

CHEMICAL & MINING CO OF CHILE INC

Form 6-K

March 29, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934

For the month of March, 2019.

Commission File Number 33-65728

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Translation of registrant's name into English)

El Trovador 4285, Santiago, Chile (562) 2425-2000

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F: ☒ Form 40-F: ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

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Santiago, Chile. March 27, 2019.- Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) reports the translation of its financial statements for the twelve months ended December 31, 2018, the Spanish version of which was filed with the Chilean Commission for the Financial Market (*Comisión para el Mercado Financiero* or “CMF”) on February 27, 2019.

CONSOLIDATED FINANCIAL STATEMENTS

For the period ended

December 31, 2018

Sociedad Química y Minera de Chile S.A. and Subsidiaries

In Thousands of United States Dollars

This document includes:

- Report of Independent Register Public Accounting Firms
- Consolidated Classified Statements of Financial Position
- Consolidated Statements of Income by Function
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Cash Flows
- Consolidated Statements of Changes
in Equity
- Notes to the Consolidated Financial Statements

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Classified Statements of Financial Position**

| Assets | Note | As of December 31, 2018 ThUS\$ | As of December 31, 2017 ThUS\$ |
|---|-------------|--|--|
| Current assets | | | |
| Cash and cash equivalents | 11.1 | 556,066 | 630,438 |
| Other current financial assets | 14.1 | 312,721 | 366,979 |
| Other current non-financial assets | 17 | 49,186 | 26,883 |
| Trade and other receivables, current | 14.2 | 464,855 | 446,875 |
| Trade receivables due from related parties, current | 13.5 | 44,554 | 59,132 |
| Current inventories | 12 | 913,674 | 902,074 |
| Current tax assets | 32.1 | 57,110 | 32,291 |
| Current assets other than those classified as held for sale or disposal | | 2,398,166 | 2,464,672 |
| Non-current assets or groups of assets classified as held for sale | 33 | 1,430 | 1,589 |
| Total current assets | | 2,399,596 | 2,466,261 |
| Non-current assets | | | |
| Other non-current financial assets | 14.1 | 17,131 | 42,879 |
| Other non-current non-financial assets | 17 | 27,540 | 19,262 |
| Trade receivables, non-current | 14.2 | 2,275 | 1,912 |
| Investments classified using the equity method of accounting | 9.1-10.3 | 111,549 | 152,630 |
| Intangible assets other than goodwill | 15.1 | 188,283 | 113,787 |
| Goodwill | 15.1 | 34,718 | 37,972 |
| Property, plant and equipment | 16.1 | 1,454,823 | 1,429,354 |
| Tax assets, non-current | 32.1 | 32,179 | 32,179 |
| Total non-current assets | | 1,868,498 | 1,829,975 |
| Total assets | | 4,268,094 | 4,296,236 |

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

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| Liabilities and Equity | Note | As of December 31, | As of December 31, |
|--|-------------|---------------------------|---------------------------|
| | | 2018 | 2017 |
| | | ThUS\$ | ThUS\$ |
| Current liabilities | | | |
| Other current financial liabilities | 14.4 | 23,585 | 220,328 |
| Trade and other payables, current | 14.5 | 163,751 | 196,280 |
| Trade payables due to related parties, current | 13.6 | 9 | 1,365 |
| Other current provisions | 19.1 | 106,197 | 63,445 |
| Current tax liabilities | 32.2 | 47,412 | 75,402 |
| Provisions for employee benefits, current | 18.1 | 20,085 | 22,421 |
| Other current liabilities | 19.3 | 194,624 | 168,804 |
| Total current liabilities | | 555,663 | 748,045 |
| Non-current liabilities | | | |
| Other non-current financial liabilities | 14.4 | 1,330,382 | 1,031,507 |
| Other non-current provisions | 19.1 | 31,822 | 30,001 |
| Deferred tax liabilities | 32.3 | 175,361 | 205,283 |
| Provisions for employee benefits, non-current | 18.1 | 37,064 | 33,932 |
| Total non-current liabilities | | 1,574,629 | 1,300,723 |
| Total liabilities | | 2,130,292 | 2,048,768 |
| Equity | 20 | | |
| Share capital | | 477,386 | 477,386 |
| Retained earnings | | 1,623,104 | 1,724,784 |
| Other reserves | | (14,999) | (14,349) |
| Equity attributable to owners of the Parent | | 2,085,491 | 2,187,821 |
| Non-controlling interests | | 52,311 | 59,647 |
| Total equity | | 2,137,802 | 2,247,468 |
| Total liabilities and equity | | 4,268,094 | 4,296,236 |

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Income by Function**

| | Note | January to December | |
|---|-------------|----------------------------|---------------|
| | | 2018 | 2017 |
| | | ThUS\$ | ThUS\$ |
| Revenue | 27.1 | 2,265,803 | 2,157,323 |
| Cost of sales | 27.2 | (1,483,524) | (1,394,822) |
| Gross profit | | 782,279 | 762,501 |
| Other income | 27.3 | 32,048 | 17,827 |
| Administrative expenses | 27.4 | (118,126) | (101,171) |
| Other expenses by function | 27.5 | (36,907) | (53,600) |
| Impairment of income and reversal of impairment losses (impairment losses) determined in accordance with IFRS 9 | | 2,967 | (8,038) |
| Other gains (losses) | 27.7 | 6,404 | 543 |
| Profit (loss) from operating activities | | 668,665 | 618,062 |
| Finance income | | 22,533 | 13,499 |
| Finance costs | 27.8-29 | (59,914) | (50,124) |
| Share of profit of associates and joint ventures accounted for using the equity method | 9-10 | 6,351 | 14,452 |
| Foreign currency translation differences | 30 | (16,597) | (1,299) |
| Profit (loss) before taxes | | 621,038 | 594,590 |
| Income tax expense, continuing operations | 32.3 | (178,975) | (166,173) |
| Profit (loss) from continuing operations | | 442,063 | 428,417 |
| Profit attributable to | | | |
| Owners of the Parent | | 439,830 | 427,697 |
| Non-controlling interests | | 2,233 | 720 |
| Profit for the year | | 442,063 | 428,417 |

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Income by Function, (continued)

| | | January to December | |
|---|------|---------------------|--------|
| | Note | 2018 | 2017 |
| | | US\$ | US\$ |
| Earnings per share | | | |
| Common shares | | | |
| Basic earnings per share (US\$ per share) | 21 | 1.6711 | 1.6250 |
| Diluted common shares | | | |
| Diluted earnings per share (US\$ per share) | 21 | 1.6711 | 1.6250 |

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Comprehensive Income**

| | January to December | |
|--|---------------------|----------|
| | 2018 | 2017 |
| | ThUS\$ | ThUS\$ |
| Statement of comprehensive income | | |
| Profit (loss) for the year | 442,063 | 428,417 |
| Other comprehensive income | | |
| Items of other comprehensive income that will not be reclassified to profit for the year, before taxes | | |
| Other comprehensive income, before taxes, gains (losses) from new measurements of defined benefit plans | (1,337) | (1,392) |
| Total other comprehensive income that will not be reclassified to profit for the year, before taxes | (1,337) | (1,392) |
| Items of other comprehensive income that will be reclassified to profit for the year, before taxes | | |
| Foreign currency exchange difference | | |
| Foreign currency exchange gains I(losses) before taxes | (1,219) | (5,446) |
| Other comprehensive income before taxes | (1,219) | (5,446) |
| Financial assets held for sale | | |
| Gain (loss) from revaluations of financial assets held for sale, net of tax | (5,547) | (26) |
| Other comprehensive income before taxes | (5,547) | (26) |
| Financial assets measured at fair value with changes in other comprehensive income | | |
| Gain (loss) from cash flow hedges | 5,723 | 2,184 |
| Other comprehensive income, net of tax | 5,723 | 2,184 |
| Total other comprehensive income that will be reclassified to profit for the year | (1,043) | (3,288) |
| Other items of other comprehensive income before taxes | (2,380) | (4,680) |
| Income taxes related to items of other comprehensive income that will not be reclassified to profit for the year | | |
| Income taxes related to new measurements of defined benefit plans in other comprehensive income | 396 | 282 |
| Accumulated income taxes related to items of other comprehensive income that will not be reclassified to profit for the year | 396 | 282 |
| Income tax relating to components of other comprehensive income that will be reclassified to profit (loss) for the year | | |
| Income tax related to financial assets measured at fair value through profit and loss | 1,498 | (550) |
| Cumulative income tax relating to components of other comprehensive income that will be reclassified to profit (loss) for the year | 1,498 | (550) |

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| | | |
|--------------------------------------|---------|----------|
| Total other comprehensive income | (486) | (4,948) |
| Total comprehensive income | 441,577 | 423,469 |
| Comprehensive income attributable to | | |
| Owners of the Parent | 439,180 | 422,736 |
| Non-controlling interests | 2,397 | 733 |
| Total comprehensive income | 441,577 | 423,469 |

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Cash Flows**

| Consolidated Statements of cash flows | 12/31/2018 | 12/31/2017 |
|--|-------------------|-------------------|
| | ThUS\$ | ThUS\$ |
| Cash flows from operating activities | | |
| Cash receipts from sales of goods and rendering of services | 2,284,514 | 2,082,366 |
| Cash receipts from premiums and benefits, annuities and other benefits from policies entered | 2,140 | 2,967 |
| Cash payments to suppliers for the provision of goods and services | (1,201,674) | (959,213) |
| Cash payments to and on behalf of employees | (230,007) | (227,103) |
| Other payments related to operating activities (1) | (21,240) | (34,956) |
| Net cash generated from (used in) operating activities | 833,733 | 864,061 |
| Dividends received | 8,815 | 2,091 |
| Interest paid | (59,565) | (18,964) |
| Interest received | 22,533 | 13,499 |
| Income taxes paid | (240,115) | (148,568) |
| Other incomes (outflows) of cash (2) | (40,562) | (8,122) |
| Net cash generated from (used in) operating activities | 524,839 | 703,997 |
| Cash flows from (used in) investing activities | | |
| Cash flows arising from the loss of control of subsidiaries and other businesses | 69,988 | - |
| Payments made to acquire interest in joint ventures | (19,989) | (38,088) |
| Proceeds from the sale of property, plant and equipment | 61 | 229 |
| Acquisition of property, plant and equipment | (244,693) | (142,144) |
| Proceeds from sales of intangible assets | 14,056 | 8,640 |
| Purchases of intangible assets | (74,374) | - |
| Proceeds from the repayment of advances and loans granted to third parties | (204) | 78 |
| Other inflows (outflows) of cash (2) | 69,151 | (76,782) |
| Net cash generated from (used in) investing activities | (187,004) | (248,067) |

(1) Includes a payment of ThUS\$30,000 made to the SEC and the DOJ, which was provisioned in 2016 and paid in 2017.

(2) Other inflows (outflows) of cash from operating activities include increases (decreases) net of Value Added Tax.

(3) Other inflows (outflows) of cash include investments and redemptions of time deposits and other financial instruments that do not qualify as cash and cash equivalent in accordance with IAS 7, paragraph 7, since they mature

in more than 90 days from the original investment date.

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Cash Flows, (continued)

| | 12/31/2018 | 12/31/2017 |
|--|-------------------|-------------------|
| | ThUS\$ | ThUS\$ |
| Cash flows used in financing activities | | |
| Proceeds from long-term loans | 256,039 | - |
| Proceeds from short-term borrowings | 120,000 | 143,000 |
| Repayment of borrowings | (213,000) | (126,712) |
| Dividends paid | (550,352) | (373,933) |
| Net cash generated used in financing activities | (387,313) | (357,645) |
| Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate | (49,478) | 98,285 |
| Effects of exchange rate fluctuations on cash held | (24,894) | 17,484 |
| Net (decrease) increase in cash and cash equivalents | (74,372) | 115,769 |
| Cash and cash equivalents at beginning of period | 630,438 | 514,669 |
| Cash and cash equivalents at end of period | 556,066 | 630,438 |

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Changes in Equity**

| 2018 | Share capital | Foreign currency translation difference reserves | Cash flow hedge reserves | Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income | Actuarial gains (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 at beginning of the year | 477,386 | (24,913) | 2,248 | 2,937 | (5,953) | 11,332 | (14,349) | 1,724,784 | 2,187,821 | 59,647 | 2,247,805 |
| Increase (decrease) due to changes in accounting policy | - | - | - | - | - | - | - | (1,680) | (1,680) | - | (1,680) |
| Restated opening balance of equity | 477,386 | (24,913) | 2,248 | 2,937 | (5,953) | 11,332 | (14,349) | 1,723,104 | 2,186,141 | 59,647 | 2,246,125 |
| Profit for the year | - | - | - | - | - | - | - | 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 | 441,579 |
| Dividends | - | - | - | - | - | - | - | (539,830) | (539,830) | (9,733) | (549,563) |
| Increase (decrease) due to transfers and other changes | - | - | - | - | - | - | - | - | - | - | - |
| | - | (1,394) | 5,723 | (4,048) | (931) | - | (650) | (100,000) | (100,650) | (7,336) | (107,979) |

Increase
(decrease) in
equity

Equity as of

December 31, 477,386 (26,307) 7,971 (1,111) (6,884) 11,332 (14,999) 1,623,104 2,085,491 52,311 2,13
2018

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

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Changes in Equity**

| 2017 | Share capital | Foreign currency translation difference reserves | Cash flow hedge reserves | Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income | Actuarial gains (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 at beginning of the year | 477,386 | (19,463) | 64 | 3,513 | (4,834) | 7,832 | (12,888) | 1,781,576 | 2,246,074 | 61,198 | 2,307,673 |
| Profit for the year | - | - | - | - | - | - | - | 427,697 | 427,697 | 720 | 428,417 |
| Other comprehensive income | - | (5,450) | 2,184 | (576) | (1,119) | - | (4,961) | - | (4,961) | 13 | (4,948) |
| Comprehensive income | - | (5,450) | 2,184 | (576) | (1,119) | - | (4,961) | 427,697 | 422,736 | 733 | 423,469 |
| Dividends | - | - | - | - | - | - | - | (480,989) | (480,989) | (2284) | (483,273) |
| Increase (decrease) due to transfers and other changes | - | - | - | - | - | 3,500 | 3,500 | (3,500) | - | - | - |
| Increase (decrease) in equity | - | (5,450) | 2,184 | (576) | (1,119) | 3,500 | (1,461) | (56,792) | (58,253) | (1,551) | (59,800) |
| Equity as of December 31, 2017 | 477,386 | (24,913) | 2,248 | 2,937 | (5,953) | 11,332 | (14,349) | 1,724,784 | 2,187,821 | 59,647 | 2,247,508 |

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

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 1 Identification and Activities of the Company and Subsidiaries

1.1 Historical background

Sociedad Química y Minera de Chile S.A. "SQM" 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 with the Commission for Financial Markets (CMF) (formerly the Chilean Superintendence of Securities and Insurance (SVS)) 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

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 1 Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

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 sold in over 110 countries through our worldwide distribution network, with the majority of our sales derived from countries outside Chile.

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, , described as follows:

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

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 1 Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

Lithium: 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.

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, and metal treatment. 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 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.

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.

Other products and services: We also sell other fertilizers and blends, some of which we do not produce. We are the largest company that produces and distributes the three main potassium sources: potassium nitrate, potassium sulfate and potassium chloride. This business line also includes revenue from commodities, services, interests, royalties and dividends.

1.5 Other background

Staff

As of December 31, 2018, and December 31, 2017, the workforce was as follows:

| | 12/31/2018 | | | 12/31/2017 | | |
|---------------------------|------------|--------------------|-------|------------|--------------------|-------|
| | SQM S.A. | Other subsidiaries | Total | SQM S.A. | Other subsidiaries | Total |
| Employees | | | | | | |
| Executives | 33 | 89 | 122 | 43 | 77 | 120 |
| Professionals | 115 | 1,078 | 1,193 | 143 | 942 | 1,085 |
| Technicians and operators | 260 | 3,287 | 3,547 | 248 | 3,177 | 3,425 |
| Foreign employees | 11 | 417 | 428 | 19 | 272 | 291 |
| Overall total | 419 | 4,871 | 5,290 | 453 | 4,468 | 4,921 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 1 Identification and Activities of the Company and subsidiaries (continued)

1.5 Other background, continued

Main shareholders

The following table shows information about the main shareholders of the Company's Series A or Series B shares in circulation as of December 31, 2018 and December 31, 2017, in line with information provided by the Central Securities Depository:

The following table presents the information about the beneficial ownership of Series A and Series B shares of the Company as of December 31, 2018 and December 31, 2017, 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 Central Securities Depository and informed to the CMF and the Chilean Stock Exchanges.

| Shareholder as of December 31, 2018 | No, of Series A with ownership | % of Series A shares | No, of Series B with ownership | % of Series B shares | % of total shares | |
|--|--------------------------------------|----------------------------|--------------------------------------|----------------------------|-------------------------|---|
| Inversiones TLC SPA | 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 Itaú through Corpbanca on behalf of foreign investors | - | - | 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 | % |

(*) Total Pampa Group 32% (2.247.895 Series B shares are in the custody of different brokers).

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| Shareholder as of December 31, 2017 | No, of Series A with ownership | % of Series A shares | | No, of Series B with ownership | % of Series B shares | % of total shares | |
|--|--------------------------------------|----------------------------|---|--------------------------------------|----------------------------|-------------------------|---------|
| The Bank of New York Mellon, ADRs | - | - | | 54,599,961 | 45.36 | % | 20.74 % |
| Sociedad de Inversiones Pampa Calichera S.A.(*) | 44,894,152 | 31.43 | % | 7,007,688 | 5.82 | % | 19.72 % |
| Inversiones El Bolder Limitada | 29,330,326 | 20.54 | % | 16,363,546 | 13.59 | % | 17.36 % |
| Inversiones RAC Chile Limitada | 19,200,242 | 13.44 | % | 2,202,773 | 1.83 | % | 8.13 % |
| Potasios de Chile S.A.(*) | 18,179,147 | 12.73 | % | - | - | | 6.91 % |
| Inversiones PCS Chile Limitada | 15,526,000 | 10.87 | % | 1,600,000 | 1.33 | % | 6.51 % |
| Inversiones Global Mining (Chile) Limitada (*) | 8,798,539 | 6.16 | % | - | - | | 3.34 % |
| Banco de Chile via non-resident third party accounts | - | - | | 8,394,289 | 6.97 | % | 3.19 % |
| Banco Itau via Investor Accounts | 19,125 | 0.01 | % | 7,017,504 | 5.83 | % | 2.67 % |
| Banco Santander via foreign investor accounts | - | - | | 4,593,336 | 3.82 | % | 1.75 % |

(*) Total Pampa Group 29,97%

On December 31, 2018 the total number of shareholders had risen to 1,508.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements

2.1

Accounting period

These consolidated financial statements cover the following periods:

- Consolidated Statements of Financial Position as of December 31, 2018 and, 2017.
- Consolidated Statements of Changes in Equity for ended December 31, 2018 and 2017.
- Consolidated Statements of Comprehensive Income for ended December 31, 2018 and 2017.
- Consolidated Statements of Direct-Method Cash Flows for ended December 31, 2018 and 2017.

2.2

Consolidated financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its Subsidiaries were prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the full, explicit and unreserved adoption of International Financial Reporting Standards as issued by the International Accounting Standards Board (the “IASB”).

These consolidated financial statements fairly reflect the Company’s financial position, the comprehensive results of operations, changes in equity and cash flows occurring during the periods ended on December 31, 2018 and, 2017.

IFRS establish certain alternatives for their application. Those applied by the Company are detailed in this Note.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.2 Consolidated financial statements, continued

The accounting policies used in the preparation of these consolidated annual accounts comply with each IFRS in force at their date of presentation.

For the closing date of these consolidated financial statements certain reclassifications have been made for the captions other non-current financial assets, Intangible assets other than goodwill, Goodwill as of December 31, 2017 to correct the prior year presentation. These revisions were not considered material to the previously issued financial statements.

A reconciliation of such differences is presented as follows:

| Prior Caption | New Presentation | Reclassification as of December 31, 2017 |
|---------------------------------------|--|--|
| | | ThUS\$ |
| Other non-current financial assets | Investments classified using the equity method of accounting | 20,000 |
| Intangible assets other than goodwill | Property, plant and equipment | 7,839 |
| Goodwill | Investments classified using the equity method of accounting | 6,205 |

2.3

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Inventories are recorded at the lower of cost and net realizable value.
- Financial derivatives at fair value; and
- Staff severance indemnities and pension commitments at actuarial value

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Certain financial investments classified as available for sale measured at fair value with an offsetting entry in other comprehensive income.

-Other current and non-current assets and financial liabilities at amortized cost

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

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, 2018:

| <i>Standards and Interpretations</i> | <i>Mandatory for annual periods beginning on or after</i> |
|---|--|
| <i>IFRS 9 Financial Instruments - Published in July 2014. The IASB published the complete version of IFRS 9, which replaces the guidance in IAS 39. This final version includes requirements regarding the classification and measurement of financial assets and liabilities and a new model for the recognition of expected credit losses that replaces the incurred loss impairment model used today. It also includes the final hedging part of IFRS 9 that was issued in November 2013.</i> | 01/01/2018 |
| <i>IFRS 15 Revenue from Contracts with Customers – Published in May 2014. This standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It replaces IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue-Barter Transactions Involving Advertising Services.</i> | 01/01/2018 |
| <i>IFRIC 22 “Foreign Currency Transactions and Advance Consideration”. Published in December 2016. This Interpretation applies to a foreign currency transaction (or part of one) if an entity recognizes a non-financial asset or non-financial liability arising from the payment or receipt of an advance consideration prior to the entity recognizing the related asset, expense or income (or the applicable portion thereof). The interpretation provides a guideline for the transaction date to be used for both single payments/receipts and situations when there are multiple payments/receipts. Its objective is to reduce diversity in practice.</i> | 01/01/2018 |

Amendments and improvements

Mandatory for annual periods beginning on or after

Amendment to IFRS 2 Share-based Payments. Published in June 2016. The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment.

