	1,596

(1) During the month of December 2018, the Company. sold its interest in Minera Exar S.A. generating a pre-tax profit of ThUS\$12,139.

SQM Potasio S.A. and Subsidiaries

Trade receivables due from related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
Foreign	Nitratos Naturais Do Chile Ltda.	Other related parties	Brazil	US\$	2,358	2,358
Foreign	Soquimich European Holding B.V.	Other related parties	Holland	US\$	-	30,726
Foreign	SQM Thailand Limited	Other related parties	Thailand	US\$	-	2,238
Foreign	SQM Africa Pty Ltd.	Other related parties	South Africa	US\$	21,341	21,974
Foreign	SQM Colombia SAS	Other related parties	Colombia	US\$	4,787	2,649
Foreign	SQM Corporation N.V.	Associate	Curacao	US\$	3,594	3,586
Foreign	SQM Ecuador S.A.	Other related parties	Ecuador	US\$	14,668	9,118
Foreign	SQM Europe N.V.	Other related parties	Belgium	US\$	157,303	208,051
Foreign	SQM Iberian S.A.	Other related parties	Spain	US\$	3,044	4,155
Foreign	SQM Japan	Associate	Japan	US\$	65,335	74,494
96.592.190-7	SQM Nitratos S.A.	Associate	Chile	US\$	1,185	8,571
Foreign	SQM North America Corp.	Other related parties	United States	US\$	41,558	36,709
Foreign	SQM Perú S.A.	Other related parties	Perú	US\$	-	1,080
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	US\$	-	9,414
Foreign	SQM Comercial de México S.A. de C.V.	Other related parties	México	US\$	16,611	4,477
Foreign	Ajay North America	Associate	United States	US\$	25	25
Foreign	SQM Vitas Brasil Agroindustria	Other related parties	Brazil	US\$	12,227	2,423
Foreign	SQM Vitas Fzco	Other related parties	United Arab Emirates	US\$	65	65
Foreign	SQM Vitas Perú S.A.C	Other related parties	Perú	US\$	6,968	1,179
Total					351,069	423,292

Trade payables due to related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
Foreign	RS Agro Chemical Trading Corporation A.V.V.	Associate	Aruba	US\$	5,140	5,140
79.770.780-5	Serv. Integrales de Tránsito y Transf. S.A.	Other related parties	Chile	US\$	6,044	21,640
Foreign	SQM Beijing Commercial Co. Ltd.	Other related parties	China	US\$	-	-
79.947.100-0	SQM Industrial S.A.	Associate	Chile	US\$	12,294	31,661
93.007.000-9	SQM S.A.	Parent	Chile	US\$	485,587	412,507
Foreign	Covalent Lithium Pty Ltd.	Joint venture	Australia	US\$	232	9
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	US\$	319	-
Total					509,616	470,957

SQM Industrial S.A. and Subsidiaries
Summary Consolidated Classified Statements of Financial Position

Assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	136,973	145,085
Trade receivables due from related parties, current	54,088	53,575
Current inventories	961,378	903,196
Other current assets	423,140	469,471
Total current assets	1,575,579	1,571,327
Non-current assets		
Property, plant and equipment (net)	549,483	474,570
Other non-current assets	94,388	97,535
Total non-current assets	643,871	572,105
Total assets	2,219,450	2,143,432

Liabilities and Equity	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current liabilities		
Other current financial liabilities	5,855	52
Trade payables due to related parties, current	841,117	806,805
Other current liabilities	187,332	174,947
Total current liabilities	1,034,304	981,804
Non-current liabilities		
Deferred tax liabilities	50,170	49,535
Other non-current liabilities	101,555	38,552
Total non-current liabilities	151,725	88,087
Total liabilities	1,186,029	1,069,891
Equity		
Equity attributable to owners of the Parent	981,261	1,017,432
Non-controlling interests	52,160	56,109
Total equity	1,033,421	1,073,541
Total liabilities and equity	2,219,450	2,143,432

SQM Industrial S.A. and Subsidiaries**Summary Consolidated Statements of Income by Function**

