



## SQM SHARES ITS VIEWS ON “SALAR FUTURO”

**Santiago, Chile, September 13, 2022** – Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-A, SQM-B, the “Company”), comments today that a few days ago SQM celebrated its 25-year anniversary of lithium production in Chile. The company began the Salar de Atacama Project (the “Project”) in 1993 and a few years later began its first production of lithium carbonate.

In 1993, after seven years of significant investments in research, engineering and hydrogeological exploration, Amax and Molymet, and later CORFO decided to sell their participation in the Project as they did not consider it in their best interest to continue their involvement at that time. SQM bought the shares and assumed the risks of carrying out studies, developing R&D processes, evaluating new technologies and, finally, developing the Project, which involved significant economic resources and substantial risks. The Project began to develop under the same conditions that CORFO had agreed with the initial partners seven years earlier.

Followed by an inauspicious beginning, ten years after the start of lithium production in the Salar de Atacama, the development of batteries and electromobility began, which made it possible to forecast significant increases in global lithium demand in the following years. Accordingly, in 2018, CORFO and SQM signed an amended contract and agreed to increase the authorized volumes of lithium production in the Salar de Atacama and change SQM’s payment structure to Corfo. The original contract, prior to the entry of SQM, considered a lease payment (royalty) amounting to 6.8% of the final sales of lithium.

With the new payment structure as agreed to in 2018, approximately 60% of the operating margin that SQM obtains from lithium is paid to Chile through payments to CORFO of up to 40% of the final price, contributions to the regional and municipal governments, direct taxes in Chile and contributions to the communities and for research and development. The foregoing makes the lithium produced by SQM one of the highest contributing economic activities in the country in percentage terms and is the best example of a successful Public-Private partnership in Chile.

Indeed, during the first half of 2022, SQM paid CORFO an amount close to US\$1,422 million as lease payment (royalty). In addition to that figure, SQM’s contributions to communities, regional governments, municipalities and R&D must be considered, which totaled approximately US\$108 million during that semester. Finally, SQM Salar (the subsidiary of SQM that produces and markets lithium and potassium) pays direct taxes, which in the first half of 2022 included a provision of US\$784 million. The above amounts add up to approximately US\$2,314 million only during the first half of 2022.

This positive trend for SQM is the result of a fully integrated commercial activity from Chile to the end customer, which allows it to deliver the best product with added value and of the

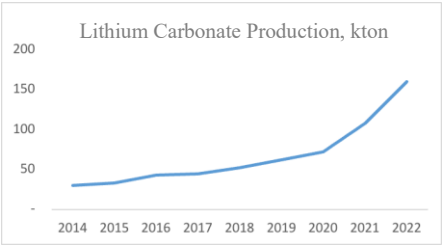
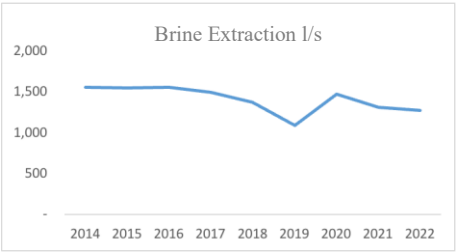
highest quality directly to customers, keeping in the country most of the benefits of Chilean lithium.

SQM has become one of the main integrated producers of high-quality lithium worldwide, increasing its production of lithium carbonate and lithium hydroxide from approximately 45,000 metric tons per year to 150,000 metric tons in the last three years, being the producer with the highest growth globally, and the only one in Chile that adds value to lithium carbonate through its transformation to lithium hydroxide. In the short term, SQM expects the capacity of lithium products to exceed 210,000 metric tons during 2023 and 240,000 metric tons during 2024 from the Salar de Atacama in Chile (considering only the production from lithium chloride and lithium sulfate which come from the Salar de Atacama).

The products that SQM produces in Chile are of high purity and can be used directly in the production of batteries for the latest generation of electric cars. This contrasts with what happens in Australia, where the main lithium producers generate mostly rock concentrates (spodumene) that they send to China to be refined for the production of these final products.

In October 2020, SQM announced its Sustainability Plan that, among other aspects, included a voluntary commitment to annually lower the extraction of solutions (brine) in the Salar de Atacama to levels equivalent to 50% of the authorized average pumping level by the year 2030, which implies reducing the extraction from approximately 1,700 liters per second to levels of 822 liters per second. Additionally, the consumption of continental water has already decreased significantly, achieving a 50% reduction to date, and projecting a consumption of approximately 80 liters per second by 2030, from the authorized 240 liters per second, a reduction of 66.6%.