01/01/2018

Amendment to IFRS 15 "Revenue from Contracts with Customers". Published in April 2016. The amendment provides clarifications with regard to identifying performance obligations in contracts with customers, , accounting for licensing involving intellectual property and assessing principal versus agent considerations (i.e. recording revenue on a gross basis versus the net amount it retains). New and amended illustrative examples have been added for each of those areas of guidance, as well as additional practical expedients related to transition to the new revenue standard.

01/01/2018

Amendment to IAS 28 "Investments in Associates and Joint Ventures" in regard to measuring an associate or joint venture at fair value. Published in December 2016.

01/01/2018

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

b) Standards, interpretations and amendments issued that had not become effective for financial statements beginning on January 1, 2018 and which the Company has not adopted early are as follows:

Standards and Interpretations

On January 13, 2016, the IASB published IFRS 16 Levies. IFRS 16 introduces a comprehensive model to identify lease agreements and accounting treatments for both lessees and lessors. When the application of IFRS 16 goes into effect, it will replace the current lease guidelines including IAS 17 Leases and the related interpretations.

***Mandatory for annual
periods beginning on or
after
01/01/2019***

IFRS 16 makes a distinction between leases and service contracts based on the fact that an identified asset is controlled by an entity. Under IAS 17, the distinction between operating leases (outside the statement of financial position) and financial leases is removed for the accounting of the lessees, and is replaced by a model where an right-of-use asset and the corresponding liability must be recognized by lessees for all leases, except short-term leases and low-value asset leases.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted by any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that have not been paid as of that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as lease modifications, among others. In addition, the classification of cash flows will also be affected considering that under IAS 17, operating lease payments are presented as operating cash flows; while under the IFRS 16 model, lease payments will be divided between the portion of principal and interest payments, which will be presented as financing and operating cash flows or financing, respectively.

In contrast to accounting for lessees, IFRS 16 substantially maintains the accounting requirements of IAS 17 for lessors, and continues to require lessees to classify leases as either operating or financial leases.

Additionally, IFRS 16 requires more extensive disclosures.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early application is permitted for entities that apply IFRS 15 on or before the initial application of IFRS 16. Entities can apply IFRS 16 using either a retrospective full application approach or a modified retrospective application approach. If the latter approach is chosen, an entity is not required to restate comparative financial information and the cumulative effect of the initial application of IFRS 16 must be presented as an adjustment to the initial balance of retained earnings (or other equity component, when appropriate).

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

Standards and Interpretations

Mandatory for annual periods beginning on or after

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.

Mandatory for annual periods beginning on or after

Amendments and improvements

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.”

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 Board IASB 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.

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.

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 Taxes - 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

Amendment to IFRS 23 “Loan 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

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

Amendments and improvements

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

The following amendment was issued by the IASB and was originally scheduled to take effect in 2016. However, the organization has changed its position and the mandatory effective date is yet to be determined.

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.

Management believes the adoption of the standards, interpretations and amendments applicable as of Tuesday, January 1, 2019, will have no significant impact on the Company’s financial statements.

During 2018, the Administration has made an initial assessment of the possible impact of the adoption of IFRS 16 as of the effective term of the new standard, which was determined through the evaluation of lease contracts, assets that, according to their nature and lease terms must be recorded at the date of initial application as right-to-use assets, and this will incur amortization expenses over the term of the contract or the useful life of the asset, whichever is shorter. Based on this evaluation, the Company concludes that the effects of the adoption of IFRS 16 will not significantly affect its Consolidated Financial Statements.

Of the lease contracts signed under IFRS 16, the following right-of-use assets, among others, were identified: trucks, cranes, excavators, structures (buildings, warehouses, shops, land), where SQM has the power (control) to direct their activities and to use them for the contract term, without the supplier changing the operating instructions.

To estimate the initial measurement, the Company built a debt curve based on public debt instruments held by the company at the valuation date. The rates used to deduct the right-of-use asset and the lease liability were estimated based on currency (USD, UF and CLP) and contract terms.

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Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

The initial application method of the aforementioned standard chosen by the Company is the full application of a modified approach of retrospective application version B, where the right to use is equated to the aforementioned liability, with no equity adjustment.

The values corresponding to right-to-use assets and lease liabilities in contracts qualified under IFRS 16 amount to ThUS\$25,033.

For the adoption of IFRS 15 - Revenue from Contracts with Customers, the Company undertook a detailed assessment of its performance obligations underlying revenue recognition, such as the performance obligation to transport products to customers, in line with the terms and conditions previously established in contracts and there is no significant impact - the performance obligation has been satisfied. With regard to products invoiced with a deferred shipment date, the transfer of control has been assessed over and above the transfer of risks and benefits established in the previous standard and a prepayment is estimated in revenue recognition, without a significant impact. Other considerations were also assessed, such as rebates, discounts, guarantees, financing components and product personalization. Based on this analysis, the Company has concluded that these last items will not generate an impact nor are significant changes expected in the recording of revenue as a result of applying this new standard, except for the impact on disclosures. The Company has established the procedures and controls for beginning to apply IFRS 15 as of January 1, 2018. It recognizes the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as of that date, without being necessary to make adjustments to the comparative information for periods.

| AREA | Iodine and Derivatives | Lithium | QI | Potassium | Others Products | Iodine and Derivatives | Total million US\$ |
|----------|---------------------------|---------|-------|-----------|--------------------|---------------------------|-----------------------|
| Products | 781.8 | 325.0 | 734.8 | 108.3 | 267.5 | 44.6 | 2,262.8 |
| Services | - | - | - | - | - | 4.0 | 4.0 |
| Total | 781.8 | 325.0 | 734.8 | 108.3 | 267.5 | 48.5 | 2,266.8 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.5

Basis of consolidation

(a) Subsidiaries

These are all those entities where Sociedad Química y Minera de Chile S.A. has control over directing their financial and operational policies. This is generally accompanied by a share of more than half of the voting rights. Subsidiaries apply the same accounting policies of their Parent.

To account for the acquisition, the Company uses the acquisition method. Under this method the acquisition cost is the fair value of assets delivered, equity securities issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingencies assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure non-controlling interest of the acquiree either at fair value or as proportional share of net identifiable assets of the acquiree. For more information, please see Note 8.1.

Companies included in consolidation:

| TAX ID No. | Foreign subsidiaries | Country of origin | Functional currency | Ownership interest 12/31/2018 | |
|------------|--|-------------------|---------------------|-------------------------------|----------|
| | | | | Direct | Indirect |
| Foreign | Nitratos Naturais Do Chile Ltda. | Brazil | US\$ | 0.0000 | 100.0000 |
| Foreign | Nitrate Corporation Of Chile Ltd. | United Kingdom | US\$ | 0.0000 | 100.0000 |
| Foreign | SQM North America Corp. | USA | US\$ | 40.0000 | 60.0000 |
| Foreign | SQM Europe N.V. | Belgium | US\$ | 0.5800 | 99.4200 |
| Foreign | Soquimich S.R.L. Argentina. | Argentina | US\$ | 0.0000 | 100.0000 |
| Foreign | Soquimich European Holding B.V. | Netherlands | US\$ | 0.0000 | 100.0000 |
| Foreign | SQM Corporation N.V. | Netherlands | US\$ | 0.0002 | 99.9998 |
| Foreign | SQI Corporation N.V. | Netherlands | US\$ | 0.0159 | 99.9841 |
| Foreign | SQM Comercial De México S.A. de C.V. | Mexico | US\$ | 0.0100 | 99.9900 |
| Foreign | North American Trading Company | USA | US\$ | 0.0000 | 100.0000 |
| Foreign | Administración y Servicios Santiago S.A. de C.V. | Mexico | US\$ | 0.0000 | 100.0000 |
| Foreign | SQM Peru S.A. | Peru | US\$ | 0.9800 | 99.0200 |
| Foreign | SQM Ecuador S.A. | Ecuador | US\$ | 0.0040 | 99.9960 |
| Foreign | SQM Nitratos Mexico S.A. de C.V. | Mexico | US\$ | 0.0000 | 100.0000 |
| Foreign | SQMC Holding Corporation L.L.P. | USA | US\$ | 0.1000 | 99.9000 |
| Foreign | SQM Investment Corporation N.V. | Netherlands | US\$ | 1.0000 | 99.0000 |

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| | | | | | |
|---------|---|-----------|-------------------|---------|----------|
| Foreign | SQM Brasil Limitada | Brazil | US\$ | 1.0900 | 98.9100 |
| Foreign | SQM France S.A. | France | US\$ | 0.0000 | 100.0000 |
| Foreign | SQM Japan Co. Ltd. | Japan | US\$ | 0.1597 | 99.8403 |
| Foreign | Royal Seed Trading Corporation A.V.V. | Aruba | US\$ | 1.6700 | 98.3300 |
| Foreign | SQM Oceania Pty Limited | Australia | US\$ | 0.0000 | 100.0000 |
| Foreign | Rs Agro-Chemical Trading Corporation A.V.V. | Aruba | US\$ | 98.3333 | 1.6667 |
| Foreign | SQM Colombia SAS | Colombia | US\$ | 0.0000 | 100.0000 |
| Foreign | SQM Australia PTY | Australia | Australian dollar | 0.0000 | 100.0000 |
| Foreign | SACAL S.A. | Argentina | Argentine peso | 0.0000 | 100.0000 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)**2.5 Basis of consolidation, continued**

| TAX ID No. | Foreign subsidiaries | Country of origin | Functional currency | Ownership interest 12/31/2018 | | 12/31/2017 | |
|------------|-------------------------------------|-------------------|---------------------|-------------------------------|----------|------------|----------|
| | | | | Direct | Indirect | Total | Total |
| 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 | 99.996 | 99.996 | 99.996 |
| Foreign | SQM Internacional N.V. | Belgium | US\$ | 0.5800 | 99.4200 | 100.0000 | 0.0000 |
| Foreign | SQM (Shanghai) Chemicals Co. Ltd. | China | US\$ | 0.0000 | 100.0000 | 100.0000 | 0.0000 |

| TAX ID No. | Domestic subsidiaries | Country of origin | Functional currency | Ownership interest 12/31/2018 | | 12/31/2017 | |
|--------------|---|-------------------|---------------------|-------------------------------|----------|------------|----------|
| | | | | 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. | Chile | Ch\$ | 0,0000 | 60,6381 | 60,6381 | 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 | | Chile | US\$ | 0,0000 | 60,6383 | 60,6383 | 60,6383 |

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| | | | | | | | | |
|--------------|---|-------|------|----------|----------|----------|----------|--|
| | Soquimich Comercial S.A. | | | | | | | |
| 79.626.800-K | SQM Salar S.A. | Chile | US\$ | 18,1800 | 81,8200 | 100,0000 | 100,0000 | |
| 78.053.910-0 | Proinsa Ltda. | Chile | Ch\$ | 0,0000 | 60,5800 | 60,5800 | 60,5800 | |
| | Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | | | | | | | |
| 76.534.490-5 | | Chile | Ch\$ | 0,0000 | 100,0000 | 100,0000 | 100,0000 | |
| | Exploraciones Mineras S.A. | | | | | | | |
| 76.425.380-9 | | Chile | US\$ | 0,2691 | 99,7309 | 100,0000 | 100,0000 | |
| | Comercial Agrorama Ltda. (a) | | | | | | | |
| 76.064.419-6 | | Chile | Ch\$ | 0,0000 | 42,4468 | 42,4468 | 42,4468 | |
| | Agrorama S.A. | | | | | | | |
| 76.145.229-0 | | Chile | Ch\$ | 0,0000 | 60,6377 | 60,6377 | 60,6377 | |
| | Orcoma Estudios SPA | | | | | | | |
| 76.359.919-1 | | Chile | US\$ | 51,0000 | 0,0000 | 51,0000 | 51,0000 | |
| | Orcoma SPA | | | | | | | |
| 76.360.575-2 | | Chile | US\$ | 100,0000 | 0,0000 | 100,0000 | 100,0000 | |
| | SQM MaG SpA. | | | | | | | |
| 76.686.311-9 | | Chile | US\$ | 0,0000 | 100,0000 | 100,0000 | 100,0000 | |

(a) The Company consolidated Comercial Agrorama Ltda. as it has the control of this company's relevant activities.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.5

Basis of consolidation, continued

Subsidiaries are consolidated using the line-by-line method, adding the items that represent assets, liabilities, revenues, and expenses of similar content, and eliminating those related to intragroup transactions.

Profit or loss of subsidiaries acquired or divested during the year are included in profit or loss accounts consolidated from the date control is transferred to the Group, or up to the date control is lost, as applicable.

Non-controlling interest represents the equity of a subsidiary not directly or indirectly attributable to the Parent.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

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 ("U.S. 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) 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.3 Foreign currency translation, continued

The main exchange rates and the adjustment unit 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:

| | 12/31/2018 US\$ | 12/31/2017 US\$ |
|--------------------|--------------------|--------------------|
| Brazilian real | 3.87 | 3.02 |
| New Peruvian sol | 3.37 | 3.08 |
| Argentine peso | 37.74 | 18.40 |
| Japanese yen | 110.38 | 113.00 |
| Euro | 0.87 | 0.83 |
| Mexican peso | 19.68 | 19.65 |
| Australian dollar | 1.42 | 1.28 |
| Pound Sterling | 0.79 | 0.74 |
| South African rand | 14.35 | 12.35 |
| Ecuadorian dollar | 1.00 | 1.00 |
| Chilean peso | 694.77 | 614.75 |
| Chinese yuan | 6.88 | 6.51 |
| Indian rupee | 69.93 | 63.84 |
| Thai baht | 32.53 | 32.85 |
| Turkish lira | 5.27 | 3.79 |
| UF (*) | 39.68 | 43.59 |

(*) The Unidad de Fomento (UF) is an indexed monetary unit used in Chile, calculated based on the variation in the Consumer Price Index (CPI). It is represented as dollars to 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.4

Subsidiaries

SQM S.A. uses the level of control it has in subsidiaries as a basis to determine their share in the consolidated financial statements. This control consists of the Company's ability to exercise power in the subsidiary, exposure, or right, to variable performance from its share in the investee and the ability to use its power on the investee to have an influence on the amount of the investor's performance.

The Company prepares the consolidated financial statements using consistent accounting policies for the entire Group. The consolidation of a subsidiary commences when the Company has control over the subsidiary and stops when control ceases.

3.5

Consolidated statement of cash flows

Cash equivalents correspond to highly-liquid short-term investments that are easily convertible into known amounts of cash. They are 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 includes movements in cash performed during the year, determined using the direct method.

3.6

Financial assets

Corporate management ("Management") determines the classification of its financial assets at the time of initial recognition, on the basis of the business model for the management of financial assets and the characteristics of contractual cash flows from the financial assets. In accordance with IFRS 9, financial assets are initially measured at fair value plus, in the case of a financial asset classified at amortized cost, the incurred transaction costs that are directly attributable to the acquisition of the financial asset.

The Company assesses, at each reporting date, whether there is objective evidence that an asset or group of assets is impaired. An asset or group of financial assets is impaired if and only if there is evidence of impairment as a result of one or more events occurring after the initial recognition of the asset or group of assets. For the recognition of impairment, the loss event has to have an impact on the estimate of future cash flows from the asset or groups of financial assets.

As of January 1, 2018, the Company classifies its financial assets in the following categories: at fair value (be it through other comprehensive income or through profit or loss), and at amortized cost. The classification depends on the entity's business model for managing financial assets and the contractual terms for cash flows.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.7

Financial liabilities

Management determines the classification of its financial liabilities at the time of initial recognition. As established in IFRS 9, financial liabilities at the time of initial recognition are measured at fair value, less transaction costs that may have been incurred and are directly attributable to the issue of the financial liability. Subsequently, they are measured according to their classification, which can be financial liabilities at fair value with changes in profit or financial liabilities at amortized cost.

3.8

Financial instruments at fair value through profit or loss

Financial liabilities are classified as at fair value through profit and loss when they are held for trading or designated as such upon initial recognition. Gains and losses from liabilities held for trading are recognized in profit and loss. This category includes derivative instruments not designated for hedge accounting.

3.9

Financial instrument offsetting

The Company offsets an asset and liability if and only if it presently has a legally enforceable right of setting off the amounts recognized and has the intent of settling for the net amount of realizing the asset and settling the liability simultaneously.

3.10

Reclassification of financial instruments

At such time when the Company changes its business model for managing financial assets, it will reclassify those financial assets affected by the new business model.

Financial liabilities could not be reclassified.

3.11

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).

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.11 Derivative and hedging financial instruments, continued

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 (hedging assets and liabilities). 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

Amounts taken to equity are transferred to profit or loss when the hedged transaction affects profit or loss, as when the hedged interest income or expense is recognized when a projected sale occurs. When the hedged entry is the cost of a non-financial asset or liability, amounts taken to other reserves are transferred to the initial carrying value of the non-financial asset or liability.

If the expected firm transaction or commitment is no longer expected to occur, the amounts previously recognized in equity are transferred to profit or loss. If a hedge instrument expires, is sold, finished, or exercised without any replacement, or if a rollover is performed or if its designation as hedging is revoked, the amounts previously recognized in other reserves are maintained in equity until the expected firm transaction or commitment occurs.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.12 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets, which have been designated as available for sale and are not classified in any of the previous categories of financial instruments. Available for sale financial instruments are initially recognized at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are recognized at fair value and changes other than impairment losses are recognized in other comprehensive income and presented in equity in the fair value reserve. If an investment is derecognized, the accumulated gain or loss is reclassified to profit or loss.

3.13 Derecognition of financial instruments

In accordance with IFRS 9, 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.

3.14 Derivative financial instruments

The Company maintains derivative financial instruments to hedge its exposure to foreign currencies. Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized when incurred. Subsequent to initial recognition, any changes in the fair value of such derivatives are recognized in profit or loss as part of gains and losses.

The Company permanently assesses the existence of embedded derivatives, both in its contracts and financial instruments, As of December 31, 2018, and December 31, 2017, there were no embedded derivatives.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.15

Fair value initial measurements

From the initial recognition, the Company measures its assets and liabilities at fair value plus or minus transaction costs incurred that are directly attributable to the acquisition of a financial asset or issuance of a financial liability

3.16 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, and are recognized under other non-financial assets.

3.17 Classification Leases

(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.

3.18

Trade and other receivables

The Company's trade receivables are maintained to obtain contractual cash flows (charge and collect) and do not contain a significant financing component, being recognized at the transaction price defined in IFRS 15.

In turn, the Company applies the simplified approach described in IFRS 9 for expected credit losses from the loans to customers portfolio, as these are short-term financial instruments shorter than 12 months, with no significant financing component and they continue until expiration. This approach enables the use of the estimate of expected credit loss throughout the life of the instrument.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.18

Trade and other receivables, continued

Receivables with a low probability of recovery are fully provisioned, are to measure the expected credit losses of the rest of the portfolio, it is segmented by grouping the trade receivables based on the characteristics of shared credit risk and late payment. The expected loss rates are obtained from the default rates over the last seven years. To covert historic loss in projected loss, the Company uses the behavior of the implicit default probability indicator in the prices of financial derivatives that cover the risk of non-payment of sovereign bonds in countries where the Company generates income from product sales.

The application of IFRS 9 had an impact as of January 1, 2018, due to the application of the new impairment model described in the Company's Consolidated Financial Statements, resulting in an increased impairment of ThUS\$2,301, which was carried over to equity under IAS 8. (For more information, see Note 14.2)

3.19

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, which is directly identified with the product that generates it and involves three types: 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; 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; reprocessing costs of products that are unfeasible for sale due to current specifications.

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.19

Inventory measurement, continued

Potential errors in the determination of stock: The company has an algorithm that is reviewed at least once a year 3. 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 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.

3.20 Investments in associates and joint ventures

Interests in companies over which joint control is exercised (joint venture) or where an entity has a significant influence (associates) are recognized using the equity method of accounting. Significant influence is presumed to exist when interest greater than 20% is held in the capital of an investee.

Under this method, the investment is recognized in the statement of financial position at cost plus changes, subsequent to the acquisition, and considering the proportional share in the equity of the associate. For such purposes, the interest percentage in the ownership of the associate is used. The associated goodwill acquired is included in the carrying amount of the investee and is not amortized. The debit or credit to profit or loss reflects the proportional share in the profit or loss of the associate.

Unrealized gains for transactions with affiliates or associates are eliminated according to the Company's interest percentage in such entities. Unrealized losses are also eliminated, except if the transaction provides evidence of impairment loss of the transferred asset.

Changes in the equity of associates are recognized on a proportional basis with a charge or credit to “Other reserves” and classified according to their origin.

Reporting dates of the associate, the Company and related policies are similar for equivalent transactions and events under similar circumstances.

In the event that the significant influence is lost or the investment is sold or is held as available for sale, the equity method is discontinued, suspending the recognition of the proportional share of profit or loss.

If the resulting amount according to the equity method is negative, the share of profit or loss is reflected as zero in the consolidated financial statements, unless a commitment exists by the Company to reinstate the Company’s equity position, in which case the related provision for risks and expenses is recorded.

Dividends received by these companies are recorded by reducing the equity value, and the proportional share of profit or loss recognized according to the equity share are included in the consolidated profit or loss accounts in the caption “Equity share of profit (loss) of associates and joint ventures that are accounted for using the equity method of accounting”.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.21 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.

3.22

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. The expiration conditions vary according to the originating transaction.

3.23

Property, plant and equipment

The assets tangible 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:

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.

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 obligation. 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 full 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.24 Depreciation of property, plant and equipment, continued

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 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 | 8 | 7 |
| Energy generating assets | 3 | 16 | 7 |
| Buildings | 2 | 40 | 11 |
| Supplies and accessories | 2 | 16 | 6 |
| Office equipment | 2 | 20 | 6 |
| Transport equipment | 2 | 20 | 9 |
| Network and communication equipment | 3 | 15 | 5 |
| IT equipment | 2 | 16 | 4 |
| Machinery, plant and equipment | 1 | 28 | 9 |
| Other property, plant and equipment | 1 | 26 | 6 |

3.25 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.26

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 assets. Amounts paid are capitalized at the date of the agreement and charged to 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 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 unlimited so they are considered assets with an indefinite useful life and are therefore not subject to amortization. However, they are subjected to an annual impairment test and the corresponding amounts are recorded in the profit or loss.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.26 Intangible assets other than goodwill continued

(f)

Commercial agent

The rights obtained through the acquisition of the commercial agent of Sociedad Agrocom Ltda. corresponded to the fair value of that company's line of business. The period for exploiting these rights is unlimited so they are considered assets with an indefinite useful life and are therefore not subject to amortization. However the indefinite useful life is subject to review for every reporting period, to see whether indefinite useful life continues to apply.