Consolidated Statements of Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Revenue	2,105,365	2,361,574
Cost of sales	(1,874,158)	(2,134,135)
Gross profit	231,207	227,439
Profit from operating activities	150,627	129,198
Profit before taxes	147,687	115,802
Income tax expense	(40,444)	(32,506)
Profit for the year	107,243	83,296
Profit attributable to Owners of the Parent	105,198	82,638
Profit attributable to Non-controlling interests	2,045	658
Profit for the year	107,243	83,296

Summary Consolidated Statements of Comprehensive Income

Summary Consolidated Statements of Comprehensive Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Profit for the year	107,243	83,296
Changes in other comprehensive income	(1,434)	(1,447)
Total comprehensive income	105,809	81,849
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	103,822	80,924
Comprehensive income attributable to non-controlling interest	1,987	925
Total comprehensive income	105,809	81,849

SQM Industrial S.A. and Subsidiaries**Summary Consolidated Statements of Cash Flows**

Consolidated Statements of Cash Flows	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Net cash generated used in operating activities	(33,325)	(114,187)
Net cash generated used in investing activities	(117,435)	(16,325)
Net cash generated from financing activities	142,468	63,982
Net decrease in cash and cash equivalents before the effect of changes in the exchange rate	(8,292)	(66,530)
Effects of exchange rate fluctuations on cash held	180	218
Net decrease in cash and cash equivalents	(8,112)	(66,312)
Cash and cash equivalents at beginning of period	145,085	211,397
Cash and cash equivalents at end of period	136,973	145,085

SQM Industrial S.A. and Subsidiaries**Summary Consolidated Statements of Changes in Equity**

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	715,066	(11,950)	(3,201)	6,383	(8,768)	311,134	1,017,432	56,109	1,073,541
Net profit	-	-	-	-	-	105,198	105,198	2,045	107,243
Other comprehensive income	-	(72)	(1,304)	-	(1,376)	-	(1,376)	(58)	(1,434)
Comprehensive income	-	(72)	(1,304)	-	(1,376)	105,198	103,822	1,987	105,809
Dividends	-	-	-	-	-	(140,000)	(140,000)	(5,935)	(145,935)
Increase in Equity	-	-	-	7	7	-	7	-	7
Increase (decrease) in equity	-	(72)	(1,304)	7	(1,368)	(34,802)	(36,171)	(3,949)	(40,120)
Equity as of December 31, 2019	715,066	(12,022)	(4,505)	6,390	(10,137)	276,332	981,261	52,160	1,033,421

Statements of Changes in Equity	Share capital	Foreign currency translation reserves	Reserve for (losses) gains from of defined benefit plans	Other miscellaneous reserves	Total Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	MUS\$	MUS\$	MUS\$		MUS\$				MUS\$
Equity as of January 1, 2018	715,066	(10,605)	(2,831)	6,383	(7,053)	228,496	936,509	43,385	979,894
Net profit	-	-	-	-	-	82,638	82,638	658	83,296
Other comprehensive income	-	(1,345)	(370)	-	(1,715)	-	(1,715)	268	(1,447)
Comprehensive income	-	(1,345)	(370)	-	(1,715)	82,638	80,923	926	81,849
Dividends	-	-	-	-	-	-	-	(8,910)	(8,910)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	20,708	20,708
Increase (decrease) in equity	-	(1,345)	(370)	-	(1,715)	82,638	80,923	12,724	93,647
Equity as of December 31, 2018	715,066	(11,950)	(3,201)	6,383	(8,768)	311,134	1,017,432	56,109	1,073,541

SQM Industrial S.A. and Subsidiaries

Balances and transactions with related parties

Detailed identification of the link between the Parent and subsidiary

As of December 31, 2019 and 2018, the detail of transactions with related parties is as follows:

SQM Industrial S.A. and Subsidiaries

Tax ID No.	Company	Nature	Country of origin	Transaction	For the year ended December 31, 2019	For the year ended December 31, 2018
					ThUS\$	ThUS\$
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Purchase products	167,481	185,486
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Sale of fixed assets	1,019	221
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Current account interest	13,537	15,025
96.592.190-7	SQM Nitratos S.A.	Common parent	Chile	Current account interest	66	152
93.007.000-9	SQM S.A.	Parent	Chile	Sale of services	237,617	181,299
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	2,486	2,840
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	3,446	6,069
93.007.000-9	SQM S.A.	Parent	Chile	Sale of services	573	484
93.007.000-9	SQM S.A.	Parent	Chile	Purchase fixed asset	-	14
93.007.000-9	SQM S.A.	Parent	Chile	Sale of fixed assets	1,509	1,568
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Purchase products	83,854	81,016
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Sale of product	272	217
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Sale of services	9,963	11,038
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Current account interest	72	3,759
79.626.800-K	SQM Salar S.A.	Common parent	Chile	Current account interest	774	799
76.425.380-9	Exploraciones Mineras	Other related parties	Chile	Current account interest	2	1
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Current account interest	27	181
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Services received	886	853
Foreign	Royal Seed Trading Corporation V.V.V.	Other related parties	Aruba	Current account interest	-	774
Foreign	SQM Investment Corporation N.V	Other related parties	Dutch Antilles	Current account interest	509	829
Foreign	Ajay Europe SARL	Associate	France	Sale of product	21,348	19,768
Foreign	SQMC Holding Corporation L.L.P.	Other related parties	United States	Current account interest	407	212
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of product	3,749	5,811
Foreign	Ajay North America LLC	Other related parties	United States	Sale of product	16,932	16,810
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	Sale of product	14,767	16,726
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	Sale of product	-	5,261
Foreign	Coromandel SQM	Joint venture	India	Sale of product	3,955	7,696
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	Sale of product	29,573	32,272
Foreign	SQM Vitas Perú S.A.C.	Joint venture	Perú	Sale of product	17,197	15,522
Foreign	Plantacote NV	Associate	Belgium	Sale of product	4,096	4,554
Foreign	Terra Tarsa Ukraine LLC	Associate	Ukraine	Sale of product	1,280	1,677
Foreign	Terra Tarsa Don LLC	Associate	Russian Federation	Sale of product	40	187
Foreign	Arpa Speciali S.R.L	Other related parties	Italy	Sale of product	2,359	207
Foreign	SQM Eastmed Turkey	Associate	Turkey	Sale of product	47	30
Foreign	Pavoni & C., Spa	Joint venture	Italy	Sale of product	3,152	201
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of product	1,929	-

SQM Industrial S.A. and Subsidiaries**Trade receivables due from related parties, current:**

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31,	As of December 31,
					2019	2018
					ThUS\$	ThUS\$
Foreign	Arpa Speciali S.R.L	Other related parties	Italy	Euro	134	-
Foreign	Comercial Caiman Int. S.A.	Other related parties	Panama	US\$	805	801
76.686.311-9	SQM Mag SPA	Other related parties	Chile	US\$	4	-
76.425.380-9	Exploraciones Mineras S.A.	Other related parties	Chile	US\$	40	38
96.592.180-K	Ajay SQM Chile S.A.	Other related parties	Chile	US\$	35	-
Foreign	Soquimich SRL Argentina	Subsidiary	Argentina	US\$	158	158
Foreign	Terra Tarsa Ukraine LLC	Associate	Ukraine	Ukrainian grivna	7	-
96.511.530-7	Soc. Inv P. Calichera S.A.	Jointly controlled entity	Chile	US\$	5	6
Foreign	Abu Dhabi Fertilizer Ind	Other related parties	United Arab Emirates	US\$	803	857
Foreign	Ajay Europe SARL	Other related parties	France	US\$	3,489	3,536
Foreign	Ajay North América llc	Other related parties	United States	US\$	2,318	2,716
Foreign	Terra Tarsa Don LLC	Other related parties	Russian Federation	Russian ruble	13	41
Foreign	Coromandel SQM India	Joint venture	India	Indian rupee	1,792	2,026
Foreign	Plantacote N.V.	Joint venture	Belgium	Euro	657	312
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd	Joint venture	China	US\$	-	248
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	US\$	15,049	13,395
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	US\$	169	39
Foreign	SQM Vitas Perú S.A.C	Joint venture	Perú	US\$	16,507	11,588
Foreign	Royal Seed Trading Corporation V.V.V.	Other related parties	Aruba	US\$	11,275	11,275
Foreign	Doktor Tarsa Tarim Sanayi AS	Other related parties	Turkey	US\$	110	6,497
Foreign	SQM Eastmed Turkey	Other related parties	Turkey	Euro	47	30
Foreign	Pavoni & C., Spa	Joint venture	Italy	Euro	1,028	12
Foreign	Provision				(357)	-
Total					54,088	53,575

The receivables for Sichuan SQM Migao Chemical Fertilizers Co Ltda. are presented net of provisions (allowance for bad debts as of December 31, 2019 ThUS\$ 10,965 and December 31, 2018 ThUS\$ 10,965).