In addition to the reductions made and the future reductions that will be made of brine and continental water consumption, SQM has managed to significantly increase lithium production. This is the result of a continuous efficiency and innovation process that has made it possible to extraordinarily increase our production the yields.



Currently, SQM pumps the lowest volume of brine per unit of area, both compared to the other operator in the Salar de Atacama, as well as to what has been announced by the projects that expect to operate the Salar de Maricunga.

Furthermore, and in accordance with our deep commitment to offering solutions for human progress in a sustainable manner, we estimate that SQM is the lithium company with the lowest carbon and water footprint in the world.

For its part, during the first half of 2022 SQM has significantly increased its investment plans in all our business areas, consistent with the deep confidence that, as a Chilean company, we have in the development of our business in the country.

## Keep Moving Forward, Salar Futuro Project

We are convinced that the current production process and its projections over time are fully compatible with the balances of the water basin and the Salar de Atacama. SQM has real-time control mechanisms in place that allow immediate operational measures to be taken in the event that any indicator shows levels different from the thresholds established in the current environmental studies as previously defined in the environmental permits.

The brines of the Salar de Atacama are mineral resources with a salinity of at least seven times greater than seawater. These mineral resources are contained in the central zone of the Salar de Atacama and are separated from the continental waters of the Salar de Atacama water basin.

Notwithstanding the foregoing, the permanent R&D work that SQM has carried out for decades allows it to continue advancing in the search for initiatives aimed at making extraordinary contributions, both to the hydrological environment of the water basin, and to the local communities and indigenous people of the area, in order to continue offering high-quality lithium products in a responsible manner with low production costs and, according to our estimation, with the lowest environmental footprint in the world.

Today, SQM is in a position to propose an even more challenging version of the Sustainability Plan that could be implemented in the Salar de Atacama, which will significantly increase the environmental advantages in the operation in the Salar, using disruptive technologies that result from significant R&D efforts and extensive studies of lithium technologies,.

The new version of our Sustainability Plan adds four main technological advances that we want to implement:

1. **Advanced Evaporation Technologies (AET).** Use mechanical evaporation equipment for a significant part of the brine from the Salar. These equipments generate three output streams: (i) pure water, (ii) crystallized potassium chloride, and (iii) brine more concentrated in lithium, which will feed the next stage of DLE (Direct Lithium Extraction).
2. **Direct Lithium Extraction (DLE).** In recent years, different theoretical alternatives for the implementation of DLE have been developed. SQM has evaluated, and continues to actively evaluate, the different options. We have carried out pilot tests with the main suppliers of these new technologies, adapting the possible solutions to the process and reality of the Salar de Atacama. Within the next six months we hope to have a final proposal on which particular DLE technology to use.

Two output streams are obtained from the DLE process: (i) concentrated lithium chloride solutions with a low level of contaminants, which are sent to the lithium carbonate and hydroxide production plants located near the city of Antofagasta, and (ii) brine with a low concentration of lithium and potassium that will be reinjected into the Salar.

The dimensions of the application of advanced evaporation and DLE technologies in the previous stages are being carefully studied, as we believe they are significantly larger (four to eight times) than any current lithium operations or lithium operations studies

of this type of technology at a global level. SQM has the capabilities and has carried out the technical and process studies and analysis to ensure that we are in a position to successfully implement these technological changes.

3. **Yield improvements.** Implement a series of initiatives for technological improvements in the lithium carbonate and lithium hydroxide production plants, which could increase production yields of final products by approximately 5%.
4. **Sea water.** Finally, SQM proposes to develop a seawater adduction project in conjunction with a desalination plant. The seawater treatment process produces two flows: (i) fresh water, and (ii) water with high salt content. In this case, and unlike many seawater projects that have been carried out in Chile, SQM has the capacity to consume water flows with high salt content in its nitrates and iodine projects (which are located outside the Salar of Atacama in the First Region of Chile). It would not be necessary to return these flows to the sea and therefore a substantial marine environmental and ecological benefits could be achieved, a differentiating factor for SQM.

For its part, the fresh water would be sent to the Salar de Atacama and would correspond to a volume similar to the total water that directly and indirectly evaporates through the production process. This would make it possible to partially replace and support the human and agricultural consumption of the towns and communities near the Salar, and would make SQM's operation in the Salar de Atacama water usage neutral.

Indeed, this disruptive proposal will deliver the same amount of total water that is consumed and evaporates from the system (basin + Salar), thus generating a completely neutral long-term water balance.