3.27 Research and development expenses

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

3.28

Prospecting 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:

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:

Disbursements for 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 stock.

- Expenses related to metal exploration are charged to profit or loss in the period in which they are registered.

Salar de Atacama exploration expenses are presented in non-current assets in 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.

Mt Holland exploration expenses 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.29 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.

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.

When the carrying value of an asset exceeds its recoverable amount, the asset is considered an impaired asset and is reduced to its net recoverable amount.

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.

3.30 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.

3.31

Earnings per share

The basic earnings per share amounts are calculated by dividing the profit for the year attributable to the ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

The Company has not conducted any type of operation of potential dilutive effect that would entail the disclosure of diluted earnings per share.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.32

Trade and other payables

Trade and other payables are measured at fair value plus all costs associated with the transaction. Subsequently, these are carried out at amortized cost using the effective interest rate method.

3.33

Interest-bearing borrowings

At initial recognition, interest-bearing borrowings are measured at fair value net of transaction costs incurred. Subsequently, they are measured at amortized cost using the effective interest rate method. Amortized cost is calculated considering any premium or discount from the acquisition and includes costs of transactions which are an integral part of the effective interest rate.

These are recorded as non-current when their expiration period exceeds twelve months and as current when the term is lower than such term. Interest expense is calculated in the year in which it is accrued following a financial criterion.

3.34

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.35 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 taken into account.

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 departures 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 4.642% and 5.114% for the periods ended December 31, 2018 and December 31, 2017, 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 3.75% interest rate for 2018 and 4.50% for 2017. The net balance of this obligation is presented under the non-current provisions for employee benefits (refer to Note 18.4).

3.36

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).

3.37

Revenue recognition

The Company's revenues are predominantly sales of products, where its main performance obligation is to transfer the products under agreements in which the transfer of control, risks, property benefits, and in general, the fulfillment of the Company's performance obligations, occur at the same time.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.38

Finance income and finance costs

Finance income is mainly composed of interest income in 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 or qualifying assets.

Borrowing costs and bonds issued are 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 utilized.

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.

3.39 Income tax and deferred taxes

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 Chilean 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.

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.

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

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.40

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.

For assets and liabilities, the allocation 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 to the applicable segments, in accordance with the criteria established in the costing process for product inventories.

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

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.41 Responsibility for Information and Estimates Made

The Management of Sociedad Química y Minera de Chile S.A. and its subsidiaries 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 International Accounting Standards Board (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 anticipated 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 fair value 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, taking into account 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 on the basis of 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, recognizing the effects of the change in estimates in the related future consolidated financial statements.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 3 Significant accounting policies (continued)

3.42 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 (consistent presentation)

4.1 Changes in accounting estimates

In the preparation of the consolidated financial statements of the Company and subsidiaries, the management has made estimates regarding the useful lives of Properties, Plants and Equipment, assumptions used for the actuarial calculation of employee benefits, contingencies and provisions (for more information, see Note 3.45)

4.2 Changes in accounting policies

As of December 31, 2018, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period (for further details refer to Note 3.40).

As of December 31, 2018, the consolidated financial statements of the Company present changes in the accounting policies with respect to the previous period due to application of IFRS 9 and IFRS 15 from January 1, 2018

The consolidated statements of financial position as of December 31, 2018 and, 2017 and the statements of comprehensive income, changes in equity and cash flows for the periods ended December 31, 2018 and 2017, have been prepared in accordance with the IFRS.

The accounting principles and criteria were applied consistently.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

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. The Company uses derivatives to hedge a significant portion of those risks.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2

Risk Factors

5.2.1 Risks Relating to Our Business

We could be subject to numerous risks as a result of legal proceedings and deferred prosecution agreements with U.S. and Chilean governmental authorities in relation to certain payments made by SQM between the tax years 2009 and 2015

Following the investigations, the SII and the Chilean Public Prosecutor brought a number of criminal and administrative proceedings 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 and the Board members are continuing.

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.

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Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

On January 26, 2018, the Eighth Lower Criminal Court of Santiago approved a deferred prosecution agreement proposed by the Chilean Public Prosecutor relating to SQM and its subsidiaries, SQM Salar and SQM Nitratos S.A., to suspend an investigation against these entities related to potential corruption issues and responsibility for the lack of supervision and management. Under the deferred prosecution agreement, SQM, SQM Salar and SQM Nitratos S.A., have not admitted responsibility in the matter subject to the investigation but agreed to pay an aggregate amount of (i) Ch\$900,000,000 to the Chilean government, and (ii) Ch\$1,650,000,000 to various charitable organizations. As of January 26, 2018, these amounts were equivalent to approximately US\$1.5 million and US\$2.8 million, respectively. In addition, the companies have agreed to provide the Chilean Public Prosecutor with a report on the enhancements to their compliance program, implemented in recent years, with special emphasis on the incorporation of best practices in various jurisdictions. On August 17, 2018, the Eighth Lower Criminal Court of Santiago considered the conditions and decided to terminate the legal process.

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

We identified a material weakness in our internal controls over payments directed by the office of the former Chief Executive Officer

In the past, our management determined that the Company did not maintain effective control over payments directed by the office of the former CEO. This determination was reported in our annual report for the year ended December 31, 2014 on Form 20-F, filed with the SEC on May 18, 2015.

We believe we have taken the necessary steps to remediate the identified material weakness and enhance our internal controls. However, any failure to maintain effective internal control over financial reporting could (i) result in a material misstatement in our financial reporting or financial statements that would not be prevented or detected, (ii) cause us to fail to meet our reporting obligations under applicable securities laws or (iii) cause investors to lose confidence in our financial reporting or financial statements, the occurrence of any of which could materially and adversely affect our business, financial condition, cash flows, results of operations and the prices of our securities.

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.

World prices of potassium-based fertilizers (including some of our specialty plant nutrients and potassium chloride) fluctuated as a result of the broader global economic and financial conditions. During the second half of 2013,

potassium prices declined as a result of an unexpected announcement made by the Russian company Uralkali (“Uralkali”) that it was terminating its participation in Belarus Potash Corporation (“BPC”). As a result of the termination of Uralkali’s participation in BPC, there was increased price competition in the market. In 2018, the average price for our potassium chloride and potassium sulfate business line was approximately 14% higher than in 2017. Our sales volumes for this business line were approximately 38% lower in 2018 compared to 2017. We cannot assure you that potassium-based fertilizer prices and sales volumes will not decline in the future.

Iodine prices followed an upward trend beginning at the end of 2008 and continuing through 2012, reaching an average price of approximately US\$53 per kilogram in 2012, over 40% higher than average prices in 2011. During the following years, supply growth outpaced demand growth, causing a decline in iodine prices. We obtained an average price for iodine of approximately US\$24 per kilogram in 2018, approximately 23% more than average prices obtained in 2017. We cannot assure you that iodine prices or sales volumes will not continue to decline in the future.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

In 2018, lithium demand continued to grow creating tight market conditions and increasing prices by 26% compared to 2017, driven mostly by an increase in demand related to battery use. During the second half of 2018, lithium supply increased, and prices slightly decreased in the fourth quarter. We cannot assure you that lithium prices and sales volumes will not decline in the future.

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 have the ability to increase 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 more than 110 countries around the world. In 2018, approximately 34% of our sales were made in emerging market countries: 8% in Latin America (excluding Chile); 8% in Africa and the Middle East (excluding Israel); 8% in Chile and 11% in Asia and Oceania (excluding Australia, Japan, New Zealand, South Korea and Singapore). 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 vary for economic or operational reasons

In general, economic conditions or operational factors can affect our inventory levels. Higher inventories carry a financial risk due to increased need for cash to fund working capital and could imply 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

New production of iodine 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 and lithium, which has affected prices for both products. Further production increases could negatively impact prices. There is limited information on the status of new iodine 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.

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. 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

Our reserve estimates are internally prepared and not subject to review by external geologists or an external auditing firm and could be subject to significant changes, which may have a material adverse effect on our business, financial condition and results of operations

Our caliche ore mining reserve estimates and our Salar de Atacama brine mining reserve estimates are prepared by our own geologists and hydrogeologists and are not subject to 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

Changes in technology or other developments could result in preferences for substitute products

Our products, particularly iodine, lithium and their derivatives, are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid-crystal displays (LCDs). Changes in technology, the development of substitute products or other developments could adversely affect demand for these and other products which we produce. In addition, other alternatives to our products may become more economically attractive as global commodity prices shift. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

We are exposed to labor strikes and labor liabilities that could impact our production levels and costs

Over 93% of our employees are employed in Chile, of which approximately 65% were represented by 22 labor unions as of December 31, 2018. 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.

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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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

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. 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.1 Risks Relating to Our Business (continued)

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.

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. 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.2 Risks Relating to Chile

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

Our business, results of operations, financial condition and prospects 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.

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 operating costs.

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.

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.

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. These agreements expire in 2030 and establish a series of obligations with which SQM Salar must comply. A serious failure to comply with these obligations may jeopardize the exploitation rights under the agreements and the continuity of our operations in the Salar de Atacama. While we believe that we have taken the appropriate precautions to ensure compliance with the obligations and conditions in the agreements, there can be no assurance that we will be able to maintain such compliance, which could jeopardize the continued benefits to us of the agreements and could have a material adverse effect on our business, financial condition and results of operations.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.2 Risks Relating to Chile (continued)

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 operating costs

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 at 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 Political 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. These and potential future changes to the Water Code or other relevant regulations could have a material adverse effect on our business, financial condition and results of operations.

The Chilean government could levy additional taxes on corporations operating in Chile

In Chile, there is a royalty tax that is applied to mining activities developed in the country.

On September 29, 2014, Law No. 20,780 was published (the “Tax Reform”), 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. As a result of these reforms, open stock corporations like SQM are subject to the partially integrated shareholder tax regime (sistema parcialmente integrado). The corporate tax rate applicable to us increased to 25.5% in 2017 and increased to the maximum rate of 27% in 2018.

Under the partially integrated 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, unless the shareholder is resident in a country with a tax treaty in force with Chile. In that case, 100% of the Chilean corporate tax paid by us may be credited against the final taxes at the shareholder level.

As a result, foreign shareholders resident in a non-treaty jurisdiction will be subject to a higher effective tax rate than residents of treaty jurisdictions. There is a temporary rule in effect from January 1, 2017 through December 31, 2019 that treaty jurisdictions for this purpose will include jurisdictions with tax treaties signed with Chile prior to January 1, 2017, whether or not such treaties are in force. This is currently the status of the treaty signed between Chile and United States. After December 31, 2019, if no treaty is in effect, shareholders in those jurisdictions will be subject to a higher effective tax rate.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.2 Risks Relating to Chile (continued)

The Tax Reform tax increase prompted a US\$52.3 million increase in our deferred tax liabilities as of December 31, 2014. In accordance with the instructions issued by the CMF, the effects generated by the change in the income tax rate were accounted for as retained earnings.

In addition, the Tax Reform may have other material adverse effects on our business, financial condition and results of operations. Likewise, we cannot assure you that the manner in which the Royalty Law (as defined below) or the corporate tax rate are interpreted and applied will not change in the future. The Chilean government may decide to levy additional taxes on mining companies or other corporations in Chile. Such changes 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.

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 April 2017 in the Valparaiso region and in December 2016 in Chiloe Island, had a magnitude of 6.9 and 7.6, respectively, on the Richter scale. There were also earthquakes in 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.3 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 depositary will receive cash distributions that we make with respect to the shares in Chilean pesos. The depositary 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 depositary 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 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.3 Risks Relating to our Shares and to our ADSs (continued)

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 depositary bank would attempt to sell their rights and distribute the net proceeds from the sale to them, after deducting the depositary's fees and expenses. If the depositary could not sell the rights, they would expire 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial Risk Management (continued)

5.2 Risk Factors (continued)

5.2.3 Risks Relating to our Shares and to our ADSs (continued)

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 2018. Characterization as a PFIC could result in adverse U.S. tax consequences to you if you are 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

Currently cash dividends paid by us to foreign shareholders are subject to a 35% Chilean withholding tax. When the Company pays a corporate income tax on the income from which the dividend is paid, known as a “First Category Tax”, a credit for the full amount of the First Category Tax effectively reduces the rate of Withholding Tax. Changes in Chilean tax regulations could have adverse consequences for U.S. investors.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial risk management, continued

5.2.4 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.

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 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:

| | | Rating Institution | | | 12/31/2018 |
|--|--------------------------|--------------------|-----|-------|------------|
| Financial institution | Financial assets | Moody | 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 |
| JP Morgan US dollar Liquidity Fund Institutional | Investment fund deposits | - | - | - | 133,809 |
| Legg Mason - Western Asset Institutional Cash Reserves | Investment fund deposits | - | - | - | 132,108 |
| Total | | | | | 367,361 |

| | | Rating Institution | | | 12/31/2018 |
|--------------------------------|-------------------|--------------------|-----|-------|------------|
| Financial institution | Financial assets | Moody | S&P | Fitch | ThUS\$ |
| Banco Sud Americano | 90 days to 1 year | - | - | - | 24,898 |
| Banco de Crédito e Inversiones | 90 days to 1 year | P-1 | A-1 | - | 145,834 |

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| | | | | | |
|----------------------|-------------------|-----|-----|---|---------|
| Banco Santander | 90 days to 1 year | P-1 | A-1 | - | 23,124 |
| Banco Itaú-Corpbanca | 90 days to 1 year | P-2 | A-2 | - | 70,719 |
| Banco Security | 90 days to 1 year | - | - | - | 27,215 |
| Total | | | | | 291,790 |

The following table presents comparative information as of December 2017:

| Financial institution | Financial assets | Rating | Institution | 12/31/2017 | |
|--|--------------------------|---------|-------------|------------|---------|
| | | Moody's | S&P | Fitch | ThUS\$ |
| Banco BBVA Chile | Time deposits | P-2 | A-2 | - | 41,860 |
| Banco de Crédito e Inversiones | Time deposits | P-1 | A-1 | F1 | 120,616 |
| Banco Santander - Santiago | Time deposits | P-1 | A-1 | F1 | 35,558 |
| BBVA Banco Francés | Time deposits | - | - | - | 163 |
| Itau-Corpbanca | Time deposits | P-2 | A-2 | - | 75,072 |
| JP Morgan US dollar Liquidity Fund Institutional | Investment fund deposits | - | - | - | 143,333 |
| Legg Mason - Western Asset Institutional Cash Reserves | | | - | - | |
| Reserves | Investment fund deposits | - | - | - | 144.464 |
| Scotiabank Sud Americano | Time deposit | | - | - | 12,520 |
| Nedank | Time deposit | P-3 | B | - | 3,686 |
| ABN Amro Bank | Time deposit | - | - | - | 1,439 |
| Total | | | | | 578,711 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial risk management, continued

5.2.4 Credit risk, Continued

| Financial institution | Financial assets | Rating Institution | | | 12/31/2017 ThUS\$ |
|--------------------------------|-------------------|--------------------|-----|-------|----------------------|
| | | Moody's | S&P | Fitch | |
| Banco BBVA Chile | 90 days to 1 year | - | - | - | 1,207 |
| Banco de Crédito e Inversiones | 90 days to 1 year | P-1 | A-1 | F1 | 71,748 |
| Banco de Chile | 90 days to 1 year | | | | 4,834 |
| Banco Itaú-Corpbanca | 90 days to 1 year | P-1 | A-2 | - | 77,526 |
| Banco Santander - Santiago | 90 days to 1 year | P-1 | A-1 | F1 | 163,269 |
| Morgan Stanley | 90 days to 1 year | P-2 | A-2 | F1 | 4,191 |
| Banco Security | 90 days to 1 year | - | - | - | 28,592 |
| Scotiabank Sud Americano | 90 days to 1 year | - | - | AA | 13,765 |
| Total | | | | | 365,132 |

5.2.5 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 Company's Board of Directors (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 Chilean peso (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\$400 million accumulated in expenses are associated with the Peso. A significant part of the effect of these liabilities on the Statement of Financial Position is covered by derivative instrument operations that cover the balance sheet mismatch.

As of December 31, 2018, the Company held derivative instruments classified as hedges of foreign exchange risks associated with all of the bond liabilities denominated in UF, for a fair value of US\$3.9 million against the Company. As of September 30, 2018, this value amounted to US\$21.3 million in favor of the Company and as of December 31, 2017, it totaled US\$5 million against the Company.

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As of December 31, 2018, the exchange rate value for equivalent Pesos to US Dollars was Ch\$694.77 per US Dollar, as of September 30, 2018, it was Ch\$660.42 per Dollar and as of December 31, 2017, it was Ch\$614.75 per US Dollar.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial risk management, continued

5.2.6 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.

The Company maintains current and non-current financial debt valued at the LIBOR rate plus spread.

As of Monday, December 31, 2018, the Company has around 5% of its financial liabilities linked to variations in the LIBOR rate and therefore any significant increases in that rate would impact its financial position. A change of 100 base points over that rate could generate variations in finance costs of around US\$0.06 million.

Additionally, as of December 31, 2018, the Company does not maintain maturities of less than 12 months on all capital of the financial debt, thereby reducing exposure to variations in interest rates.

5.2.7 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.

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, 2018, the

Company had unused, available revolving credit facilities with banks, for a total of approximately US\$481 million.

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

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 5 Financial risk management, continued**5.2.7 Liquidity risk, continued**

| As of December 31, 2018 | Nature of undiscounted cash flows | | | | Total |
|---|-----------------------------------|------------------|--------------|--------------|----------|
| | Carrying amount | Less than 1 year | 1 to 5 years | Over 5 years | |
| (in millions of US\$) | | | | | |
| Other non-derivative financial liabilities | | | | | |
| Bank borrowings | 70.25 | 4.10 | 79.66 | - | 83.76 |
| Unsecured obligations | 1,273.07 | 61.37 | 823.76 | 713.60 | 1,598.73 |
| Subtotal | 1,343.32 | 65.47 | 903.42 | 713.60 | 1,682.49 |
| Other derivative financial liabilities | | | | | |
| Hedging liabilities | (14.34) | 5.52 | 15.64 | 29.27 | 50.43 |
| Derivative financial instruments | 0.16 | 0.16 | - | - | 0.16 |
| Subtotal | (14.18) | 5.68 | 15.64 | 29.27 | 50.59 |
| Trade accounts payable and other accounts payable | 163.75 | 163.17 | 0.58 | - | - |
| Total | 1,492.89 | 234.32 | 919.64 | 742.87 | 1,733.08 |

| As of December 31, 2017 | Nature of undiscounted cash flows | | | | Total |
|---|-----------------------------------|------------------|--------------|--------------|----------|
| | Carrying amount | Less than 1 year | 1 to 5 years | Over 5 years | |
| (in millions of US\$) | | | | | |
| Other non-derivative financial liabilities | | | | | |
| Bank borrowings | 163.57 | 164.78 | - | - | 164.78 |
| Unsecured obligations | 1,054.89 | 47.45 | 522.52 | 751.67 | 1,321.64 |
| Subtotal | 1,218.46 | 212.23 | 522.52 | 751.67 | 1,486.42 |
| Other derivative financial liabilities | | | | | |
| Hedging liabilities | 28,38 | 37.01 | (9.51) | (18.36) | 9.14 |
| Derivative financial instruments | 0,80 | 0.80 | - | - | 0.80 |
| Subtotal | 29,18 | 37.81 | (9.51) | (18.36) | 9.94 |
| Trade accounts payable and other accounts payable | 196,28 | 196.18 | 0.10 | - | - |
| Total | 1,247.64 | 446.22 | 513.11 | 733.31 | 1,496.36 |

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 Group.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 6 Background of companies included in consolidation

6.1 Parent's stand-alone assets and liabilities

| | 12/31/2018 | 12/31/2017 |
|-------------|-------------|-------------|
| | ThUS\$ | ThUS\$ |
| Assets | 3,737,892 | 3,658,528 |
| Liabilities | (1,652,401) | (1,470,707) |
| Equity | 2,085,491 | 2,187,821 |

6.2 Parent entity

Pursuant to Article 99 of Law No. 18,045 of the Securities Market (the "Securities Market Law"), the Commission for Financial Market (the "CMF") may determine that a company does not have a controller 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 Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A. and Inversiones Global Mining (Chile) Limitada (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 Grupo Pampa the controller of the Company and that the Company does not have a controller given its current ownership structure.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

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, 2 of whom are independent directors, who are elected for a three-year period. The present Board of Directors was elected by the shareholders at the Ordinary Shareholders' Meeting on April 27, 2018.

On December 5, 2018, directors Darryl Stann and Mark F. Fracchia presented their resignations to the Board of Directors, and to date no replacements have been named.

As of December 31, 2018, the Company has the following Committees:

Directors' Committee: This committee comprises Hernán Büchi Buc, Laurence Golbome Riveros and Alberto Salas -Muñoz and fulfills the functions established in Article 50 bis of Chilean Law no. 18.046 on publicly-held corporations.

The Company's Health, Safety and Environmental Matters Committee: This committee comprises Arnfinn F. Prugger, Patricio Contesse Fica and Gonzalo Guerrero Yamamoto.

Corporate Governance Committee: Comprised of Hernán Büchi Buc. In the session held in December 2018, in consideration of the resignation of directors Darryl Stann and Mark F. Fracchia, the Board of Directors decided move forward on issues pertaining to this committee.