SQM Industrial S.A. and Subsidiaries**Trade payables due to related parties, current:**

Tax ID No.	Company	Nature	Country of origin	Currency	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
Foreign	SQM Investment Co.	Other related parties	Dutch Antilles	US\$	5,550	36,267
96.592.190-7	SQM Nitratos S.A.	Other related parties	Chile	US\$	356,516	348,697
79.626.800-k	SQM Salar S.A.	Other related parties	Chile	US\$	291,794	309,060
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Peso	571	919
Foreign	SQMC Holding Corporation L.L.P.	Other related parties	United States	US\$	26,307	23,754
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	US\$	243	-
93.007.000-9	SQM S.A.	Parent	Chile	US\$	160,136	88,108
Total					841,117	806,805

SQM Nitratos S.A.**Summary Classified Statements of Financial Position**

Assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	285	14
Trade receivables due from related parties, current	356,532	352,671
Current inventories	11,030	8,878
Other current assets	627	2,929
Total current assets	368,474	364,492
Non-current assets		
Property, plant and equipment	34,049	26,012
Other non-current assets	7,639	7,703
Total non-current assets	41,688	33,715
Total assets	410,162	398,207

Liabilities and Equity	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current liabilities		
Trade payables due to related parties, current	274,647	281,600
Other current liabilities	17,888	28,462
Total current liabilities	292,535	310,062
Non-current liabilities		
Deferred tax liabilities	2,874	1,156
Provisions for employee benefits, non-current	647	465
Total non-current liabilities	3,521	1,621
Total liabilities	296,056	311,683
Equity		
Equity attributable to owners of the Parent	114,106	86,524
Total equity	114,106	86,524
Total liabilities and equity	410,162	398,207

SQM Nitratos S.A.**Summary Statements of Income by Function**

Statements of Income by Function	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Revenue	167,481	185,487
Cost of sales	(112,896)	(137,482)
Gross profit	54,585	48,005
Profit (loss) from operating activities	54,271	45,793
Profit (loss) before taxes	57,866	49,020
Income tax expense	(18,336)	(16,488)
Profit for the year	39,530	32,532

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Profit for the year	39,530	32,532
(Losses) gains from measurements of defined benefit plans	(90)	14
Total comprehensive income	39,440	32,546

SQM Nitratos S.A.**Summary Statements of Cash Flows**

Statements of Cash Flows	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Net cash generated from (used in) operating activities	1,605	(63)
Net cash generated used in investing activities	(19,661)	(6,364)
Net cash generated from financing activities	18,322	5,609
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	266	(818)
Effects of exchange rate fluctuations on cash held	5	(1)
Net decrease in cash and cash equivalents	271	(819)
Cash and cash equivalents at beginning of period	14	833
Cash and cash equivalents at end of period	285	14

Note: All cash flows related to the operation of SQM Nitratos are made by SQM S.A.

SQM Nitratos S.A.**Summary Statements of Changes in Equity**

Statements of Changes in Equity	Share capital	Reserve for (losses) gains from of defined benefit plans	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	30,350	14	56,160	86,524
Net profit	-	-	39,530	39,530
Other comprehensive income	-	(90)	-	(90)
Comprehensive income	-	(90)	39,530	39,440
Dividends	-	-	(11,858)	(11,858)
Increase (decrease) in equity	-	(90)	27,672	27,582
Equity as of December 31, 2019	30,350	(76)	83,832	114,106

Statements of Changes in Equity	Share capital	Reserve for (losses) gains from of defined benefit plans	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2018	30,350	-	33,388	63,738
Net profit	-	-	32,532	32,532
Other comprehensive income	-	14	-	14
Comprehensive income	-	14	32,532	32,546
Dividends	-	-	(9,760)	(9,760)
Increase (decrease) in equity	-	14	22,772	22,786
Equity as of December 31, 2018	30,350	14	56,160	86,524