The Salar Futuro Project, in its initial analysis, considers maintaining the voluntary goal of a total extraction of 822 liters per second of brine per year, which corresponds to 50% of the authorized average extraction level by 2030. Additionally, continental industrial water consumption would be completely replaced using part of the pure water generated in the aforementioned mechanical evaporators. Again, it is essential to emphasize that the expected intake of fresh water must compensate for all the equivalent water that evaporates in the production process, achieving a net zero water balance between the basin and the Salar de Atacama.

The investments required to complete this Project are significant. SQM has started the necessary engineering that will allow a more precise estimate of the resources that need to be invested and the dimensions of the necessary equipment. In principle, in a first analysis, it is estimated that the investments will be close to US\$ 1,500 million.

In addition to these investments, new technologies require high levels of electricity consumption. To this end, it would be essential to consider a major solar electric power project (with thermal storage using SQM's solar salts), in order to further reduce the carbon footprint of lithium production and thus maintain SQM's outstanding world leadership in this area.

The aforementioned investments could have an impact on the total production costs, however, the use of new technologies and improvements in the final product plants will result in increases in global production yields, which should partially offset said cost increases.

Even with the significantly lower use of brines (822 l/s) considered in the initial analysis, SQM estimates that it is possible to project a total production between 220,000 and 250,000 tons of lithium carbonate equivalent per year.

In order to increase global yields, important technological challenges must be taken on. The initial tests allow us to be optimistic, but it corresponds to radical changes in the technologies and processes currently used that imply taking relevant risks to achieve the proposed ambitious objectives.

Parallel to the aforementioned technological changes, SQM is committed to collaborating in the creation of a development hub in the north of Chile, for which we expect to invest more than US\$700 million in various value-added and production chain initiatives that could allow us to integrate into the value chain, even producing battery components in the future.

In this sense, projects such as: new lithium hydroxide plants, refining plants with the purpose of producing lithium carbonate of unique quality worldwide, lithium metal plants, lime regeneration plants and soda ash production are considered in Chile, that will increase yields, reduce the carbon footprint and replace imports with the consequent reduction in total costs.

For the above, SQM maintains and will strengthen the largest lithium R&D team in Chile in the Antofagasta Region, promoting technological development and innovation.

In the medium and long term, Chile can and must produce products with ever greater added value. We are convinced that a Chilean company like SQM has the incentive to do so and, through agreements with other entities (local universities, technology companies, etc.), the production of lithium batteries in Chile is an inalienable objective and a fundamental part of the Salar Futuro Project.

Today we are facing the unique opportunity to propose disruptive alternatives for processes and technologies that further increase the environmental advantage of lithium production in the Salar de Atacama. We believe it is essential to start early and take initiative and leadership. The proposed investments are significant and the effort in technological development and processes are challenges that SQM is willing to face. SQM has been a successful company in developing its lithium operations efficiently and effectively, and there is no doubt that we will do our best to achieve the greatest success in facing this new challenge.

The proposed changes are disruptive and complex, and their impacts, although extremely positive, must be analyzed by the authorities, regulatory bodies and the communities that surround us. The deadlines for engineering, environmental permits and investment periods are long. Therefore, it is essential to start this process as soon as possible.

The current terms of the contract between CORFO and SQM impose certain limitations on medium and long-term investments and therefore on the implementation of technological improvements, which becomes a factor that must be seriously analyzed. At SQM we are convinced that it is in the interest of both parties, CORFO and SQM, to evaluate different options in this matter, which could have significant positive impacts for Chile. Starting a negotiating table implies analyzing various aspects, and SQM is committed to evaluating all the alternatives that generate value for the Antofagasta Region, the communities, Chile and its investors.

We have no doubt that in a dialogue aimed at seeking the benefit of all parties, it is feasible to find a meeting point that adds value to all those involved. Working together and constructively will significantly enhance the economic and social value of the lithium operation in the Salar de Atacama, at a local, regional and national level.

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

## About SQM

SQM is a global company that is listed on the New York Stock Exchange and the Santiago Stock Exchange (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A). SQM 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.

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Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of SQM management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of our control and could cause actual results to differ materially from those stated in such statements, including our ability to successfully implement the Sustainable Development Plan. Therefore, you should not rely on any of these forward-looking statements. Readers are referred to the documents filed by SQM with the United States Securities and Exchange Commission, including the most recent annual report on Form 20-F, which identifies other important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to SQM on the date hereof and SQM assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise, except as required by law.