During the periods covered by these financial statements, there are no pending balances receivable and payable 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 7 Board of Directors, Senior Management And Key management personnel (continued)

7.1 Board of Directors and Senior Management, continued

2)

Directors' Compensation

Directors' compensation is detailed as follows:

The payment of a fixed, gross and monthly amount of UF 400 in favor of the Chairman of the Board of Directors of a)SQM S.A. and of UF 350 in favor of the remaining seven Directors of SQM S.A. and regardless of the number of Board of Directors' Meetings held or not held during the related month.

A payment in domestic currency in favor of the Chairman of the Company's Board of Directors consisting of a b)variable and gross amount equivalent to 0.12% of profit for the period effectively earned by the Company during the 2018 fiscal year.

A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board, c)consisting of a variable and gross amount equivalent to 0.06% of profit for the period effectively earned by the Company during the 2018 fiscal year.

The fixed and variable amounts indicated above cannot be altered and those expressed in percentages will be paid after the related General Shareholders' Meeting of SQM S.A. approves the Balance Sheet, Financial Statements, d)Annual Report, the Account Inspectors' Report and Independent Auditor's Report of SQM S.A. for the commercial year ended December 31, 2018.

The amounts expressed in UF will be paid in accordance with the value determined by the Chilean Superintendence of Banks and Financial Institutions (SBIF), the Central Bank of Chile (Banco Central de Chile) or another relevant e)institution replacing them during the last day of the calendar year applicable. The amounts reflected in or referred to in U.S. dollars will be converted to Chilean pesos and paid in Chilean pesos in accordance with the exchange rate in force when the dividend for the 2018 fiscal year is paid.

f)Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee as of December 31, 2018, amount to ThUS\$3,791, and ThUS\$ 3,231 as of December 31, 2017.

3)Directors' Committee

The remuneration of the Directors Committee comprises:

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The payment of a fixed, gross and monthly amount of UF 113 in favor of each of the 3 directors that are members of a) 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.

c) Approval of a budget for operating costs for the Directors' Committee equal to the total of their joint annual remunerations plus ThUS\$825.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 7 Board of Directors, Senior Management And Key management personnel (continued)

7.1 Board of Directors and Senior Management, continued

The fixed and variable amounts indicated above cannot be altered and those expressed in percentages will be paid after the related General Shareholders' Meeting of SQM S.A. approves the Balance Sheet, Financial Statements, Annual Report, the Account Inspectors' Report and Independent Auditor's Report of SQM S.A. for the commercial year ended December 31, 2018.

The amounts expressed in UF will be paid in accordance with the value determined by the Chilean Superintendence of Banks and Financial Institutions (SBIF), the Central Bank of Chile (Banco Central de Chile) or another relevant institution replacing them during the last day of the calendar year applicable. The amounts reflected in or referred to in U.S. dollars will be converted to Chilean pesos and paid in Chilean pesos in accordance with the exchange rate in force when the dividend for the 2018 fiscal year is paid.

4) Health, Safety and Environmental Matters Committee:

The remuneration for this committee is composed of the payment of a fixed, gross and monthly amount of UF 50 for each of the 3 Directors on the committee, regardless of the number of meetings it has held.

5) Corporate Governance Committee

The remuneration for this committee is 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 7 Board of Directors, Senior Management And Key management personnel (continued)

7.1 Board of Directors and Senior Management, continued

6) No guarantees have been constituted in favor of the directors.

7) Senior management compensation:

As of December 31, 2018, the global compensation paid to the 123 main executives amounts to ThUS\$27,907, the a) global compensation paid to the 115 main executives as of December 31, 2017 amounted to ThUS\$27,367. This includes monthly fixed salary and variable performance bonuses.

SQM S.A. has an annual bonus plan based on goal achievement and individual contribution to the Company's b) 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) No guarantees have been constituted in favor of the Company's management.

The Company's Managers and Directors do not receive or have not received any benefit during the period ended 9) December 31, 2018 and the year ended December 31, 2017 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, 2018, there are 123 people occupying key management positions and 115 as of December 31, 2017.

| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---|----------------------|----------------------|
| Key management personnel compensation (1) | 27,907 | 27,367 |

(1) Corresponds to a number of executives (see Note 7.1 number 7) a).

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Notes to the Consolidated Financial Statements as of December 31, 2018.

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, 2018 and December 31, 2017, 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 | Interest Indirect | Total |
|---|--------------|--------------------------------------|--------------------------|---------------------|---------------------------|-------------------|----------|
| SQM Nitratos S.A. | 96.592.190-7 | El Trovador 4285 Las Condes | Chile | US dollar | 99.9999 | 0.0001 | 100.0000 |
| Proinsa Ltda. | 78.053.910-0 | El Trovador 4285 Las Condes | Chile | Chilean peso | - | 60.5800 | 60.5800 |
| SQMC Internacional Ltda. | 86.630.200-6 | El Trovador 4285 Las Condes | Chile | Chilean peso | - | 60.6381 | 60.6381 |
| SQM Potasio S.A. | 96.651.060-9 | El Trovador 4285 Las Condes | Chile | US dollar | 99.9999 | - | 99.9999 |
| Serv. Integrales de Tránsito y Transf. S.A. | 79.770.780-5 | Arturo Prat 1060, Tocopilla | Chile | US dollar | 0.0003 | 99.9997 | 100.0000 |
| Isapre Norte Grande Ltda. | 79.906.120-1 | Anibal Pinto 3228, Antofagasta | Chile | Chilean peso | 1.0000 | 99.0000 | 100.0000 |
| Ajay SQM Chile S.A. | 96.592.180-K | Av. Pdte. Eduardo Fri 4900, Santiago | Chile | US dollar | 51.0000 | - | 51.0000 |
| Almacenes y Depósitos Ltda. | 79.876.080-7 | El Trovador 4285 Las Condes | Chile | Chilean peso | 1.0000 | 99.0000 | 100.0000 |
| SQM Salar S.A. | 79.626.800-K | El Trovador 4285 Las Condes | Chile | US dollar | 18.1800 | 81.8200 | 100.0000 |
| SQM Industrial S.A. | 79.947.100-0 | El Trovador 4285 Las Condes | Chile | US dollar | 99.0470 | 0.9530 | 100.0000 |
| Exploraciones Mineras S.A. | 76.425.380-9 | El Trovador 4285 Las Condes | Chile | US dollar | 0.2691 | 99.7309 | 100.0000 |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 76.534.490-5 | Anibal Pinto 3228, Antofagasta | Chile | Chilean peso | - | 100.0000 | 100.0000 |
| Soquimich Comercial S.A. | 79.768.170-9 | El Trovador 4285 Las Condes | Chile | US dollar | - | 60.6383 | 60.6383 |
| Comercial Agrorrama Ltda. | 76.064.419-6 | El Trovador 4285 Las Condes | Chile | Chilean peso | - | 42.4468 | 42.4468 |

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| | | | | | | | | |
|---|--------------|---|--------------------------|--------------|----------|----------|----------|--|
| (*) | | | | | | | | |
| Comercial Hydro S.A. | 96.801.610-5 | El Trovador 4285 Las Condes | Chile | US dollar | - | 60.6383 | 60.6383 | |
| Agrorama S.A. | 76.145.229-0 | El Trovador 4285 Las Condes | Chile | Chilean peso | - | 60.6377 | 60.6377 | |
| Orcoma Estudios SPA | 76.359.919-1 | Apoquindo 3721 OF 131 Las Condes | Chile | US dollar | 51.0000 | - | 51.0000 | |
| Orcoma SPA | 76.360.575-2 | Apoquindo 3721 OF 131 Las Condes | Chile | US dollar | 100.0000 | - | 100.0000 | |
| SQM MaG SpA | 76.686.311-9 | Los Militares 4290, Las Condes | Chile | US dollar | - | 100.0000 | 100.0000 | |
| SQM North America Corp. | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States of America | US dollar | 40.0000 | 60.0000 | 100.0000 | |
| RS Agro Chemical Trading Corporation A.V.V. | Foreign | Caya Ernesto O. Petronia 17, Orangestad | Aruba | US dollar | 98.3333 | 1.6667 | 100.0000 | |
| Nitratos Naturais do Chile Ltda. | Foreign | Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo | Brazil | US dollar | - | 100.0000 | 100.0000 | |
| Nitrate Corporation of Chile Ltd. | Foreign | 1 More London Place London SE1 2AF | United Kingdom | US dollar | - | 100.0000 | 100.0000 | |
| SQM Corporation N.V. | Foreign | Pietermaai 123, P.O. Box 897, Willemstad, Curacao | Curacao | US dollar | 0.0002 | 99.9998 | 100.0000 | |
| SQM Perú S.A. | Foreign | Avenida Camino Real N° 348 of. 702, San Isidro, Lima | Peru | US dollar | 0.9800 | 99.0200 | 100.0000 | |
| SQM Ecuador S.A. | Foreign | Av. José Orrantia y Av. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211 | Ecuador | US dollar | 0.0040 | 99.9960 | 100.0000 | |

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

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)**8.1 Background on companies included in consolidation, continued**

| Subsidiaries | TAX ID No. | Address | Country of Incorporation | Functional Currency | Ownership Interest Direct | Indirect | Total |
|--------------------------------------|------------|--|--------------------------|---------------------|---------------------------|----------|----------|
| SQM Brasil Ltda. | Foreign | Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barueri, CEP 06455-020, Sao Paulo | Brazil | US dollar | 1.0900 | 98.9100 | 100.0000 |
| SQI Corporation N.V. | Foreign | Pietermaai 123, P.O. Box 897, Willemstad, Curacao | Curacao | US dollar | 0.0159 | 99.9841 | 100.0000 |
| SQMC Holding Corporation. | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta | United States of America | US dollar | 0.1000 | 99.9000 | 100.0000 |
| SQM Japan Co. Ltd. | Foreign | From 1 st Bldg 207, 5-3-10 Minami- Aoyama, Minato-ku, Tokio | Japan | US dollar | 0.1597 | 99.8403 | 100.0000 |
| SQM Europe N.V. | Foreign | Houtdok-Noordkaai 25a B-2030 Amberes | Belgium | US dollar | 0.5800 | 99.4200 | 100.0000 |
| SQM Italia SRL | Foreign | Via A. Meucci, 5 500 15 Grassina Firenze | Italy | US dollar | - | 100.0000 | 100.0000 |
| SQM Indonesia S.A. | Foreign | Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede | Indonesia | US dollar | - | 80.0000 | 80.0000 |
| North American Trading Company | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States of America | US dollar | - | 100.0000 | 100.0000 |
| SQM Virginia LLC | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States of America | US dollar | - | 100.0000 | 100.0000 |
| SQM Comercial de México S.A. de C.V. | Foreign | Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco Mexico | Mexico | US dollar | 0.0100 | 99.9900 | 100.0000 |
| SQM Investment Corporation N.V. | Foreign | Pietermaai 123, P.O. Box 897, Willemstad, Curacao | Curacao | US dollar | 1.0000 | 99.0000 | 100.0000 |
| Royal Seed Trading | Foreign | Caya Ernesto O. Petronia 17, Oranjestad | Aruba | US dollar | 1.6700 | 98.3300 | 100.0000 |

| | | | | | | | |
|---|---------|---|-----------------------------|----------------------|---|----------|----------|
| Corporation A.V.V. SQM Lithium Specialties Limited Partnership | Foreign | 2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA | United States of America | US dollar | - | 100.0000 | 100.0000 |
| Soquimich SRL Argentina Comercial | Foreign | Espejo 65 Oficina 6 – 5500 Mendoza | Argentina | US dollar | - | 100.0000 | 100.0000 |
| Caimán Internacional S.A. | Foreign | Edificio Plaza Bancomer Calle 50 | Panama | US dollar | - | 100.0000 | 100.0000 |
| SQM France S.A. | Foreign | ZAC des Pommiers 27930 FAUVILLE | France | US dollar | - | 100.0000 | 100.0000 |
| Administración y Servicios Santiago S.A. de C.V. | Foreign | Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco Mexico | Mexico | US dollar | - | 100.0000 | 100.0000 |
| SQM Nitratos México S.A. de C.V. | Foreign | Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco Mexico | Mexico | US dollar | - | 100.0000 | 100.0000 |
| SQM Australia PTY | Foreign | Level 16, 201 Elizabeth Street Sydney | Australia | Australian dollar | - | 100.0000 | 100.0000 |
| SACAL S.A. | Foreign | Av. Leandro N. Alem 882, piso 13 Buenos Aires | Argentina | Argentine peso | - | 100.0000 | 100.0000 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)**8.1 Background on companies included in consolidation, continued**

| Subsidiaries | TAX ID No. | Address | Country of Incorporation | Functional Currency | Ownership Interest | | Total |
|-----------------------------------|------------|---|--------------------------|---------------------|--------------------|----------|----------|
| | | | | | Direct | Indirect | |
| Soquimich European Holding B.V. | Foreign | Loacalellikade 1 Parnassustoren 1076 AZ Amsterdam | Holland | US dollar | - | 100.0000 | 100.0000 |
| SQM Iberian S.A | Foreign | Provenza 251 Principal 1a CP 08008, Barcelona | Spain | US dollar | - | 100.0000 | 100.0000 |
| SQM Africa Pty Ltd. | Foreign | Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg | South Africa | US dollar | - | 100.0000 | 100.0000 |
| SQM Oceanía Pty Ltd. | Foreign | Level 9, 50 Park Street, Sydney NSW 2000, Sydney | Australia | US dollar | - | 100.0000 | 100.0000 |
| 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 dollar | - | 100.0000 | 100.0000 |
| SQM Thailand Limited | Foreign | Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok | Thailand | US dollar | - | 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 dollar | - | 100.0000 | 100.0000 |
| SQM International N.V. | Foreign | Houtdok-Noordkaai 25a B-2030 Amberes | Belgium | US dollar | 0.5800 | 99.4200 | 100.0000 |
| SQM (Shanghai) Chemicals Co. Ltd. | Foreign | Room 4703-33, 47F, No.300 Middle Huaihai Road, Huangpu district, Shanghai | China | US dollar | - | 100.0000 | 100.0000 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.2 Assets, liabilities, results of consolidated subsidiaries

12/31/2018

| Subsidiary | Assets | | Liabilities | | Revenue | Profit (loss) | Comprehensive income (loss) |
|---|-------------------|-----------------------|-------------------|-----------------------|-----------|------------------|-----------------------------------|
| | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current 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) |

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| | | | | | | | |
|-----------------------------------|-----------|-----------|-----------|---------|-----------|---------|---------|
| 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) |
| 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 |
| subtotal | 2,480,676 | 2,796,109 | 1,799,061 | 327,399 | 2,738,565 | 743,092 | 741,241 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)**8.2 Assets, liabilities, results of consolidated subsidiaries, continued**

12/31/2018

| Subsidiary | Assets | | Liabilities | | Revenue | Profit (loss) | Comprehensive income | |
|--|---------|-------------|-------------|-------------|---------|------------------|-------------------------|---|
| | Current | Non-current | Current | Non-current | | | (loss) | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| 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 Oceanía 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 | |
| 298SQM Colombia SAS | 4,592 | 279 | 4,830 | - | 3,056 | (887 |) (887 |) |
| SQM Australia Pty | 29,856 | 88,587 | 5,005 | 26 | - | 562 | 562 | |

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|--------------------------------|-----------|-----------|-----------|---------|-----------|---------|---------|
| Sacal S.A. | 3 | - | - | - | - | - | - |
| SQM Internacional | 10,854 | 781 | 3,502 | - | 3,539 | 102 | 102 |
| SQM Shangai Chemicals Co. Ltd. | 8,437 | 36 | 6,212 | - | 6,059 | (239) | (239) |
| Subtotal | 812,265 | 277,402 | 647,883 | 1,146 | 1,469,732 | 50,529 | 50,560 |
| Total | 3,292,941 | 3,073,511 | 2,446,944 | 328,545 | 4,208,297 | 793,621 | 791,801 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)**8.2 Assets, liabilities, results of consolidated subsidiaries, continued**

12/31/2017

| Subsidiary | Assets | | Liabilities | | Revenue | Profit (loss) | Comprehensive income (loss) |
|---|-------------------|-----------------------|-------------------|-----------------------|---------|------------------|-----------------------------------|
| | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | | | |
| SQM Nitratos S.A. | 353,821 | 39,144 | 324,738 | 4,489 | 100,626 | 5,569 | 5,607 |
| Proinsa Ltda. | 59 | 1 | - | - | - | (3 |) (3 |
| SQMC Internacional Ltda. | 219 | - | - | - | - | (3 |) (3 |
| SQM Potasio S.A. | 243,513 | 951,448 | 85,279 | 23,092 | 4,129 | 282,442 | 282,874 |
| Serv. Integrales de Tránsito y Transf. S.A. | 27,822 | 36,606 | 57,208 | 1,596 | 35,210 | 1,727 | 1,712 |
| Isapre Norte Grande Ltda. | 561 | 834 | 590 | 147 | 1,952 | 44 | 65 |
| Ajay SQM Chile S.A. | 17,048 | 1,143 | 779 | 459 | 23,732 | 2,088 | 2,088 |
| Almacenes y Depósitos Ltda. | 301 | 50 | 1 | - | - | (7 |) 83 |
| SQM Salar S.A. | 760,900 | 785,082 | 449,049 | 186,451 | 985,654 | 347,790 | 348,313 |
| SQM Industrial S.A. | 982,835 | 666,097 | 618,289 | 94,135 | 685,294 | 48,988 | 49,011 |
| Exploraciones Mineras S.A. | 540 | 31,691 | 6,206 | - | - | (55 |) (55 |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | 372 | 624 | 551 | 353 | 887 | 43 | 27 |
| Soquimich Comercial S.A. | 159,943 | 14,395 | 46,180 | 4,632 | 117,745 | 254 | 277 |
| Comercial Agrorama Ltda. | 9,977 | 1,852 | 12,388 | 54 | 13,061 | (1,342 |) (1,341 |
| Comercial Hydro S.A. | 4,944 | 41 | 63 | 11 | 30 | 140 | 140 |
| Agrorama S.A. | 11,343 | 625 | 14,956 | 78 | 14,275 | (2,041 |) (2,059 |
| Orcoma SpA | - | 2,360 | 14 | - | - | - | - |
| Orcoma Estudio SpA | 341 | 4,356 | 50 | - | - | - | - |
| SQM MaG SPA | 10 | - | - | - | - | - | - |
| SQM North America Corp. | 131,452 | 15,442 | 162,180 | 782 | 250,522 | (1,384 |) (1,652 |
| RS Agro Chemical Trading Corporation | 5,164 | - | 23 | - | - | (30 |) (30 |
| A.V.V. | - | 141 | 3,451 | - | - | (111 |) (111 |

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| | | | | | | | |
|--------------------------------------|-----------|-----------|-----------|---------|-----------|----------|----------|
| Nitrate Corporation of Chile Ltd. | 5,076 | - | - | - | - | - | - |
| SQM Corporation N.V. | 668 | 133,876 | 3,575 | - | - | 21,089 | 21,065 |
| SQM Perú S.A. | 270 | - | 1,166 | - | - | 24 | 24 |
| SQM Ecuador S.A. | 21,642 | 116 | 19,651 | 80 | 26,025 | 622 | 622 |
| SQM Brasil Ltda. | 187 | - | 663 | 2,345 | 336 | (42) | (42) |
| SQI Corporation N.V. | 16 | 26 | 61 | - | - | (1) | (1) |
| SQMC Holding Corporation L.L.P. | 24,600 | 15,193 | 1,000 | - | - | 2,263 | 2,263 |
| SQM Japan Co. Ltd. | 43,656 | 302 | 40,992 | 626 | 114,006 | (2,168) | (2,168) |
| Subtotal | 2,807,280 | 2,701,445 | 1,849,103 | 319,330 | 2,373,484 | 705,896 | 706,706 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)**8.2 Assets, liabilities, results of consolidated subsidiaries, continued**

12/31/2017

| Subsidiary | Assets | | Liabilities | | Revenue | Profit (loss) | Comprehensive |
|--|---------|-------------|-------------|-------------|---------|------------------|------------------|
| | Current | Non-current | Current | Non-current | | | income |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | (loss) ThUS\$ |
| SQM Europe N.V. | 399,601 | 2,599 | 339,910 | - | 923,087 | 11,097 | 11,097 |
| SQM Italia SRL | 1,236 | - | 16 | - | - | (3) | (3) |
| SQM Indonesia S.A. | 4 | - | 1 | - | - | - | - |
| North American Trading Company | 158 | 145 | 39 | - | - | - | - |
| SQM Virginia LLC | 14,807 | 14,348 | 14,807 | - | - | (8) | (8) |
| SQM Comercial de México S.A. de C.V. | 92,961 | 2,288 | 64,318 | - | 193,523 | 4,381 | 4,381 |
| SQM Investment Corporation N.V. | 52,639 | 86 | 12,955 | 866 | - | (7,198) | (7,198) |
| Royal Seed Trading Corporation A.V.V. | 31,040 | - | 49,818 | - | - | 2,348 | 2,348 |
| SQM Lithium Specialties LLP | 15,755 | 3 | 1,264 | - | - | (8) | (8) |
| Soquimich SRL Argentina | 168 | - | 173 | - | - | (37) | (37) |
| Comercial Caimán Internacional S.A. | 262 | - | 1,122 | - | - | 3 | 3 |
| SQM France S.A. | 345 | 6 | 114 | - | - | - | - |
| Administración y Servicios Santiago S.A. de C.V. | 162 | 86 | 531 | 58 | 2,813 | 47 | 47 |
| SQM Nitratos México S.A. de C.V. | 49 | 8 | 30 | 7 | 301 | 6 | 6 |
| Soquimich European Holding B.V. | 53,664 | 137,393 | 71,761 | 1,493 | - | 18,476 | 18,452 |
| SQM Iberian S.A. | 57,241 | 1,720 | 48,891 | - | 175,936 | 119 | 119 |
| SQM Africa Pty Ltd. | 76,888 | 1,514 | 70,561 | - | 101,152 | 1,135 | 1,135 |
| SQM Oceanía Pty Ltd. | 4,151 | - | 2,033 | - | 2,045 | 301 | 301 |
| SQM Agro India Pvt. Ltd. | - | - | - | - | - | - | - |
| SQM Beijing Commercial Co. Ltd. | 8,804 | 16 | 6,518 | - | 3,691 | 151 | 151 |
| SQM Thailand Limited | 12,113 | 5 | 9,128 | - | 5,694 | 43 | 43 |
| SQM Colombia SAS | 278 | 131 | 33 | - | - | (271) | (271) |

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| | | | | | | | |
|-------------------|-----------|-----------|-----------|---------|-----------|---------|---------|
| SQM Australia Pty | 25,654 | 24,800 | - | - | - | - | - |
| Sacal S.A. | 6 | - | - | - | - | - | - |
| Subtotal | 847,986 | 185,148 | 694,023 | 2,424 | 1,408,242 | 30,582 | 30,558 |
| Total | 3,655,266 | 2,886,593 | 2,543,126 | 321,754 | 3,781,726 | 736,478 | 737,264 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.3 Detail of transactions between consolidated companies

a) Transactions conducted in 2018

On January 30, 2018, in SQM North America there was a capital increase of ThUS\$36,251. All partners met this increase, maintaining share percentages.