SQM Nitratos S.A.**Related party disclosures**

As of December 31, 2019 and December 31, 2018, the detail of transactions with related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Transaction	For the year ended December 31, 2019	For the year ended December 31, 2018
					ThUS\$	ThUS\$
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Sale of products	167,481	185,487
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Current account interest	13,537	15,025
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Miscellaneous services	5,461	4,789
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Purchase of materials and supplies	12,615	11,421
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	Purchase fixed asset	1,019	221
93.007.000-9	SQM S.A.	Parent	Chile	Mining concession rental service	19,999	30,306
93.007.000-9	SQM S.A.	Parent	Chile	Services received	9	15
93.007.000-9	SQM S.A.	Parent	Chile	Current account interest	9,423	12,663
93.007.000-9	SQM S.A.	Parent	Chile	Payment of value added tax	14,490	17,213
93.007.000-9	SQM S.A.	Parent	Chile	Miscellaneous services	1,176	1,023
93.007.000-9	SQM S.A.	Parent	Chile	Energy Services received	66	83
93.007.000-9	SQM S.A.	Parent	Chile	Provisional monthly payment	14,623	7,733
93.007.000-9	SQM S.A.	Parent	Chile	Dividends	11,859	9,760
79.770.780-5	Serv. Integrales de Tránsito y Transferencias S.A.	Other related parties	Chile	Current account interest	66	152
79.626.800-K	SQM Salar S.A.	Other related parties	Chile	Current account interest	5	12
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Current account interest	146	283
96.651.060-9	SQM Potasio S.A.	Common parent	Chile	Camp Service	1,098	1,084

SQM Nitratos S.A.**Trade receivables due from related parties, current**

Tax ID No.	Company	Nature	Country of origin	Transaction	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
79.947.100-0	SQM Industrial S.A.	Common parent	Chile	US\$	356,532	352,671
Total					356,532	352,671

Trade payables due to related parties, current

Tax ID No.	Company	Nature	Country of origin	Transaction	As of December 31, 2019	As of December 31, 2018
					MUS\$	MUS\$
93.007.000-9	SQM S.A.	Parent	Chile	US\$	273,446	269,054
96.651.060-9	SQM Potasio S.A.	Other related parties	Chile	US\$	820	7,885
79.770.780-5	Serv. Integrales de Tránsito y Transferencias S.A.	Other related parties	Chile	US\$	16	3,975
79.626.800-K	SQM Salar S.A.	Other related parties	Chile	US\$	1	322
76.425.380-9	Exploraciones Mineras S.A.	Other related parties	Chile	US\$	364	364
Total					274,647	281,600

Orcoma SPA**Summary Classified Statements of Financial Position**

Assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Non-current assets		
Intangible assets other than goodwill	2,357	2,357
Deferred tax assets	4	4
Total non-current assets	2,361	2,361
Total assets	2,361	2,361

Liabilities and Equity	As of December 31, 2019	As of December 31, 2018
	MUS\$	MUS\$
Current liabilities		
Trade payables due to related parties, current	14	13
Total current liabilities	14	13
Total liabilities	14	13
Equity		
Share capital	2,358	2,358
Retained earnings	(11)	(11)
Total equity	2,347	2,347
Total liabilities and equity	2,361	2,361

Orcoma SPA**Summary Statements of Changes in Equity**

Statements of Changes in Equity	Share capital	Retained earnings	Equity attributable to owners of the Parent	Total equity
	MUS\$			MUS\$
Equity as of January 1, 2019	2,358	(11)	2,347	2,347
Net profit	-	-	-	-
Comprehensive income	-	-	-	-
Increase (decrease) in equity	-	-	-	-
Equity as of December 31, 2019	2,358	(11)	2,347	2,347

Statements of Changes in Equity	Share capital	Retained earnings	Equity attributable to owners of the Parent	Total equity
	MUS\$			MUS\$
Equity as of January 1, 2018	2,358	(11)	2,347	2,347
Net profit	-	-	-	-
Comprehensive income	-	-	-	-
Increase (decrease) in equity	-	-	-	-
Equity as of December 31, 2018	2,358	(11)	2,347	2,347

Transactions with related parties

As of December 31, 2019 and 2018, there were no transactions with related entities.