On February 27, 2018, a capital contribution of ThUS\$2,500 was made to SQM (Shanghai) Chemicals Co. Ltd. This company is a wholly-owned subsidiary of SQM Industrial S.A.

On March 28, 2018, in SQI Corporation N,V, there was a capital increase of ThUS\$40. All partners met this increase, maintaining share percentages.

As of September 30, 2018, a total of ThUS\$1,282 has been paid on the capital increase in SQM Colombia SAS subscribed during 2017 by SQM Industrial S.A. The transaction had no effect on consolidated earnings.

On August 1, 2018, the company Western Australia Lithium Pty changed its corporate name to Covalent Lithium Pty Ltd., maintaining all share percentages.

On November 9, 2018, a capital increase was made in SQM Australia Pty Ltd. for ThUS\$2,670. All partners attended, maintaining all share percentages.

On November 29, 2018, a capital increase was made in SQM Australia Pty Ltd. for ThUS\$5,250. All partners attended, maintaining all share percentages.

On December 14, 2018, a capital increase was made in SQM Australia Pty Ltd. for ThUS\$83,500. All partners attended, maintaining all share percentages.

On December 18, 2018, Proinsa Ltda. sold to SQM Industrial S.A. 1 share in Agrorama S.A, thereby ending its participation in this company.

On December 18, 2018, SQMC Internacional Ltda. sold to Agrorama S.A. 1 share in Agrorama S.A.

b)

Transactions conducted in 2017

On January 1, 2017, the subsidiary SQM Iberian S.A. absorbed the joint venture SQM Vitas Spain.

On January 10, 2017, SQM Japan Co, Ltd, carried out a capital increase of ThUS\$8,676. Only Soquimich European Holding B.V. subscribed shares, thereby increasing its interest from 46.24% to 84.03% and reducing the interest held by SQM S.A. from 0.54% to 0.16% and by SQM Potasio S.A. from 53.22% to 15.81%, This had no impact on the consolidated results of SQM S.A., which continues to hold 100% of SQM Japan Co. Ltd. in its consolidated statement of financial position.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation (continued)

8.3 Detail of transactions between consolidated companies, continued

b) Transactions conducted in 2017, continued

On February 10, 2017, the subsidiary Compañía Minera Arfwedson SpA was created in Chile with a capital contribution from SQM S.A. equivalent to ThUS\$10 for a 100% interest. On August 29, 2017, the company's name was changed to "SQM MAG SpA". The transaction had no impact on the Company's consolidated results.

On April 19, 2017, the subsidiary SACAL S.A. was incorporated with capital of ThUS\$7. The company is owned by SQM Potasio S.A. (95%) and SQM Industrial S.A. (5%). The transaction had no impact on the Company's consolidated results.

On May 4, 2017 SQI Corporation NV carried out a capital increase of ThUS\$15.7, which belongs to SQM S.A. (with a share of 0.01587%) and SQM Potasio S.A. (with a share of 99.98413%)

On July 31, 2017, SQM Trading was legally formed. A capital of ThUS\$3,080 was recorded as of June 30, 2018. The subsidiary is owned by the Company (0.58%) and Soquimich European Holding (99.42%). The transaction had no impact on the Company's consolidated results. Subsequent to its creation, this company changed its name to SQM International N.V.

SQM International N.V. (previously SQM Trading N.V.) was incorporated on July 31, 2017, born from the partial separation of SQM Europe N.V. into SQM Europe N.V. and SQM International N.V., both of which retained the same ownership structure as before. For tax purposes in Belgium, this separation was made effective retroactively as of January 1, 2017. In the annual accounts for 2017 to be presented in 2018 to the local authorities in Belgium, the statement of financial position and transactions are separated as of the effective date. The effects of this corporation are considered in the consolidated financial statements as of June 30, 2018.

During July 2017, the subsidiary SQM Agro India Private Limited was closed. The transaction had no impact on the Company's consolidated results.

On August 14, 2017, SQM Colombia SAS agreed to carry out a capital increase of ThUS\$1,814.64, which was subscribed by its owner SQM Industrial S.A. To date, it has paid ThUS\$641. The transaction had no impact on the Company's consolidated results.

On August 29, 2017, Compañía Minera Arfwedson SpA, changed its name to SQM MaG SpA.

On August 31, 2017, the subsidiary SQM Australia Pty Ltd, was created with initial capital of ThUS\$7,000 (ThAUD8,729). This subsidiary is fully owned (100%) by SQM Potasio S.A. The functional currency of SQM Australia Pty Ltd, is the Australian dollar (AUD). Later, on December 14 of the same year, additional capital of ThUS\$18,500 (AUD 24,105.5) was invested. These transactions had no impact on the Company's consolidated results.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation (continued)

8.3 Detail of transactions between consolidated companies, continued

c) Transactions conducted in 2017, continued

On November 27, 2017, the corporation ACN 623 090 139 was created in Australia. It later changed its corporate name to Western Australia Lithium pty with a capital of 10 Australian dollars. The corporation is owned by SQM Australia Pty Ltd (50%) and non-related third parties (50%).

On December 26, 2017, the company SQM (Shanghai) Chemicals Co. Ltd. was legally formed. No capital contributions had been recorded as of December 31, 2018.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 8 Background on companies included in consolidation and non-controlling interests (continued)

8.4

Background on non-controlling interests

| Subsidiary | % of interests in the ownership held by non-controlling interests, | Profit (loss) attributable to non-controlling interests | | Equity, non-controlling interests | | Dividends paid to non-controlling interests | |
|--------------------------|--|---|----------------------|-----------------------------------|----------------------|---|----------------------|
| | | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
| Proinsa Ltda. | 0.1 | % - | - | - | - | - | - |
| SQM Potasio S.A. | 0.0000001 | % - | - | - | - | - | - |
| Ajay SQM Chile S.A. | 49 | % 1,176 | 1,023 | 8,659 | 8,306 | 823 | 989 |
| SQM Indonesia S.A. | 20 | % - | - | 1 | 1 | - | - |
| Soquimich Comercial S.A. | 39.3616784 | % 1,375 | 100 | 41,855 | 49,247 | 8,910 | 1,264 |
| Comercial Agrorama Ltda. | 30 | % (318) | (403) | (481) | (184) | - | - |
| Agrorama S.A. | 0.001 | % - | - | - | - | - | - |
| Orcoma Estudios SPA | 49 | % - | - | 2,277 | 2,277 | - | - |
| SQM (Thailand) Limited. | 0.004 | % - | - | - | - | - | - |
| Total | | 2,233 | 720 | 52,311 | 59,647 | 9,733 | 2,253 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 9 Equity-accounted investees

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

As of December 31, 2018 and December 31, 2017, in accordance with criteria established in Note 3.19, investment in associates recognized according to the equity method of accounting and joint ventures are as follows:

| | 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 | |
|-------------------------------------|----------------------------|----------------------|---|----------------------|--|----------------------|--|----------------------|
| Associates | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
| Abu Dhabi Fertilizer Industries WWL | 10,821 | 15,936 | 596 | 1,483 | - | - | 596 | 1,483 |
| Doktor Tarsa Tarim Sanayi AS | 21,582 | 21,788 | 241 | 6,427 | 489 | - | 730 | 6,427 |
| Ajay North America | 14,951 | 14,432 | 3,728 | 3,677 | - | - | 3,728 | 3,677 |
| Ajay Europe SARL | 7,845 | 8,144 | 1,373 | 1,049 | (439) | 26 | 934 | 1,075 |
| Charlee SQM Thailand Co, Ltd, | - | 2,301 | 316 | 393 | - | - | 316 | 393 |
| SQM Eastmed Turkey, | 310 | - | 370 | (25) | (21) | - | 349 | (25) |
| Kore Potash Ltd, | 20,467 | 20,000 | (1,543) | - | (1,206) | - | (2,749) | - |
| Total | 75,976 | 82,601 | 5,081 | 13,004 | (1,177) | 26 | 3,904 | 13,030 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 9 Equity-accounted investees (continued)**9.1 Investments in associates recognized according to the equity method of accounting, continued**

| Associate | Description of the nature of the relationship | Domicile | Country of incorporation | Share of ownership in associates | Dividends received | 12/31/2018 | 31/2017 |
|-------------------------------------|---|---|--------------------------|----------------------------------|--------------------|------------|---------|
| | | | | | | 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 % | 5,641 | - | |
| 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 | 49 % | 2,807 | 1,123 | |
| Ajay Europe SARL | Production and commercialization of iodine derivatives. | Z,I, du Grand Verger BP 227 53602 Evron Cedex | France | 50 % | 811 | 968 | |
| SQM Eastmed Turkey | Production and commercialization of specialty products. | Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya | Turkey | 50 % | - | - | |
| Charlee SQM Thailand Co. Ltd. | Distribution and commercialization of specialty plant nutrients. | 31 Soi 138 (Meesuk) LLapdrawrd, Bangkapi, 10240 Bangkok | Thailand | 40 % | 362 | - | |
| | | | Australia | 17,52 % | - | - | |

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| | | | | |
|------------------------|---|--|-------|-------|
| Kore Potash Ltd. | Prospecting, exploration and mining development. | L 3 88 William St Perth, was 6000 | | |
| Total | | | 9,621 | 2,091 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 9 Equity-accounted investees (continued)**9.1 Investments in associates recognized according to the equity method of accounting, continued**

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 | | | | | | | |
| Company | Description of the nature of the relationship | Domicile | Country of incorporation | Share of ownership in associates | | Dividends received | | | |
| Terra Tarsa B,V, (1) | Distribution and trading of specialty plant nutrients, | Herikerbergweg 238, Luna Arena, 1101CM Amsterdam PO Box 23393, 1100DW Amsterdam Zuidoost | Holland | 50 | % | - | - | - | - |
| Plantacote N,V, (1) | Sale of CRF and production and sales of WSNPK | Houtdok-Noordkaai 25a, 2030 Antwerpen, Belgium | Belgium | 100 | % | - | - | - | - |
| Doktolab Tarim Arastima San, Tic As (1) | Laboratory services | 27, Cd, No:2, 07190 Aosb 2, Kısım/Döşemealtı, Antalya, Turkey | Turkey | 100 | % | - | - | - | - |
| Terra Tarsa Ukraine LLC (2) | Distribution and trading of specialty plant nutrients, | 74800 Ukraine, Kakhovka, 4 Yuzhnaya Str, | Ukraine | 100 | % | - | - | - | - |
| Terra Tarsa Don LLC (2) | Distribution and sale of specialty fertilizers | Zorge Street, house 17, 344090, Rostov-on-Don | Russian Federation | 100 | % | - | - | - | - |
| Internacional Technical and Trading Agencies Co. WLL (3) | Distribution and trading of specialty plant nutrients, in the Middle East | P.O Box: 950918 Amman 11195 | Jordania | 50 | % | - | - | - | - |

Total

- -

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 9 Equity-accounted investees (continued)

9.2 Assets, liabilities, revenue and expenses of associates

12/31/2018

| Associate | Assets | | Liabilities | | Revenue ThUS\$ | Gain (loss) from continuing operations ThUS\$ | Other comprehensive income ThUS\$ | Comprehensive income ThUS\$ |
|-------------------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|---|--|-----------------------------------|
| | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | | | | |
| Abu Dhabi Fertilizer Industries WWL | 32,093 | 2,847 | 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 Ltda. | 6,659 | 148,426 | 2,180 | - | - | (8,198) | (6,882) | (15,080) |
| Total | 149,837 | 179,298 | 47,056 | 9,943 | 187,061 | 4,989 | (6,825) | (1,836) |

12/31/2017

| Associate | Assets | | Liabilities | | Revenue ThUS\$ | Gain (loss) from continuing operations ThUS\$ | Other comprehensive income ThUS\$ | Comprehensive income ThUS\$ |
|-------------------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|---|--|-----------------------------------|
| | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | | | | |
| Abu Dhabi Fertilizer Industries WWL | 44,801 | 2,032 | 3,764 | - | 35,131 | 4,008 | (4) | 4,004 |
| Doktor Tarsa Tarim Sanayi AS | 81,057 | 10,731 | 36,960 | 11,251 | 75,269 | 12,854 | (4,367) | 8,487 |
| Ajay North America | 19,426 | 12,498 | 2,470 | - | 36,185 | 7,505 | - | 7,505 |
| Ajay Europe SARL | 23,555 | 1,266 | 8,534 | - | 32,310 | 2,098 | 2,208 | 4,306 |
| Charlee SQM Thailand Co. Ltd. | 8,585 | 712 | 3,292 | 255 | 13,618 | 981 | 414 | 1,395 |
| SQM Eastmed Turkey | 3,981 | 2,671 | 4,487 | 2,260 | 2,389 | (49) | (12) | (61) |
| Total | 181,405 | 29,910 | 59,507 | 13,766 | 194,902 | 27,397 | (1,761) | 25,636 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 9 Investment in Associates (continued)

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 equity method was applied to the Statement of Financial Position as of December 31, 2018 and December 31, 2017.

The basis of preparation of the financial information of associates corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

9.4

Disclosures on interest in associates

a) Transactions conducted in 2018:

During the first quarter, SQM S.A. increased its capital in Kore Potash Ltd, by ThUS\$ 3,000.

In March 2018 the company Abu Dhabi Fertilizer Industries WLL paid dividends of ThUS\$ 10,890. 50% of the distributed dividend was charged to retained earnings 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.

In March 2018 the company Ajay North America paid dividends of ThUS\$ 1,432.

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In June 2018, the associate company Doktor Tarsa Tarim, made a capital increase of 86 million Turkish Lira (ThUS\$ 18,753), which was generated by the reclassification of retained earnings.

In June 2018 the company Abu Dhabi Fertilizer Industries WLL paid dividends of ThUS\$ 4,348. 50% of the distributed dividend was charged to retained earnings 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.

In June 2018 the company Ajay North America paid dividends of ThUS\$1,432.

In June 2018 the company Ajay North Europe SARL paid dividends of ThUS\$1,622.

In June 2018 the company Charlee SQM Thailand Co. Ltd. paid dividends of ThUS\$906.

In September 2018, the company Ajay North America paid dividends of ThUS\$1,432.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 9 Investment in Associates (continued)

9.4 Disclosures on interest in associates, continued

a) Transactions conducted in 2018, continued:

In September 2018 the company Ajay North America paid total dividends of ThUS\$1,432.

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, the company Doktor Tarsa Tarim Sanayi Ve Ticaret A.S., changed its functional currency from Turkish Lira to the United States Dollar.

In December 2018 the company Ajay North America paid total dividends of ThUS\$1,432.

b) Transactions conducted in 2017:

As of December 31, 2017, a capital increase was registered for Plantacote N.V. in a sum of ThUS\$4,208 (equivalent to Th€3,500), which is 100% owned by the associate company Doktor Tarsa Tarim. The functional currency of Plantacote N.V. is the Euro. The contribution was made under the heading "Subordinated loan from Dr. Tarsa". This contribution had no impact on the Company's consolidated results.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

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 3.22)

There are no significant restrictions on these joint ventures for the transfer of funds as payment of dividends or others.

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 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 of the presentation of these financial statements, 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. EUR5.5 million were paid for a 50% share, generating a lower value of EUR2,602,180. The functional currency of the joint venture is the Euro.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 10 Joint Ventures (continued)

10.2 Disclosures of interest in joint ventures, continued

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 Company were included in those 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 was classified, a sum of ThUS\$3,206.

In December 2018, SQM S.A. sold the share it held in Minera Exar S.A. generating a pre-tax profit of ThUS\$14,507, which was presented in the Consolidated Statement of Income by Function in Other income (losses) (See Note 27.6)

The subsidiary SQM Industrial S.A., has 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 deducting the value of the aforementioned investment, in the caption "Equity method investments".

b) Operations conducted in 2017

On December 1, 2017, SQM Potasio S.A. recognized the goodwill value generated by the acquisition of 50% of the joint venture Minera Exar S.A. in the amount ThUS\$6,205.

On October 6, 2017, a capital contribution of ThUS\$13,300 (ThARS230,422,5) was made in mining company EXAR S.A., which is 50% owned by the subsidiary SQM Potasio S.A. The functional currency of EXAR S.A. is the Argentine peso (ARS). This contribution had no impact on the Company's consolidated results.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 10 Joint Ventures (continued)

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 | 12/31/2018 | 12/31/2017 |
|--|--|---|--------------------------|--------------------------------|--------------------|------------|------------|
| | | | | | | ThUS\$ | ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co. Ltda. (1) | 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 % | - | - | - |
| SQM Star Qingdao 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 B.V. | Without information | Herikerbergweg 238, 1101 CM Amsterdam | Holland | 50 % | - | - | - |
| Pavoni & C.,Spa | Production of specialized fertilizers and other products for distribution in Italy and other countries | Zuidoost Corso Italia 172, 95129 Catania (CT), Sicily | 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 % | - | - | - |

(1) December 31, 2018, these joint ventures are classified as Non-current assets or groups of assets classified as held for sale. See Note 33.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 10 Joint Ventures (continued)**10.3 Investment in joint ventures accounted for under the equity method of accounting, continued**

The companies described in the following table are related to the following joint ventures:

| | | (1) (2) (3) | SQM Vitas Fzco. Pavoni & C Spa. SQM Vitas Holland B.V. | | | | |
|---|--|---|--|--------------------------------------|-----------------------|---|---|
| | | Domicile | Country of incorporation | Share of interest in ownership | Dividends received | | |
| SQM Vitas Brazil Agroindustria (1) | Production and commercialization of specialty plant and animal nutrition and industrial hygiene, | Via Cndeias, Km, 01 Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia, | Brazil | 49.99 | % | - | - |
| SQM Vitas Peru S.A.C (1), | Production and commercialization of specialty plant and animal nutrition and industrial hygiene | Av, Juan de Arona 187, Torre B, Oficina 301-II, San Isidro, Lima | Peru | 50 | % | - | - |
| Arpa Speciali S.R.L. (2) | Production of specialty fertilizers and other products for distribution in Italy and other countries. | Mantova (MN) via Cremona 27 Int. 25 | Italy | 50.48 | % | - | - |
| SQM Vitas Plantacote B.V. (3) | Production and commercialization of controlled-released fertilizers | Herikerbergweg 238, 1101 CM Amsterdam Zuidoost | Holland | 50 | % | - | - |

| Joint Venture | Final reporting period date | Accounting method |
|---|-----------------------------|-------------------|
| Coromandel SQM India | December 31, 2018 | Equity method |
| SQM Vitas Fzco. | December 31, 2018 | Equity method |
| SQM Star Qingdao Corp Nutrition Co., Ltd. | December 31, 2018 | Equity method |
| SQM Vitas Brazil Agroindustria | December 31, 2018 | Equity method |
| SQM Vitas Perú S.A.C. | December 31, 2018 | Equity method |
| SQM Vitas Holland B.V. | December 31, 2018 | Equity method |

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| | | |
|---------------------------|-------------------|---------------|
| Pavoni & C. Spa. | December 31, 2018 | Equity method |
| Arpa Speciali S.R.L. | December 31, 2018 | Equity method |
| Covalent Lithium Pty Ltd. | December 31, 2018 | Equity method |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 10 Joint Ventures (continued)**10.3 Investment in joint ventures accounted for under the equity method of accounting, continued:**

| Joint Venture | Equity-accounted investees | | Share in profit (loss) of associates and joint ventures accounted for using the equity method | |
|---|--|----------------------|--|----------------------|
| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co. Ltd. (1) | 1,992 | 11,444 | (650) | (535) |
| Coromandel SQM India | 1,729 | 1,633 | 174 | 165 |
| SQM Vitas Fzco. | 20,202 | 19,478 | 1,781 | 1,502 |
| SQM Star Qingdao Corp. Nutrition Co. Ltd. | 3,168 | 2,980 | 188 | 361 |
| SQM Vitas Holland | 1,345 | 1,429 | (14) | (18) |
| Minera Exar S.A. (1) | - | 33,065 | (206) | (27) |
| Pavoni & C., Spa | 7,084 | - | (39) | - |
| Covalent Lithium Pty Ltd. | 53 | - | 36 | - |
| Total | 35,573 | 70,029 | 1,270 | 1,448 |
| Joint Venture | 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 | |
| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co. Ltd. (1) | - | - | (650) | (535) |
| Coromandel SQM India | - | - | 174 | 165 |
| SQM Vitas Fzco. | - | (5) | 1,781 | 1,497 |
| SQM Star Qingdao Corp. Nutrition Co. Ltd. | 1 | - | 189 | 361 |
| SQM Vitas Holland | - | - | (14) | (18) |
| Minera Exar S.A. (1) | (1) | - | (206) | (27) |
| Pavoni & C., Spa | - | - | (40) | - |
| Covalent Lithium Pty Ltd. | - | - | 53 | - |
| Total | - | (5) | 1,287 | 1,443 |

(1) As of December 31, 2018, the table below does not present investments in joint ventures transferred to the item non-current assets or groups of assets classified as held for sale. For more information, see Note 33.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 10 Joint Ventures (continued)**10.3 Investment in joint ventures accounted for under the equity method of accounting, continued:**

| Joint Venture | Equity-accounted investees | | Share in profit (loss) of associates and joint ventures accounted for using the equity method | |
|-----------------------------------|----------------------------|----------------------|---|----------------------|
| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
| SQM Vitas Brazil Agroindustria(1) | 12,405 | 11,003 | 2,879 | 1,753 |
| SQM Vitas Peru S.A.C (1) | 5,188 | 5,961 | (550) | (216) |
| SQM Vitas Plantacote B.V. (2) | - | 669 | - | (1) |
| Arpa Speciali S.R.L. (3) | 122 | - | (88) | - |
| Total | 17,715 | 17,633 | 2,241 | 1,536 |

| Joint Venture | 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 | |
|-----------------------------------|--|----------------------|--|----------------------|
| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
| SQM Vitas Brazil Agroindustria(1) | (661) | (51) | 779 | 826 |
| SQM Vitas Peru S.A.C (1) | - | - | (275) | (108) |
| SQM Vitas Plantacote B.V. (2) | - | - | - | (1) |
| Arpa Speciali S.R.L. (3) | - | - | - | - |
| Total | (661) | (51) | 504 | 717 |

The following companies are subsidiaries of

- | | |
|-----|-------------------|
| (1) | SQM Vitas Fzco. |
| (2) | SQM Vitas Holland |
| (3) | Pavoni & C. SPA |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 10 Joint Ventures (continued)

10.4 Assets, liabilities, revenue and expenses from joint ventures:

| | 12/31/2018 | | | | | | | |
|---|-------------------|----------------------|-------------------|----------------------|-------------------|---|----------------------------------|-------------------------|
| | Assets | | Liabilities | | | Gain (loss) from continuing operations | Other comprehensive income | Comprehensive income |
| Joint Venture | Current ThUS\$ | Non-curren ThUS\$ | Current ThUS\$ | Non-curren ThUS\$ | Revenue ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| | | | | - | | | | |
| Sichuan SQM Migao Chemical Fertilizers Co. Ltd. | 28,699 | 6,098 | 13,281 | - | 12 | (1,372) | - | (1,372) |
| Coromandel SQM India | 5,656 | 852 | 3,050 | - | 11,605 | 348 | - | 348 |
| SQM Vitas Fzco. | 25,489 | 17,592 | 2,678 | - | 16,583 | 3,561 | 1 | 3,562 |
| SQM Star Qingdao Corp. Nutrition Co. Ltd. | 7,754 | 114 | 1,533 | - | 13,004 | 377 | - | 377 |
| SQM Vitas Brazil Agroindustria | 36,648 | 7,566 | 31,808 | - | 82,625 | 2,879 | (1,322) | 1,557 |
| SQM Vitas Peru S.A.C | 22,365 | 7,785 | 18,996 | 5,966 | 28,619 | (550) | - | (550) |
| SQM Vitas Holland B.V. | 2,692 | - | 1 | - | - | (28) | - | (28) |
| SQM Vitas Plantacote B.V. | - | - | - | - | - | - | - | - |
| Pavoni & C. Spa | 10,062 | 6,490 | 8,098 | 698 | 15,461 | (79) | - | (79) |
| Arpa Speciali S.R.L. | - | - | - | - | - | - | - | - |
| Covalent Lithium Pty Ltd. | 239 | 100 | 233 | - | - | 106 | - | 106 |
| Total | 139,604 | 46,597 | 79,678 | 6,664 | 167,909 | 5,242 | (1,321) | 3,921 |

| | 12/31/2017 | | | | | | | |
|--|-------------------|-----------------------|-------------------|-----------------------|---------|---|----------------------------------|-------------------------|
| | Assets | | Liabilities | | Revenue | Gain (loss) from continuing operations | Other comprehensive income | Comprehensive income |
| Joint Venture | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co. Ltda. | 31,461 | 6,656 | 15,228 | - | 13,326 | (1,070) | - | (1,070) |
| Coromandel SQM India SQM Vitas Fzco. | 6,659 | 862 | 4,205 | 53 | 10,381 | 332 | - | 332 |
| | 23,699 | 17,479 | 2,221 | - | 15,518 | 3,003 | (9) | 2,994 |
| SQM Star Qingdao Corp. Nutrition Co. Ltd. | 6,941 | 171 | 1,152 | - | 12,631 | 721 | - | 721 |

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| | | | | | | | | |
|--------------------------------|---------|---------|---------|-------|---------|--------|--------|--------|
| SQM Vitas Brazil Agroindustria | 30,303 | 8,453 | 27,752 | - | 60,131 | 1,753 | (101) | 1,652 |
| SQM Vitas Peru S.A.C | 20,933 | 8,534 | 17,380 | 6,126 | 35,299 | (216) | - | (216) |
| SQM Vitas Holland B.V. | 2,190 | 669 | - | - | - | (36) | - | (36) |
| SQM Vitas Plantacote B.V. | 679 | - | 10 | - | - | (1) | - | (1) |
| Minera Exar S.A. | 19,277 | 73,114 | 38,670 | - | - | (53) | - | (53) |
| Total | 142,142 | 115,938 | 106,618 | 6,179 | 147,286 | 4,433 | (110) | 4,323 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 10 Joint Ventures (continued)

10.5

Other Joint Venture disclosures:

| | Cash and cash equivalents | | Other current financial liabilities | | Other non-current financial liabilities | |
|---|---------------------------|------------|-------------------------------------|------------|---|------------|
| | 12/31/2018 | 12/31/2017 | 12/31/2018 | 12/31/2017 | 12/31/2018 | 12/31/2017 |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co. Ltd. | 106 | 6,198 | - | - | - | - |
| Coromandel SQM India | 308 | 1,118 | - | - | - | - |
| SQM Vitas Fzco. | 19,312 | 15,307 | - | - | - | - |
| SQM Star Qingdao Corp. Nutrition Co. Ltd. | 4,543 | 3,675 | - | - | - | - |
| SQM Vitas Brazil Agroindustria | 1,869 | 5,139 | 13,380 | 7,342 | - | - |
| SQM Vitas Peru S.A.C. | 371 | 687 | 3,819 | 2,215 | 801 | 1,372 |
| SQM Vitas Holland B.V | 2,692 | 2,190 | - | - | - | - |
| SQM Vitas Plantacote B.V | - | 679 | - | - | - | - |
| Minera Exar S.A. | - | 9,189 | - | - | - | - |
| Pavoni & C., Spa | 407 | - | 5,464 | - | - | - |
| Arpa Speciali S.R.L. | - | - | - | - | - | - |
| Covalent Lithium Pty Ltd. | 156 | - | - | - | - | - |
| Total | 29,764 | 44,182 | 22,663 | 9,557 | 801 | 1,372 |
| Interest expense | | | | | | |
| | 12/31/2018 | 12/31/2017 | 12/31/2018 | 12/31/2017 | 12/31/2018 | 12/31/2017 |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Sichuan SQM Migao Chemical Fertilizers Co. Ltd. | (948) | (696) | (1) | (25) | 97 | 303 |
| Coromandel SQM India | 445 | - | (9) | (16) | (38) | (485) |
| SQM Vitas Fzco. | (509) | (553) | (8) | (19) | - | - |
| SQM Star Qingdao Corp. Nutrition Co. Ltd. | (67) | (68) | - | - | (187) | (174) |
| SQM Vitas Brazil Agroindustria | (408) | (453) | (886) | (1,253) | (117) | (283) |
| SQM Vitas Peru S.A.C. | (347) | (375) | (425) | (432) | (230) | (214) |
| SQM Vitas Holland B.V | - | - | - | - | - | - |
| SQM Vitas Plantacote B.V | - | - | - | (1) | - | - |
| Minera Exar S.A. | - | (523) | - | (32) | - | (620) |
| Pavoni & C., Spa | (542) | - | (335) | - | - | - |
| Arpa Speciali S.R.L. | - | - | - | - | - | - |
| Covalent Lithium Pty Ltd. | (16) | - | (5) | - | (46) | - |
| Total | (2,392) | (2,668) | (1,669) | (1,778) | (521) | (1,473) |

The basis of preparation of the financial information of joint ventures corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 11 Cash and cash equivalents

11.1 Types of cash and cash equivalents

As of December 31, 2018 and December 31, 2017, cash and cash equivalents are detailed as follows:

a) Cash

| | 12/31/2018 | 12/31/2017 |
|-----------------------|------------|------------|
| | ThUS\$ | ThUS\$ |
| Cash on hand | 75 | 60 |
| Cash in banks | 101,662 | 50,137 |
| Other demand deposits | 746 | 1,530 |
| Total cash | 102,483 | 51,727 |

b) Cash equivalents

| | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Short-term deposits, classified as cash equivalents | 187,666 | 290,914 |
| Short-term investments, classified as cash equivalents | 265,917 | 287,797 |
| Total cash equivalents | 453,583 | 578,711 |
| Total cash and cash equivalents | 556,066 | 630,438 |

11.2 Short-term investments, classified as cash equivalents

As of December 31, 2018 and December 31, 2017, the short-term investments classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

| Institution | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Legg Mason - Western Asset Institutional Cash Reserves | 132,108 | 144,464 |
| JP Morgan US dollar Liquidity Fund Institutional | 133,809 | 143,333 |

| | | |
|-------|---------|---------|
| Total | 265,917 | 287,797 |
|-------|---------|---------|

Short-term investments are highly liquid fund manager accounts that are basically invested in short-term fixed rate notes in the U.S. market.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 11 Cash and cash equivalents (continued)

11.3 Information on cash and cash equivalents by currency

As of December 31, 2018 and December 31, 2017, information on cash and cash equivalents by currency is detailed as follows:

| Original currency | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|------------------------------|----------------------|----------------------|
| Chilean Peso (*) | 157,500 | 579 |
| US Dollar | 353,037 | 612,727 |
| Euro | 4,739 | 9,782 |
| Mexican Peso | 1,242 | 258 |
| South African Rand | 5,843 | 4,074 |
| Japanese Yen | 1,786 | 1,773 |
| Peruvian Sol | 7 | 8 |
| Brazilian Real | - | 38 |
| Chinese Yuan | 2,305 | 1,143 |
| Dírhham United Arab Emirates | 1 | - |
| Indian rupee | 3 | - |
| Argentine Peso | 2 | 1 |
| Pound Sterling | 3 | 55 |
| Australian dollar | 29,598 | - |
| Total | 556,066 | 630,438 |

(*)The Company maintains financial derivative policies which allow to minimize the risk of the variation in Chilean pesos exchange rate.

11.4 Amount restricted (unavailable) cash balances

Cash on hand and in current bank accounts are available resources, and their carrying value is equal to their fair value.

As of December 31, 2018 and December 31, 2017, restricted cash balances are presented in Note 14.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 11 Cash and cash equivalents (continued)**11.5 Short-term deposits, classified as cash equivalents**

The detail at the end of each period is as follows:

| 2018 | | | | | | Principal | Interest | |
|--------------------------------|------------------------|--------------------------|----------------------|-----------------------|------------------------|------------------|------------------------|------------------------|
| Receiver of the deposit | Type of deposit | Original Currency | Interest rate | Placement date | Expiration date | ThUS\$ | accrued to-date | 12/31/18 ThUS\$ |
| | | | | | | | ThUS\$ | |
| Scotiabank | Fixed term | Ch\$ | 2.50 | 10/18/2018 | 1/16/2019 | 14,606 | 90 | 14,69 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 2.55 | 11/6/2018 | 1/9/2019 | 19,632 | 92 | 19,72 |
| Scotiabank | Fixed term | Ch\$ | 2.55 | 11/30/2018 | 1/3/2019 | 14,393 | 38 | 14,43 |
| Scotiabank | Fixed term | Ch\$ | 2.55 | 12/3/2018 | 1/3/2019 | 11,515 | 27 | 11,54 |
| Itau-Corpbanca | Fixed term | Ch\$ | 2.50 | 12/3/2018 | 1/3/2019 | 14,393 | 34 | 14,42 |
| Itau-Corpbanca | Fixed term | Ch\$ | 2.50 | 12/7/2018 | 1/9/2019 | 14,393 | 29 | 14,42 |
| Itau-Corpbanca | Fixed term | Ch\$ | 2.50 | 12/10/2018 | 1/9/2019 | 12,954 | 23 | 12,97 |
| Scotiabank | Fixed term | Ch\$ | 2.35 | 12/10/2018 | 1/9/2019 | 12,954 | 21 | 12,97 |
| Itau-Corpbanca | Fixed term | US\$ | 3.06 | 12/11/2018 | 1/11/2019 | 1,300 | 2 | 1,302 |
| Banco Estado | Fixed term | US\$ | 2.75 | 12/12/2018 | 1/15/2019 | 1,000 | 1 | 1,001 |
| Itau-Corpbanca | Fixed term | Ch\$ | 2.50 | 12/14/2018 | 1/9/2019 | 14,392 | 20 | 14,41 |
| Scotiabank | Fixed term | Ch\$ | 2.65 | 12/17/2018 | 1/17/2019 | 14,393 | 18 | 14,41 |
| Scotiabank | Fixed term | Ch\$ | 2.60 | 12/17/2018 | 1/17/2019 | 10,892 | 13 | 10,90 |
| Banco Crédito e Inversiones | Fixed term | US\$ | 2.93 | 12/17/2018 | 1/31/2019 | 1,400 | 2 | 1,402 |
| Itau-Corpbanca | Fixed term | US\$ | 3.30 | 12/17/2018 | 1/31/2019 | 1,400 | 2 | 1,402 |
| Itau-Corpbanca | Fixed term | US\$ | 3.40 | 12/17/2018 | 1/31/2019 | 3,000 | 4 | 3,004 |
| Banco de Chile | Fixed term | US\$ | 3.06 | 12/17/2018 | 1/31/2019 | 1,700 | 2 | 1,702 |
| Scotiabank Sud Americano | Fixed term | US\$ | 2.95 | 12/17/2018 | 1/31/2019 | 1,500 | 2 | 1,502 |
| Banco de Chile | Fixed term | US\$ | 3.26 | 12/19/2018 | 1/31/2019 | 800 | 1 | 801 |
| Banco Crédito e Inversiones | Fixed term | US\$ | 3.42 | 12/26/2018 | 2/26/2019 | 2,800 | 1 | 2,801 |
| Banco de Chile | Fixed term | US\$ | 3.26 | 12/26/2018 | 2/26/2019 | 2,800 | 1 | 2,801 |
| Scotiabank Sud Americano (*) | Fixed term | Ch\$ | 0.26 | 12/27/2018 | 1/7/2019 | 1,439 | 1 | 1,440 |
| Scotiabank Sud Americano (*) | Fixed term | Ch\$ | 0.26 | 12/27/2018 | 1/14/2019 | 2,879 | 1 | 2,880 |
| Scotiabank Sud Americano (*) | Fixed term | Ch\$ | 0.26 | 12/27/2018 | 1/21/2019 | 1,439 | 1 | 1,440 |
| Banco Estado | Fixed term | US\$ | 3.15 | 12/28/2018 | 1/28/2019 | 2,000 | 1 | 2,001 |

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| | | | | | | | | |
|-----------------------------|------------|------|------|------------|-----------|---------|-----|-------|
| Banco Estado | Fixed term | US\$ | 3.15 | 12/28/2018 | 1/28/2019 | 600 | - | 600 |
| Banco de Chile | Fixed term | US\$ | 3.16 | 12/28/2018 | 1/28/2019 | 2,000 | 1 | 2,001 |
| Banco Crédito e Inversiones | Fixed term | US\$ | 2.53 | 12/28/2018 | 1/8/2019 | 1,000 | - | 1,000 |
| Banco Crédito e Inversiones | Fixed term | US\$ | 3.08 | 12/28/2018 | 1/28/2019 | 2,500 | 1 | 2,501 |
| Banco Santander-Santiago | Fixed term | Ch\$ | 0.20 | 12/28/2018 | 1/4/2019 | 432 | - | 432 |
| BBVA Banco Francés | Fixed term | US\$ | - | 12/31/2018 | 1/21/2019 | 81 | 3 | 84 |
| Nedbank | On demand | US\$ | - | 12/31/2018 | 1/1/2019 | 647 | - | 647 |
| Total | | | | | | 187,234 | 432 | 187,6 |

(*) Corresponds to monthly rate..

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 11 Cash and cash equivalents (continued)**11.5 Short-term deposits, classified as cash equivalents, continued**

| 2017 | | | | | | | Interest | |
|--------------------------------|------------------------|--------------------------|----------------------|-----------------------|------------------------|-------------------------|-------------------------------|------------------------|
| Receiver of the deposit | Type of deposit | Original Currency | Interest rate | Placement date | Expiration date | Principal ThUS\$ | accrued to-date ThUS\$ | 12/31/18 ThUS\$ |
| Scotiabank Sud Americano | Fixed term | Ch\$ | 0.24 | 11/21/2017 | 1/02/2018 | 8,943 | 30 | 8,973 |
| Banco Itau Chile | Fixed term | Ch\$ | 0.24 | 11/28/2017 | 1/02/2018 | 15,652 | 41 | 15,69 |
| Banco Itau Chile | Fixed term | Ch\$ | 0.24 | 11/28/2017 | 1/02/2018 | 15,652 | 41 | 15,69 |
| Banco BBVA Chile | Fixed term | Ch\$ | 0.23 | 11/28/2017 | 1/02/2018 | 15,652 | 40 | 15,69 |
| Banco BBVA Chile | Fixed term | Ch\$ | 0.23 | 11/28/2017 | 1/02/2018 | 15,652 | 40 | 15,69 |
| Banco Itau Chile | Fixed term | Ch\$ | 0.25 | 11/29/2017 | 2/27/2018 | 18,857 | 50 | 18,90 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/12/2017 | 1/11/2018 | 15,982 | 26 | 16,00 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/12/2017 | 1/11/2018 | 8,524 | 14 | 8,538 |
| Banco Itau Chile | Fixed term | Ch\$ | 0.24 | 12/12/2017 | 1/11/2018 | 15,982 | 24 | 16,00 |
| Banco Itau Chile | Fixed term | Ch\$ | 0.24 | 12/12/2017 | 1/11/2018 | 7,458 | 11 | 7,469 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/14/2017 | 1/16/2018 | 19,780 | 29 | 19,80 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/14/2017 | 1/16/2018 | 15,665 | 23 | 15,68 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/14/2017 | 1/16/2018 | 11,488 | 17 | 11,50 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/15/2017 | 1/16/2018 | 15,568 | 22 | 15,59 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/15/2017 | 1/16/2018 | 15,568 | 22 | 15,59 |
| Banco Crédito e Inversiones | Fixed term | Ch\$ | 0.26 | 12/15/2017 | 1/16/2018 | 15,568 | 22 | 15,59 |
| Banco BBVA Chile | Fixed term | Ch\$ | 0.24 | 12/29/2017 | 1/10/2018 | 4,107 | 1 | 4,108 |
| Banco BBVA Chile | Fixed term | Ch\$ | 0.24 | 12/29/2017 | 1/10/2018 | 2,765 | - | 2,765 |
| Banco Santander - Santiago | Fixed term | US\$ | 0.28 | 12/27/2017 | 1/18/2018 | 700 | - | 700 |
| Banco Santander - Santiago | Fixed term | US\$ | 0.4 | 12/15/2017 | 2/13/2018 | 15,000 | 27 | 15,02 |
| Banco Santander - Santiago | Fixed term | US\$ | 0.4 | 12/15/2017 | 2/13/2018 | 14,000 | 25 | 14,02 |
| Corpbanca | Fixed term | Ch\$ | 0.22 | 12/28/2017 | 1/04/2018 | 1,301 | - | 1,301 |
| Scotiabank Sud Americano | Fixed term | Ch\$ | 0.21 | 12/29/2017 | 1/05/2018 | 976 | - | 976 |

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|--------------------------------|------------|------|------|------------|-----------|---------|-----|-------|
| Scotiabank Sud Americano | Fixed term | Ch\$ | 0.21 | 12/29/2017 | 1/05/2018 | 569 | - | 569 |
| Banco Santander - Santiago | Fixed term | US\$ | 2.45 | 12/06/2017 | 1/05/2018 | 3,500 | 6 | 3,506 |
| Scotiabank Sud Americano | Fixed term | US\$ | 3.40 | 12/15/2017 | 1/16/2018 | 2,000 | 3 | 2,003 |
| Banco BBVA Chile | Fixed term | US\$ | 2.80 | 12/26/2017 | 1/26/2018 | 2,200 | 1 | 2,201 |
| Banco Crédito e Inversiones | Fixed term | US\$ | 2.3 | 12/27/2017 | 1/04/2018 | 2,300 | 1 | 2,301 |
| Banco Santander - Santiago | Fixed term | US\$ | 2.88 | 12/27/2017 | 1/04/2018 | 2,300 | 1 | 2,301 |
| Banco BBVA Chile | Fixed term | US\$ | 2.80 | 12/27/2017 | 1/04/2018 | 1,400 | - | 1,400 |
| BBVA Banco Francés | Fixed term | US\$ | 0.19 | 12/11/2017 | 1/31/2018 | 163 | - | 163 |
| Nedbank | On demand | US\$ | - | 12/01/2017 | 1/31/2018 | 3,686 | - | 3,686 |
| ABN Amro Bank | Fixed term | US\$ | - | 12/31/2017 | 1/02/2018 | 1,439 | - | 1,439 |
| Total | | | | | | 290,397 | 517 | 290,9 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 11 Cash and cash equivalents (continued)

11.6 Other information

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

| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|--|----------------------|----------------------|
| Cash and cash equivalents | 556,066 | 630,438 |
| Other current financial assets | 312,721 | 366,979 |
| Other non-current financial hedge assets | 13,425 | 8,910 |
| Borrowings - repayable within one year (including overdraft) | (23,585) | (220,328) |
| Borrowings - repayable after one year | (1,330,382) | (1,031,507) |
| Net debt | (471,755) | (245,508) |
| Cash and liquid investments | 882,212 | 1,006,327 |
| Gross debt - fixed interest rates | (1,353,967) | (1,251,835) |
| Net debt | (471,755) | (245,508) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 12 Inventories

The composition of inventory at each period-end is as follows:

| Type of inventory | 12/31/2018 | 12/31/2017 |
|----------------------------------|------------|------------|
| | ThUS\$ | ThUS\$ |
| Raw material reserves | 6,764 | 9,364 |
| Supplies for production reserves | 26,840 | 22,257 |
| Products-in-progress reserves | 423,621 | 456,333 |
| Finished product reserves | 456,449 | 414,120 |
| Total | 913,674 | 902,074 |

As of December 31, 2018, the Company has inventory of caliche ore (in piles or undergoing leaching process) available for processing valued at ThUS\$347,100 and ThUS\$333,194 as of December 31, 2017, (included in work in progress).