Rs Agro Chemical Trading Corporation A.V.V.
Summary Classified Statements of Financial Position

Assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	6	6
Trade receivables due from related parties, current	5,149	5,149
Total current assets	5,155	5,155
Total assets	5,155	5,155
Liabilities and Equity		
Liabilities and Equity	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current liabilities		
Trade and other payables, current	2	2
Trade payables due to related parties, current	62	37
Total current liabilities	64	39
Total liabilities	64	39
Equity		
Share capital	6	6
Retained earnings	5,085	5,110
Total equity	5,091	5,116
Total liabilities and equity	5,155	5,155

Summary Statements of comprehensive income

Statements of comprehensive Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Other expenses per function	(25)	(24)
Loss from operating activities	(25)	(24)
Finance Costs	-	(1)
Loss before taxes	(25)	(25)
Total comprehensive loss	(25)	(25)

Rs Agro Chemical Trading Corporation A.V.V.

Summary Statements of Cash Flows

Statements of Cash Flows	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Net cash generated from (used in) operating activities		
Net cash generated from (used in) operating activities	-	(2)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	-	(2)
Cash and cash equivalents at beginning of period	6	8
Cash and cash equivalents at end of period	6	6

Summary Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	6	5,110	5,116
Net loss	-	(25)	(25)
Comprehensive loss	-	(25)	(25)
Decrease in equity	-	(25)	(25)
Equity as of December 31, 2019	6	5,085	5,091

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2018	6	5,135	5,141
Net loss	-	(25)	(25)
Comprehensive loss	-	(25)	(25)
Decrease in equity	-	(25)	(25)
Equity as of December 31, 2018	6	5,110	5,116

Rs Agro Chemical Trading Corporation A.V.V.**Transactions with related parties****Trade receivables due from related parties, current:**

Tax ID N°	Company	Nature	Country of origin	Currency	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
Foreign	SQM Investment Corporation	Associate	Aruba	US\$	5,149	5,149
Total					5,149	5,149

Trade payables due to related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
93.007.000-9	SQM S.A.	Parent	Chile	US\$	53	28
Foreign	Royal Seed Trading Co.	Other related parties	Aruba	US\$	9	9
Total					62	37

Orcoma Estudios SPA

Summary Classified Statements of Financial Position

Assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	154	294
Other non financial assets, current	2	2
Total current assets	156	296
Non-current assets		
Other non-current financial assets	1,240	-
Property, plant and equipment	3,281	4,416
Total non-current assets	4,521	4,416
Total assets	4,677	4,712
Liabilities and Equity		
	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current liabilities		
Trade and other payables, current	1	2
Trade payables due to related parties, current	27	61
Current tax liabilities	-	-
Total current liabilities	28	63
Non-current liabilities		
Deferred tax liabilities	-	1
Total non-current liabilities	-	1
Total liabilities	28	64
Equity		
Share capital	4,632	4,632
Retained earnings	17	16
Total equity	4,649	4,648
Total liabilities and equity	4,677	4,712

Orcoma Estudios SPA

Summary Statements of Income by Function

Statements of Income by Function	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Foreign currency translation differences	1	1
Profit before taxes	1	1
Income tax expense	(1)	-
Profit for the year	-	1

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Other comprehensive income	-	-
Total comprehensive income	-	1

Summary Statements of Cash Flows

Statements of Cash Flows	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Net cash generated (used in) from operating activities	(35)	15
Net cash generated used in investing activities	(105)	(60)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(140)	(45)
Cash and cash equivalents at beginning of period	294	339
Cash and cash equivalents at end of period	154	294

Orcoma Estudios SPA

Summary Statements of Changes in Equity

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	4,632	16	4,648
Net profit	-	-	-
Comprehensive income	-	-	-
Increase (decrease) in equity	-	-	-
Equity as of December 31, 2019	4,632	16	4,648

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2018	4,632	15	4,647
Net profit	-	1	1
Comprehensive income	-	1	1
Increase (decrease) in equity	-	1	1
Equity as of December 31, 2018	4,632	16	4,648

Orcoma Estudios SPA**Related party disclosures**

As of December 31, 2019 and December 31, 2018, there are no transactions with related entities.

Relationships between the parent and the entity

Orcoma Estudios SPA is controlled by two shareholders, Sociedad Química y Minera de Chile S.A. and IM Inversiones Limitada, with ownership percentages of 51% and 49%, respectively.

Sociedad Química y Minera de Chile S.A. is registered with the Securities Registry of the Chilean Commission for Financial Markets (CMF) ex Superintendence of Securities and Insurance under No. 0184 of March 18, 1983 and accordingly, is subject to the oversight of such regulating authority.

Detailed identification of the link between Orcoma Estudios SPA and subsidiary

As of December 31, 2019 and December 31, 2018, the detail of entities that are related parties is as follows:

Tax ID N°	Company	Nature	Country of origin	Functional currency	As of December 31, 2019	As of December 31, 2018
					ThUS\$	ThUS\$
93.007.000-9	SQM S.A.	Parent	Chile	US\$	27	61
Total					27	61

Ajay SQM Chile

Summary Classified Statements of Financial Position

Assets	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Currents assets		
Cash and cash equivalents	77	2,633
Trade receivables due from related parties, current	2,512	5,912
Current inventories	9,506	5,384
Other current assets	5,685	4,330
Total current assets	17,780	18,259
Non-current assets		
Property, plant and equipment	1,115	1,167
Other non-current assets	145	131
Total non-current assets	1,260	1,298
Total assets	19,040	19,557

Liabilities and Equity	As of December 31, 2019	As of December 31, 2018
	ThUS\$	ThUS\$
Current liabilities		
Trade payables due to related parties, current	731	659
Other current liabilities	553	837
Total current liabilities	1,284	1,496
Non-current liabilities		
Provisions for employee benefits, non-current	374	389
Total non-current liabilities	374	389
Total liabilities	1,658	1,885
Equity		
Equity attributable to owners of the Parent	17,382	17,672
Total equity	17,382	17,672
Total liabilities and equity	19,040	19,557

Ajay SQM Chile

Summary Statements of Income by Function

Statement of Income by Function	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Revenue	24,882	32,758
Cost of sales	(21,463)	(28,262)
Gross profit	3,419	4,496
Profit from operating activities	2,162	3,467
Profit before taxes	2,098	3,310
Income tax expense	(588)	(910)
Profit for the year	1,510	2,400

Summary Statements of Comprehensive Income

Statements of Comprehensive Income	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Profit for the year	1,510	2,400
Total comprehensive income	1,510	2,400

Ajay SQM Chile

Summary Statements of Cash Flows

Statements of Cash Flows	For the period from January to December of the year	
	2019	2018
	ThUS\$	ThUS\$
Net cash generated from (used in) operating activities	(706)	4,084
Net cash generated from (used in) investing activities	(50)	(244)
Net cash generated from (used in) financing activities	(1,800)	(1,566)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate	(2,556)	2,274
Effects of exchange rate fluctuations on cash held	-	-
Net decrease in cash and cash equivalents	(2,556)	2,274
Cash and cash equivalents at beginning of period	2,633	359
Cash and cash equivalents at end of period	77	2,633

Ajay SQM Chile S.A.**Summary Consolidated Statements of Changes in Equity**

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2019	5,314	12,358	17,672
Net profit	-	1,510	1,510
Comprehensive income	-	1,510	1,510
Dividends		(1,800)	(1,800)
Increase (decrease) in equity	-	(290)	(290)
Equity as of December 31, 2019	5,314	12,068	17,382

Statements of Changes in Equity	Share capital	Retained earnings	Total equity
	ThUS\$	ThUS\$	ThUS\$
Equity as of January 1, 2018	5,314	11,638	16,952
Net profit	-	2,400	2,400
Comprehensive income	-	2,400	2,400
Dividends		(1,680)	(1,680)
Increase (decrease) in equity	-	720	720
Equity as of December 31, 2018	5,314	12,358	17,672

Ajay SQM Chile S.A.