Inventory reserves recognized as of December 31, 2018 amount to ThUS\$105,282, and ThUS\$96,284 as of December 31, 2017. For finished and in-process products, the provisions constituted include the provision associated with the lower value of stock (considers lower realizable value, uncertain future use, reprocessing costs, etc.), inventory differences and potential errors in the determination of inventories (e.g., errors in topography, grade, humidity, etc.), see Note 3.18.

For inventories of raw materials, supplies, materials and parts, lower value provisions have been associated with the proportion of obsolete, defective or slow-moving materials and potential differences.

The breakdown of inventory reserves is detailed as follows:

| Type of inventory | 12/31/2018 | 12/31/2017 |
|-------------------------------|------------|------------|
| | ThUS\$ | ThUS\$ |
| Raw material reserves | 1,838 | 93 |
| Products-in-progress reserves | 82,673 | 80,249 |

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| | | |
|---------------------------|---------|--------|
| Finished product reserves | 20,771 | 15,942 |
| Total | 105,282 | 96,284 |

The Company has not delivered inventory as collateral for the periods indicated above.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 12 Inventories (continued)

As of December 31, 2018 and, 2017, movements in provisions are detailed as follows:

| | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| Conciliation | ThUS\$ | ThUS\$ |
| Beginning balance | 96,284 | 81,295 |
| Increase in Lower Value (1) | 7,845 | 19,515 |
| Additional Provision Differences of Inventory. (2) | 3,176 | 573 |
| Increase / Decrease eventual differences and others (3) | 2,436 | (178) |
| Provision Used | (4,459) | (4,921) |
| Total changes | 8,998 | 14,989 |
| Final balance | 105,282 | 96,284 |

(1) There are three types of Lower Value Provisions: Economic Realizable Lower Value, Potential Inventory with Uncertain Future Use and Reprocessing Costs of Off-Specification Products.

Provisions for Inventory Differences generated when physical differences are detected when taking inventory, (2) 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).

This algorithm corresponds to diverse provision percentages based on the complexity in the measurement and (3) rotation of stock, as well as standard differences based on previous profit and loss, as is the case with provisions in Commercial Offices.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

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 No. 18,045 of the Securities Market (the "Securities Market Law"), the Commission for Financial Market (the "CMF") may determine that a company does not have a controller 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 Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A. and Inversiones Global Mining (Chile) Limitada (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 Grupo Pampa the controller of the Company and that the Company does not have a controller given its current ownership structure.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 13 Related party disclosures (continued)

13.3 Detailed identification of the link between the Parent and subsidiary

As of December 31, 2018 and December 31, 2017, the detail of entities that are related parties of the SQM S.A. Group 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 | 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. | The Netherlands | US\$ | Subsidiary |
| Foreign | SQM Corporation N.V. | The Netherlands | US\$ | Subsidiary |
| Foreign | SQI Corporation N.V. | The Netherlands | US\$ | Subsidiary |
| Foreign | SQM Comercial De México S.A. de C.V. | Mexico | US\$ | Subsidiary |
| Foreign | North American Trading Company | United States | US\$ | Subsidiary |
| Foreign | Administración y Servicios Santiago S.A. de C.V. | Mexico | US\$ | Subsidiary |
| Foreign | SQM Peru S.A. | Peru | US\$ | Subsidiary |
| Foreign | SQM Ecuador S.A. | Ecuador | US\$ | Subsidiary |
| Foreign | SQM Nitratos Mexico S.A. de C.V. | Mexico | US\$ | Subsidiary |
| Foreign | SQMC Holding Corporation L.L.P. | United States | US\$ | Subsidiary |
| Foreign | SQM Investment Corporation N.V. | The Netherlands | 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 | US\$ | Subsidiary |
| Foreign | SQM Italia SRL | Italy | US\$ | Subsidiary |
| Foreign | Comercial Caiman Internacional S.A. | Panama | US\$ | Subsidiary |
| Foreign | SQM Africa 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 | 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 | Australian dollar | Subsidiary |

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| | | | | |
|--------------|---|-----------|----------------|------------|
| Foreign | SACAL S.A. | Argentina | Argentine peso | 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. | Chile | Chilean peso | Subsidiary |
| 79,947,100-0 | SQM Industrial S.A. | Chile | US\$ | Subsidiary |
| 79,906,120-1 | Isapre Norte Grande Ltda. | Chile | Chilean peso | Subsidiary |
| 79,876,080-7 | Almacenes y Depósitos Ltda. | Chile | Chilean peso | 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. | Chile | Chilean peso | Subsidiary |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 13 Related party disclosures (continued)**13.3 Detailed identification of the link between the Parent and subsidiary, continued**

As of December 31, 2018 and December 31, 2017, the detail of entities that are related parties of the SQM S.A.: Group is as follows:

| 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 | Chilean peso | Subsidiary |
| 76,425,380-9 | Exploraciones Mineras S.A. | Chile | US\$ | Subsidiary |
| 76,064,419-6 | Comercial Agrorama Ltda. | Chile | Chilean peso | Subsidiary |
| 76,145,229-0 | Agrorama S.A. | Chile | Chilean 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 | Arab Emirates dirham | Associate |
| Foreign | Doktor Tarsa Tarim Sanayi AS | Turkey | US\$ | Associate |
| Foreign | Ajay North America | United States | US\$ | Associate |
| Foreign | Ajay Europe SARL | France | Euro | Associate |
| Foreign | SQM Eastmed Turkey | Turkey | Euro | Associate |
| Foreign | Charlee SQM Thailand Co. Ltd. (1) | Thailand | Thai baht | Associate |
| Foreign | Kore Potash Ltd. | Australia | 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 | Arab Emirates dirham | Joint venture |
| Foreign | SQM Star Qingdao Corp Nutrition Co., Ltd. | China | US\$ | Joint venture |
| Foreign | SQM Vitas Holland B.V. | Dutch Antilles | Euro | Joint venture |
| Foreign | Minera Exar S.A. (2) | Argentina | US\$ | Joint control |
| 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 | Chilean peso | Other related parties |
| 79,049,778-9 | Callegari Agricola S.A. | Chile | Chilean peso | Other related parties |
| Foreign | SQM Vitas Brazil Agroindustria (3) | Brazil | US\$ | Other related parties |
| Foreign | SQM Vitas Peru S.A.C. (3) | Peru | US\$ | Other related parties |

| | | | | |
|---------|---|--------------------|-----------------------------|-----------------------|
| Foreign | Terra Tarsa B.V. (4) | Holland | Euro | Other related parties |
| Foreign | Plantacote N.V (4) | Belgium | Euro | Other related parties |
| Foreign | Doktolab Tarim Arastima San. Tic As (4) | Turkey | Turkish Lira | Other related parties |
| Foreign | Terra Tarsa Ukraine LLC (4) | Ukraine | Ukrainian Grivna | Other related parties |
| Foreign | Terra Tarsa Don LLC (4) | Russian Federation | Russian ruble | Other related parties |
| Foreign | Abu Dhabi Fertilizer Industries WLL | Oman | United Arab Emirates dirham | Other related parties |
| Foreign | Internacional Technical and Trading Agencies CO WLL (5) | Jordan | United Arab Emirates dirham | Other related parties |
| Foreign | Arpa Speciali S.R.L (6) | Italy | Euro | Other related parties |

(1) During the month of November 2018, the stake held in Charlee SQM Thailand Co. Ltd. was sold.

(2) During the month of December 2018, the stake held in Minera Exar S.A.

(3) These Companies are subsidiaries of the SQM Vitas Fzco joint venture.

(4) These Companies are subsidiaries of the associate Doktor Tarsa Tarim Sanayi AS.

(5) These Companies are subsidiaries of the joint venture Abu Dhabi Fertilizer Industries WWL

(6) These companies are subsidiaries of the joint venture Pavoni & C, SPA

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 13 Related party disclosures (continued)**13.3 Detailed identification of the link between the Parent and subsidiary, continued**

| TAX ID No. | Name | Country of Origin | Functional currency | Relationship |
|------------|--|-------------------|---------------------|-----------------------|
| N/A | Ara Dos Primera del Salar de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Ara Tres Primera del Salar de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Ara Cuatro Primera del Salar de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Ara Cinco Primera del Salar de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Curicó Dos Primera del Salar de Pampa Alta, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Curicó Tres Primera del Sector de Pampa Alta, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Evelyn Veinticuatro Primera de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Filomena Tres Primera de Oficina Filomena, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Filomena Cuatro Primera de Oficina Filomena, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Cuatro Primera de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Cuatro Segunda del Salar de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Cuatro Tercera de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Cuatro Cuarta de Pampa Blanca, Sierra Gorda(*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Cuatro Quinta de Pampa Blanca, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Primera del Salar de Pampa Blanca de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Segunda del Salar de Pampa Blanca de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Francis Tercera del Salar de Pampa Blanca de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Ivon Primera de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Ivon Décima Segunda de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Ivon Sexta de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |

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|-----|--|-------|--------------|-----------------------|
| N/A | Julia Primera de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Lorena Trigésimo Quinta de Sierra Gorda(*) | Chile | Chilean peso | Other related parties |
| N/A | Perseverancia Primera de Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Tamara 40 Primera del Sector S.E. OF. Concepción, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Tamara Tercera de Oficina Concepción, Sierra Gorda (*) | Chile | Chilean peso | Other related parties |
| N/A | Tamara 40 Segunda del Sector S.E. OF Concepción, Sierra Gorda(*) | Chile | Chilean peso | Other related parties |

(*) Correspond to Mining Contractual Societies

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 13 Related party disclosures (continued)

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, 2018 and 2017, the detail of significant transactions with related parties is as follows:

| Tax ID No, | Company | Nature | Country of origin | Transaction | 12/31/2018 | 12/31/2017 |
|--------------|-------------------------------------|------------------------------|----------------------|------------------|------------|------------|
| | | | | | ThUS\$ | ThUS\$ |
| Foreign | Doktor Tarsa Tarim Sanayi As | Associate | Turkey | Sale of products | 16,726 | 17,538 |
| Foreign | Ajay Europe S.A.R.L. | Associate | France | Sale of products | 19,470 | 15,706 |
| Foreign | Ajay Europe S.A.R.L. | Associate | France | Dividends | 811 | 969 |
| Foreign | Ajay North America LLC. | Associate | United States | Sale of products | 16,810 | 13,206 |
| Foreign | Ajay North America LLC. | Associate | United States | Dividends | 2,807 | 1,123 |
| Foreign | Abu Dhabi Fertilizer Industries WWL | Associate | United Arab Emirates | Sale of products | 5,811 | 4,351 |
| Foreign | Abu Dhabi Fertilizer Industries WWL | Associate | United Arab Emirates | Dividends | 5,641 | - |
| Foreign | Charlee SQM Thailand Co. Ltd. (1) | Associate | Thailand | Sale of products | 4,960 | 5,102 |
| Foreign | Charlee SQM Thailand Co. Ltd. (1) | Associate | Thailand | Dividends | 362 | - |
| 77.557.430-5 | Sales de Magnesio Ltda. | Associate | Chile | Sale of products | - | 45 |
| Foreign | Kowa Company Ltd. (3) | Other related parties | Japan | Sale of products | - | 132,495 |
| Foreign | SQM Vitas Brasil Agroindustria | Joint control or significant | Brazil | Sale of products | 44,827 | 31,137 |

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| | | | | | | |
|--------------|---|---|-------------------------|---------------------|---------|---------|
| Foreign | SQM Vitas Peru S.A.C. | influence Joint control or significant influence | Peru | Sale of products | 17,204 | 23,058 |
| Foreign | SQM Vitas Fzco. | Joint venture | United Arab Emirates | Sale of products | - | 85 |
| Foreign | Sichuan SQM Migao Chemical Fertilizers Co Ltda. | Joint venture | China | Sale of services | - | 252 |
| Foreign | Coromandel SQM India | Joint venture | India | Sale of products | 7,696 | 8,011 |
| Foreign | SQM Star Qingdao Corp Nutrition Co., Ltd. | Joint venture | China | Sale of products | - | 200 |
| 79.049.778-9 | Callegari Agrícola S.A. | Other related parties | Chile | Sale of products | - | 210 |
| Foreign | Minera Exar S.A. (2) | Joint venture | Argentina | Loans | - | 11,000 |
| Foreign | Terra Tarsa Ukraine LLC | Associate | Turkey | Sale of services | 1,674 | 1,218 |
| Foreign | Terra Tarsa Don LLC | Associate | Russian Federation | Sale of products | 187 | 423 |
| Foreing | Plantacote N.V. | Associate | Belgium | Sale of products | 4,554 | 2,108 |
| Foreing | SQM eastmed Turkey | Associate | Turkey | Sale of products | 30 | - |
| Foreing | Pavoni & C., Spa | Joint venture | Italy | Sale of products | 201 | - |
| Foreing | Arpa Speciali S.R.L | Other related parties | Italy | Sale of products | 207 | - |
| Total | | | | | 149,978 | 268,237 |

(1) As of November 2018, the ownership interest in Charlee SQM Thailand Co. Ltd. sold.

(2) (2) During the month of December 2018, the stake held in Minera Exar S.A..

(3) As of December 31, 2018, Kowa Company Ltd. is not considered a related party.

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Note 13 Related party disclosures (continued)

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. In addition, they have been eliminated upon consolidation and are not disclosed in this note.

| Tax ID N° | Company | Nature | Country of origin | Currency | 12/31/2018 | 12/31/2017 |
|--------------|---|---------------------------|----------------------|----------------------|------------|------------|
| | | | | | ThUS\$ | ThUS\$ |
| Foreign | Charlee SQM Thailand Co. Ltd.(1) | Associate | Thailand | US\$ | - | 1,204 |
| Foreign | Ajay Europe S.A.R.L. | Associate | France | Euro | 3,756 | 4,689 |
| Foreign | Ajay North America LLC. | Associate | United States | US\$ | 2,079 | 2,005 |
| Foreign | Abu Dhabi Fertilizer Industries WWL | Associate | United Arab Emirates | Arab Emirates dirham | 857 | 73 |
| Foreign | Kowa Company Ltd.(1) | Jointly controlled entity | Japan | US\$ | - | 5,008 |
| 96.511.530-7 | Soc.de Inversiones Pampa Calichera | Jointly controlled entity | Chile | US\$ | 6 | 6 |
| Foreign | SQM Vitas Brasil Agroindustria | Joint venture | Brazil | US\$ | 15,818 | 17,293 |
| Foreign | SQM Vitas Peru S.A.C. | Joint venture | Peru | US\$ | 12,768 | 13,766 |
| Foreign | Coromandel SQM India | Joint venture | India | Indian rupee | 2,025 | 3,804 |
| Foreign | SQM Vitas Fzco. | Joint venture | United Arab Emirates | Emirates dirham | 105 | - |
| Foreign | SQM Star Qingdao Corp Nutrition Co., Ltd. | Joint venture | China | US\$ | 248 | 50 |
| Foreign | Plantacote N.V. | Associate | Belgium | Euro | 312 | 190 |
| Foreign | Terra Tarsa Don LLC | Associate | Russian Federation | Russian ruble | 41 | 44 |
| Foreign | Minera Exar S.A. (2) | Joint venture | Argentina | US\$ | - | 11,000 |
| Foreign | SQM Eastmed Turkey | Associate | Turkey | Euro | 30 | - |
| Foreign | SQM Pavoni & C. SPA | Joint venture | Italy | Euro | 12 | - |
| Foreign | Doktor Tarsa Tarim Sanayi As | Joint venture | Turkey | US\$ | 6,497 | - |
| Total | | | | | 44,554 | 59,132 |

(1) As of November 2018, the ownership interest in Charlee SQM Thailand Co. Ltd. sold.

(2) During the month of December 2018, the stake held in Minera Exar S.A..

The accounts receivable presented are net of provision (provision for 2018 ThUS\$ 10,966 and 2017 for ThUS \$ 14,125, see Note 14.2)

13.6 Trade payables due to related parties, current:

| Tax ID No. | Company | Nature | Country of origin | Currency | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---------------|---|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Foreign | Doktor Tarsa Tarim Sanayi AS | Associate | Turkey | YTL | - | 11 |
| Foreign | Terra Tarsa Ukraine LLC | Other related parties | Ukraine | Ukrainian Grivna | - | 7 |
| Foreign | SQM Star Qingdao Corp Nutrition Co., Ltd. | Joint venture | China | US\$ | - | 725 |
| Foreign | Sichuan SQM Migao Chemical Fertilizers Co Ltda. | Joint venture | China | US\$ | - | 584 |
| Foreign | SQM Vitas Fzco. | Joint venture | United Arab Emirates | Arab Emirates dirham | - | 38 |
| Foreign | Covalent Lithium Pty Ltd | Associate | Australia | Australian dollar | 9 | - |
| Current Total | | | | | 9 | 1,365 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments

Financial instruments in accordance with IAS 39 are detailed as follows:

14.1 Types of other financial assets

| Description of other financial assets | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| | ThUS\$ | ThUS\$ |
| Financial assets at amortized cost (1) | 291,790 | 360,941 |
| Derivative financial instruments | | |
| - For hedging | 18,238 | - |
| - Held for trading at fair value through profit or loss (2) | 2,693 | 6,038 |
| Total other current financial assets | 312,721 | 366,979 |
| Investments classified as available for sale at fair value through profit or loss | - | 9,179 |
| Financial assets at fair value through other comprehensive income | 3,631 | - |
| Derivative financial instruments | | |
| - For hedging | 13,425 | 8,910 |
| Financial assets at amortized cost (3) | 75 | 24,790 |
| Total other non-current financial assets | 17,131 | 42,879 |

(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 following financial institutions::

(2) Correspond to forwards and options that were not classified as hedging instruments (See detail in Note 14.3).

(3) SQM Potassium S.A., contributed ThUS\$24,745 to Western Australia Lithium (WAL). As of December 31, 2017, this had not been legally incorporated as a Company and the funds remained in trust pending transfer to WAL.

| Institution | 12/31/2018 | 12/31/2017 |
|--------------------------------|------------|------------|
| | ThUS\$ | ThUS\$ |
| Banco Santander | 23,124 | 163,269 |
| Banco de Crédito e Inversiones | 145,834 | 71,748 |
| Banco Itaú-Corpbanca | 70,719 | 77,527 |
| Banco Security | 27,215 | 28,592 |
| Scotiabank Sud Americano | 24,898 | 13,764 |

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| | | |
|------------------|---------|---------|
| Banco Chile | - | 4,834 |
| Banco BBVA Chile | - | 1,207 |
| Total | 291,790 | 360,941 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments, (continued)

14.2 Trade and other receivables

| | 12/31/2018 | | | 12/31/2017 | | |
|-----------------------------------|------------|-------------|---------|------------|-------------|---------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Trade receivables | 429,150 | - | 429,150 | 412,321 | - | 412,321 |
| Prepayments | 16,147 | - | 16,147 | 16,177 | - | 16,177 |
| Other receivables | 19,558 | 2,275 | 21,833 | 18,377 | 1,912 | 20,289 |
| Total trade and other receivables | 464,855 | 2,275 | 467,130 | 446,875 | 1,912 | 448,787 |

| | 12/31/2018 | | | 12/31/2017 | | |
|---|-------------------------------|--|--|--------------------------------|--|--|
| | Assets before allowance | 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 | 445,670 | (16,520) |) 429,150 | 427,400 | (15,079) |) 412,321 |
| Trade receivables, current | 445,670 | (16,520) |) 429,150 | 427,400 | (15,079) |) 412,321 |
| Prepayments, current | 16,990 | (843) |) 16,147 | 16,877 | (700) |) 16,177 |
| Other receivables, current | 23,863 | (4,305) |) 19,558 | 23,409 | (5,032) |) 18,377 |
| Current trade and other receivables | 40,853 | (5,148) |) 35,705 | 40,286 | (5,732) |) 34,554 |
| Other receivables, non-current | 2,275 | - | 2,275 | 1,912 | - | 1,912 |
| Non-current receivables | 2,275 | - | 2,275 | 1,912 | - | 1,912 |
| Total trade and other receivables | 488,798 | (21,668) |) 467,130 | 469,598 | (20,811) |) 448,787 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments, (continued)

14.2 Trade and other receivables, continued

Portfolio stratification, continued

The Company's policy is to require guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain accounts as deemed necessary by management.