Related party disclosures

Detailed identification of the link between Ajay-SQM Chile S.A. and subsidiary

As of December 31, 2019 and December 31, 2018, the detail of entities that are related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Transaction
93.007.000-9	SQM S.A.	Parent	Chile	US\$
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	US\$
Foreign	SQM (Shanghai) Chemicals Co. Ltd.	Other related parties	China	US\$
Foreign	Ajay North America	Other related parties	United States	US\$
Foreign	Ajay Europe SARL	Other related parties	France	Euro
Total				

Trade receivables due from related parties, current:

Tax ID No.	Company	Nature	Country of origin	Transaction	For the year ended December 31, 2019	For the year ended December 31, 2018
					ThUS\$	ThUS\$
93.007.000-9	SQM S.A.	Parent	Chile	Ch\$	2,237	5,691
79.768.170-9	Soquimich Comercial S.A.	Other related parties	Chile	US\$	17	-
Foreign	Ajay Europe SARL	Other related parties	France	Euro	258	221
Total					2,512	5,912

Trade payables due to related parties, current:

Tax ID No.	Company	Nature	Country of origin	Transaction	For the year ended December 31, 2019	For the year ended December 31, 2018
					ThUS\$	ThUS\$
93.007.000	SQM S.A.	Parent	Chile	Peso	591	-
Foreign	SQM (Shanghai) Chemicals Co. Ltd.	Other related parties	China	US\$	52	-
Foreign	Ajay North America	Other related parties	United States of America	US\$	53	659
Foreign	Ajay Europe SARL	Other related parties	France	Euro	35	-
Total					731	659

11) RESPONSIBILITY STATEMENT

The Directors and Chief Executive Officer of SQM S.A. declare that we have exercised our respective functions as administrators and chief executive of the Company in conformity with the practices that are customarily used for such purposes in Chile and, in accordance with these practices, we swear under oath that the information in this 2019 Annual Report is true and that we accept any liability that may arise from this statement.



Chairman
Alberto Salas M.
Chilean Taxpayer ID: 6.616.233-0

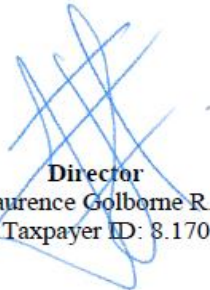


Vice Chairman
Patricio Contesse F.
Chilean Taxpayer ID: 15.315.085-0

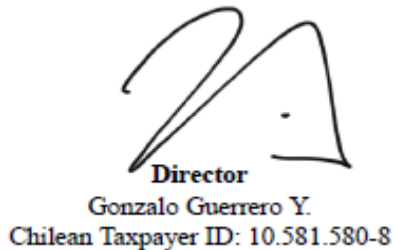


Director
Georges de Bourguignon A.
Chilean Taxpayer ID: 7.269.147-4

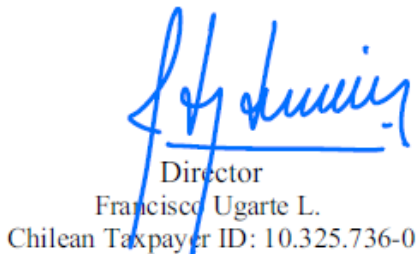
Director
Hernán Büchi B.
Chilean Taxpayer ID: 5.718.666-6



Director
Laurence Golborne R.
Chilean Taxpayer ID: 8.170.562-3



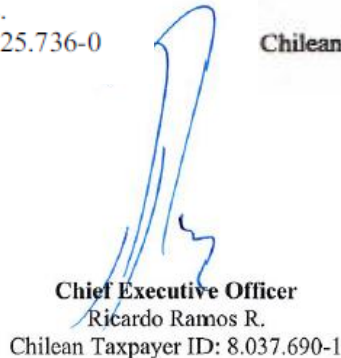
Director
Gonzalo Guerrero Y.
Chilean Taxpayer ID: 10.581.580-8



Director
Francisco Ugarte L.
Chilean Taxpayer ID: 10.325.736-0



Director
Robert J. Zatta
Chilean Taxpayer ID: 48.211.511-K



Chief Executive Officer
Ricardo Ramos R.
Chilean Taxpayer ID: 8.037.690-1