Uncollateralized portfolio

As of December 31, 2018 the detail of the uncollateralized portfolio is as follows:

| 2018 | | | | |
|-------------------|--|---|--|-------------------------------------|
| Past due segments | Total uncollateralized portfolio | | | |
| | Number of customers non-renegotiated portfolio | Gross non-renegotiated portfolio ThUS\$ | Number of customers renegotiated portfolio | Gross renegotiated portfolio ThUS\$ |
| Current | 1,429 | 403,805 | 136 | 668 |
| 1-30 days | 1,284 | 17,899 | 390 | 596 |
| 31-60 days | 940 | 8,063 | 154 | 118 |
| 61-90 days | 661 | 2,147 | 41 | 75 |
| 91-120 days | 498 | 1,210 | 27 | 47 |
| 121-150 days | 85 | 385 | 16 | 29 |
| 151-180 days | 49 | 177 | 21 | 176 |
| 181-210 days | 14 | 1,289 | 41 | 231 |
| 211-250 days | 12 | 107 | 101 | 242 |
| >250 days | 1,756 | 7,258 | 305 | 1,148 |
| Total | 6,728 | 442,340 | 1,232 | 3,330 |

As of December 31, 2017 the detail of the uncollateralized portfolio is as follows:

2017

| Past due segments | Total uncollateralized portfolio | | Number of customers renegotiated portfolio | Gross renegotiated portfolio ThUS\$ |
|----------------------|--|--|---|---|
| | Number of customers non- renegotiated portfolio | Gross non- renegotiated portfolio ThUS\$ | | |
| Current | 3,039 | 344,802 | 23 | 706 |
| 1-30 days | 1,598 | 41,510 | 376 | 924 |
| 31-60 days | 824 | 8,813 | 130 | 272 |
| 61-90 days | 756 | 3,740 | 50 | 119 |
| 91-120 days | 548 | 7,367 | 22 | 54 |
| 121-150 days | 182 | 2,914 | 22 | 56 |
| 151-180 days | 443 | 5,602 | 45 | 75 |
| 181-210 days | 365 | 4,470 | 27 | 45 |
| 211-250 days | 682 | 112 | 29 | 138 |
| >250 days | 1,837 | 3,050 | 350 | 2,631 |
| Total | 10,274 | 422,380 | 1,074 | 5,020 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments, (continued)

14.2 Trade and other receivables, continued

As of December 31, 2018 and December 31, 2017, movements in provisions are as follows:

| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---|----------------------|----------------------|
| Provision Impairment Accounts receivable at the beginning of the Period | 34,936 | 31,616 |
| Adjustment to Starting Balance through New Model Calculations (IFRS 9) | 2,301 | - |
| Increase / (decrease) impairment of accounts receivable for the period to profit and loss | (2,967) | 8,037 |
| Use of Provision Applied to Accounts Receivable | (1,636) | (4,717) |
| Impairment of Accounts Receivable Provision at the Star of the Period (1)+(2) | 32,634 | 34,936 |
| (1) Trade and Other Receivables Provision | 21,668 | 20,811 |
| (2) Current Related Party Receivables Provision | 10,966 | 14,125 |
| Recovery of Insurance | 827 | 126 |
| Impairment of Accounts Receivable Provision | 32,634 | 34,936 |
| Renegotiated Provision | 2,056 | 2,580 |
| Non-renegotiated Provision | 30,578 | 32,356 |

Credit risk concentration.

Credit risk concentration with respect to trade receivables is reduced due to the great number of entities in the Company's client base and their distribution throughout the world.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.3 Hedging assets and liabilities**

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations associated with bonds in Chilean pesos and UF in Chilean pesos. As of December 31, 2017, the notional amount of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$ 461,659, and as of December 31, 2017 such contracts amounted to ThUS\$ 266,335.

| Hedging assets with underlying debt | Derivative instruments (Fwds) | Effect on profit or loss for the period Derivative instruments | Hedging reserve in gross equity | Deferred tax hedging reserve in equity | Hedging reserve in equity |
|---|---|---|--|--|---------------------------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| December 31, 2018 | 13,516 | (3,004) | 8,256 | - | 8,256 |
| Hedging liabilities with underlying debt | Derivative instruments (CCS) | Effect on profit or loss for the period Derivative instruments | Hedging reserve in gross equity | Deferred tax hedging reserve in equity | Hedging reserve in equity |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| December 31, 2018 | (17,318) | 16,636 | 1,541 | - | 1,541 |
| Hedging assets with underlying investments | Derivative instruments (CCS) | Effect on profit or loss for the period Derivative instruments | Hedging reserve in gross equity | Deferred tax hedging reserve in equity | Hedging reserve in equity |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| December 31, 2018 | 18,146 | 19,911 | (1,765) | - | (1,765) |
| Hedging assets with underlying debt | Derivative instruments (Fwds) | Effect on profit or loss for the period Derivative instruments | Hedging reserve in gross equity | Deferred tax hedging reserve in equity | Hedging reserve in equity |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |

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| | | | | | |
|-------------------|-------|-------|-------|---|-------|
| December 31, 2017 | 8,910 | 5,641 | 2,170 | - | 2,170 |
|-------------------|-------|-------|-------|---|-------|

| Hedging liabilities with underlying debt | Derivative instruments (CCS) | Effect on profit or loss for the period Derivative instruments | Hedging reserve in gross equity | Deferred tax hedging reserve in equity | Hedging reserve in equity |
|---|---------------------------------|---|---------------------------------------|---|--|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| December 31, 2017 | 17,128 | 33,696 | 41 | - | 41 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)

14.3 Hedging assets and liabilities, continued

| Hedging liabilities with underlying investments | Derivative instruments (CCS) | Effect on profit or loss for the period Derivative instruments | Hedging reserve in gross equity | Deferred tax hedging reserve in equity | Hedging reserve in equity |
|--|---|---|---------------------------------------|---|---------------------------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| December 31, 2017 | (20,159 |) (20,256 |) 97 | - | 97 |

The balances in the “effect on profit or loss” column consider the interim effects of the contracts in force As of December 31, 2018 and December 31, 2017.

Derivative contract maturities are detailed as follows:

| Contract amount | | | |
|------------------------|---------|----------|---------------|
| Series | ThUS\$ | Currency | Maturity date |
| H | 155,214 | UF | 01/05/2023 |
| 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 Chilean pesos and UF. Likewise, hedging contracts are denominated in the same currencies and have the same expiration dates of bond principal and interest payments.

Hedge Accounting

The Company classifies derivative instruments as hedging that may include derivative or embedded derivatives either as fair value hedge derivative instruments, cash flow hedge derivative instruments, or hedge derivative instruments for net investment in a business abroad.

a) Fair value hedge

Changes in fair values of derivative instruments classified as fair value hedge derivative instruments are accounted for in gains and losses immediately along with any change in the fair value of the hedged item that is attributable to the risk being hedged.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)

14.3 Hedging assets and liabilities, continued

b) Cash flow hedges

Cash flow hedges cover exposure to the cash flow variations attributable to a risk associated with a specific transaction that is very likely to be executed, which may have material effects on the results of the Company.

The Company documents the relationship between hedge instruments and the hedged item along with the objectives of its risk management and strategy to carry out different hedging transactions. In addition, upon commencement of the period hedged and then on a quarterly basis, the Company documents whether hedge instruments have been efficient and met the objective of hedging market fluctuations. For this purpose, we use the effectiveness test.

The hedge instruments are classified as effective or not effective on the basis of the effectiveness test results. At present, hedges are classified as effective on the basis of the effectiveness tests. This note includes the detail of fair values of derivatives classified as hedging instruments.

14.4 Financial liabilities

Other current and non-current financial liabilities

As of December 31, 2018 and December 31, 2017, the detail is as follows:

| | 31/12/2018 | | | 31/12/2017 | | |
|---------------------------------------|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
| | Current ThUS\$ | Non-current ThUS\$ | Total ThUS\$ | Current ThUS\$ | Non-current ThUS\$ | Total ThUS\$ |
| Liabilities at amortized cost | | | | | | |
| - Bank borrowings | 300 | 68,870 | 69,170 | 163,568 | - | 163,568 |
| - Obligations with the public (bonds) | 15,145 | 1,249,479 | 1,264,624 | 13,494 | 1,031,507 | 1,045,001 |
| Derivative financial instruments | | | | | | |
| - For hedging | 5,285 | 12,033 | 17,318 | 37,287 | - | 37,287 |

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- Held for trading at fair value through
profit or loss

| | | | | | | |
|---------------------|--------|-----------|-----------|---------|-----------|-----------|
| Hedging liabilities | 2,855 | - | 2,855 | 5,979 | - | 5,979 |
| Total | 23,585 | 1,330,382 | 1,353,967 | 220,328 | 1,031,507 | 1,251,835 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

Current and non-current bank borrowings

As of December 31, 2018 and December 31, 2017, the detail is as follows:

| | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| | ThUS\$ | ThUS\$ |
| Long-term bank borrowings | 68,870 | - |
| Short-term bank borrowings | - | 163,568 |
| Current portion of long-term loans | 300 | - |
| Short-term borrowings and current portion of long-term borrowings | 69,170 | 163,568 |
| Total bank borrowings | 69,170 | 163,568 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.4 Financial liabilities, continued**

a) Bank borrowings, current:

As of December 31, 2018 and December 31, 2017, the detail of this caption is as follows:

| Debtor | | | Creditor | | | Currency or adjustment | | | Effecti |
|--------------|--------------------------------|---------|------------|-----------------------|---------|------------------------|---------------|-------------|---------|
| Tax ID No | Company | Country | Tax ID No, | Financial institution | Country | index | Repayment | Vencimiento | rate |
| 93,007,000-9 | SQM.S.A. | Chile | 0-E | Scotiabank Cayman | USA | US\$ | Upon maturity | 05/29/2023 | 3.60 % |
| Foreign | Nitratos Naturais do Chile Lim | Brazil | 0-E | Banco ITAU Brasil | Brasil | BRL | Upon maturity | 01/31/2019 | 5.17 % |
| Foreign | SQM Brasil Limitada | Brazil | 0-E | Banco ITAU Brasil | Brasil | BRL | Upon maturity | 01/31/2019 | 5.5 % |

| Debtor | Creditor | 12/31/2018 Nominal amounts | | | 12/31/2018 Current amounts | | | | |
|--------------------------------|-----------------------|-------------------------------|-------------------|--------|-------------------------------|-------------------|----------|-----------------|--------|
| 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 | - | - | - | - | 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 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.4 Financial liabilities, continued**

| Debtor | | | Creditor | | | Currency or adjustment | Repayment | Effective | Nominal |
|--------------|---------------------|---------|--------------|--------------------------|---------|------------------------|---------------|-----------|---------|
| Tax ID No | Company | Country | Tax ID No, | Financial institution | Country | index | rate | rate | rate |
| 93,007,000-9 | SQM.S.A. | CHILE | 97,018,000-1 | Scotiabank Sud Americano | CHILE | US\$ | Upon maturity | 1.63 % | 1.63 |
| 93,007,000-9 | SQM.S.A. | CHILE | 97,018,000-1 | Scotiabank Sud Americano | CHILE | US\$ | Upon maturity | 1.73 % | 1.73 |
| 93,007,000-9 | SQM.S.A. | CHILE | 97,018,000-1 | Scotiabank Sud Americano | CHILE | US\$ | Upon maturity | 1.73 % | 1.73 |
| 93,007,000-9 | SQM S.A. | CHILE | 97,018,000-1 | Banco Estado | CHILE | US\$ | Upon maturity | 1.64 % | 1.64 |
| 93,007,000-9 | SQM S.A. | CHILE | 97,018,000-1 | Banco Estado | CHILE | US\$ | Upon maturity | 1.67 % | 1.67 |
| 93,007,000-9 | SQM S.A. | CHILE | 97,018,000-1 | Banco Estado | CHILE | US\$ | Upon maturity | 1.67 % | 1.67 |
| 79,626,800-K | SQM Salar S.A. | CHILE | 97,018,000-1 | Banco Estado | CHILE | US\$ | Upon maturity | 1.91 % | 1.91 |
| 79,626,800-K | SQM Salar S.A. | CHILE | 97,018,000-1 | Scotiabank Sud Americano | CHILE | US\$ | Upon maturity | 1.94 % | 1.94 |
| 79,947,100-0 | SQM Industrial S.A. | CHILE | 97,030,000-7 | Banco Estado | CHILE | US\$ | Upon maturity | 1.74 % | 1.74 |
| 79,947,100-0 | SQM Industrial S.A. | CHILE | 97,030,000-7 | Banco Estado | CHILE | US\$ | Upon maturity | 1.65 % | 1.65 |

| Debtor | Creditor | 12/31/2017 Nominal amounts | | | 12/31/2017 Current amounts | | | Subtotal | Borrowing costs | Total |
|----------|--------------------------|-------------------------------|-------------------|--------|-------------------------------|-------------------|--------|----------|-----------------|--------|
| | | Up to 90 days | 90 days to 1 year | Total | Up to 90 days | 90 days to 1 year | Total | | | |
| Company | Financial institution | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| SQM,S.A. | Scotiabank Sud Americano | - | 20,000 | 20,000 | - | 20,137 | 20,137 | - | - | 20,137 |
| SQM,S.A. | Scotiabank Sud Americano | - | 17,000 | 17,000 | - | 17,140 | 17,140 | - | - | 17,140 |
| SQM,S.A. | Scotiabank Sud Americano | - | 3,000 | 3,000 | - | 3,025 | 3,025 | - | - | 3,025 |

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| | | | | | | | | | |
|---------------------|--------------------------|--------|---------|---------|--------|---------|---------|---|---------|
| SQM,S.A. | Banco Estado | 15,000 | - | 15,000 | 15,011 | - | 15,011 | - | 15,011 |
| SQM,S.A. | Banco Estado | 15,000 | - | 15,000 | 15,011 | - | 15,011 | - | 15,011 |
| SQM,S.A. | Banco Estado | 15,000 | - | 15,000 | 15,011 | - | 15,011 | - | 15,011 |
| SQM Salar S.A. | Banco Estado | - | 20,000 | 20,000 | - | 20,071 | 20,071 | - | 20,071 |
| SQM Salar S.A. | Scotiabank Sud Americano | - | 20,000 | 20,000 | - | 20,072 | 20,072 | - | 20,072 |
| SQM Industrial S.A. | Banco Estado | - | 20,000 | 20,000 | - | 20,064 | 20,064 | - | 20,064 |
| SQM Industrial S.A. | Banco Estado | 18,000 | - | 18,000 | 18,026 | - | 18,026 | - | 18,026 |
| Total | | 63,000 | 100,000 | 163,000 | 63,059 | 100,509 | 163,568 | - | 163,568 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.4 Financial liabilities, continued****b) Unsecured obligations, current:**

As of December 31, 2018 and December 31, 2017, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Bonds

| Tax ID No. | Company | Country | Number of registration or ID of the instrument | Series | Maturity date | Currency or adjustment index | Payment of interest | Repayment | Effective rate | Nominal rate |
|--------------|----------|---------|--|-------------------|----------------------------------|------------------------------|---------------------|---------------|---------------------|--------------|
| 93,007,000-9 | SQM S.A. | CHILE | - | MMUS\$250 | 4/21/2019 | US\$ | Semiannual | Upon maturity | 0,95 % | 5,50 % |
| 93,007,000-9 | SQM S.A. | CHILE | - | MMUS\$250 | 1/28/2019 | US\$ | Semiannual | Upon maturity | 2,75 % | 4,38 % |
| 93,007,000-9 | SQM S.A. | CHILE | - | MMUS\$300 | 4/03/2019 | US\$ | Semiannual | Upon maturity | 1,77 % | 3,63 % |
| 93,007,000-9 | SQM S.A. | CHILE | 564 | H | 1/05/2019 | UF | Semiannual | Semiannual | 1,90 % | 4,90 % |
| 93,007,000-9 | SQM S.A. | CHILE | 699 | O | 2/01/2019 | UF | Semiannual | Upon maturity | 2,60 % | 3,80 % |
| 93,007,000-9 | SQM S.A. | CHILE | 563 | P | 1/15/2019 | UF | Semiannual | Upon maturity | 3,07 % | 3,25 % |
| 93.007.000-9 | SQM S.A. | Chile | 700 | Q | 6/01/2019 | UF | Semiannual | Upon maturity | 3,34 % | 3,45 % |
| | | | 12/31/2018 Nominal maturities | | 12/31/2018 Current maturities | | | | | |
| | | | Up to 90 days | 91 days to 1 year | Total | Up to 90 days | 91 days to 1 year | Subtotal | Bond issuance costs | Total |

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| Company | Country | Series | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
|----------|---------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| SQM S.A. | CHILE | ThUS\$250,000 | 2,674 | - | 2,674 | 2,674 | - | 2,674 | (386 |) | 2,288 |
| SQM S.A. | CHILE | ThUS\$250,000 | - | 4,648 | 4,648 | - | 4,648 | 4,648 | (433 |) | 4,215 |
| SQM S.A. | CHILE | ThUS\$300,000 | 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.4 Financial liabilities, continued**

| Tax ID No. | Company | Country | Number of registration or ID of the instrument | Series | Maturity date | Currency or adjustment index | Payment of interest | Repayment | Effective rate | Non-rate |
|--------------|----------|---------|--|---------------|---------------|------------------------------|---------------------|---------------|----------------|----------|
| 93,007,000-9 | SQM S.A. | CHILE | - | ThUS\$250,000 | 04/21/2018 | US\$ | Semiannual | Upon maturity | 1.47 % | 5.5 |
| 93,007,000-9 | SQM S.A. | CHILE | - | ThUS\$250,000 | 01/28/2018 | US\$ | Semiannual | Upon maturity | 3.17 % | 4.3 |
| 93,007,000-9 | SQM S.A. | CHILE | - | ThUS\$300,000 | 04/03/2018 | US\$ | Semiannual | Upon maturity | 2.12 % | 3.6 |
| 93,007,000-9 | SQM S.A. | CHILE | 564 | H | 01/05/2018 | UF | Semiannual | Semiannual | 2.18 % | 4.9 |
| 93,007,000-9 | SQM S.A. | CHILE | 699 | O | 02/01/2018 | UF | Semiannual | Upon maturity | 2.80 % | 3.8 |

| Company | Country | Series | 12/31/2017 Nominal maturities | | | 12/31/2017 Current maturities | | | Bond issuance costs | Total |
|----------|---------|---------------|----------------------------------|-------------------|-------|----------------------------------|-------------------|----------|---------------------|--------|
| | | | Up to 90 days | 91 days to 1 year | Total | Up to 90 days | 91 days to 1 year | Subtotal | | |
| SQM S.A. | CHILE | ThUS\$250,000 | - | - | - | - | 2,674 | 2,674 | (385) | 2,289 |
| SQM S.A. | CHILE | ThUS\$250,000 | - | - | - | 4,648 | - | 4,648 | (433) | 4,215 |
| SQM S.A. | CHILE | ThUS\$300,000 | - | - | - | - | 2,658 | 2,658 | (615) | 2,043 |
| SQM S.A. | CHILE | H | - | - | - | 4,127 | - | 4,127 | (139) | 3,988 |
| SQM S.A. | CHILE | O | - | - | - | 1,026 | - | 1,026 | (67) | 959 |
| Total | | | - | - | - | 9,801 | 5,332 | 15,133 | (1,639) | 13,494 |

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.4 Financial liabilities, continued****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, 2018. As of December 31, there were no loans:

| Debtor | | | Creditor | | | Currency | | | |
|-------------------|----------|---------|-------------------|-----------------------|---------|---------------------------|-------------------------|-------------------|-----------------|
| Chilean Tax ID | Company | Country | Chilean Tax ID | Financial institution | Country | or adjustment index | Type of amortization | Effective rate | Nominal rate |
| 93,007,000-9 | SQM.S.A. | Chile | 0-E | Scotiabank Cayman | USA | USD | Maturity | 3.98 % | 3.98 % |

| Creditor | | 12/31/2018 | | | | 12/31/2018 | | | | | |
|-------------|-----------------------|--------------------------------|------------------------------|------------------------------|-----------------|------------------------------|------------------------------|------------------------------|--------------------|---|-----------------|
| | | Nominal non-current maturities | | | | Non-current maturities | | | | | |
| Company | Financial institution | Between 1 and 2 ThUS\$ | Between 2 and 3 ThUS\$ | Between 3 and 4 ThUS\$ | Total ThUS\$ | Between 1 and 2 ThUS\$ | Between 2 and 3 ThUS\$ | Between 3 and 4 ThUS\$ | Subtotal ThUS\$ | Costs of obtaining loans ThUS\$ | Total 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 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.4 Financial liabilities, continued****d) Non-current unsecured interest-bearing bonds**

The breakdown of non-current unsecured interest-bearing bonds as of December 31, 2018 and December 31, 2017 is detailed as follows:

| Tax ID No. | Company | Country | Number of registration or ID of the instrument | Series | Maturity date | Currency or adjustment index | Periodicity | | Effective rate | Nominal rate | |
|--------------|----------|---------|--|--------|---------------|------------------------------|---------------------|------------|----------------|--------------|--------|
| | | | | | | | Payment of interest | Repayment | | | |
| 93.007.000-9 | SQM S.A. | CHILE | - | Th | US\$250,000 | 04/21/2020 | US\$ | Semiannual | Upon maturity | 5.50 % | 5.50 % |
| 93.007.000-9 | SQM S.A. | CHILE | - | Th | US\$250,000 | 01/28/2025 | US\$ | Semiannual | Upon maturity | 4.38 % | 4.38 % |
| 93.007.000-9 | SQM S.A. | CHILE | - | Th | US\$300,000 | 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 % |

Nominal non-current maturities**12/31/2018**

| Series | Over 1 year to 2 | Over 2 years to 3 | Over 3 years to 4 | Over 4 years to 5 | Over 5 years | Total |
|--------|------------------|-------------------|-------------------|-------------------|--------------|-------|
|--------|------------------|-------------------|-------------------|-------------------|--------------|-------|

Non-current maturities**12/31/2018**

| Series | 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 |
|--------|------------------|-------------------|-------------------|-------------------|--------------|----------|---------------------|
|--------|------------------|-------------------|-------------------|-------------------|--------------|----------|---------------------|

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| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
|----------|---------|--------|---------|--------|---------|-----------|---------|--------|---------|--------|---------|-----------|-------|
| MUS\$250 | 250,000 | - | - | - | - | 250,000 | 250,000 | - | - | - | - | 250,000 | (131 |
| MUS\$250 | - | - | - | - | 250,000 | 250,000 | - | - | - | - | 250,000 | 250,000 | (2,20 |
| MUS\$300 | - | - | 300,000 | - | - | 300,000 | - | - | 300,000 | - | - | 300,000 | (2,00 |
| H | - | - | - | - | 158,704 | 158,704 | - | - | - | - | 158,704 | 158,704 | (1,39 |
| O | - | - | - | - | 59,514 | 59,514 | - | - | - | - | 59,514 | 59,514 | (878 |
| P | - | - | - | - | 119,028 | 119,028 | - | - | - | - | 119,028 | 119,028 | (101 |
| Q | - | - | - | - | 119,028 | 119,028 | - | - | - | - | 119,028 | 119,028 | (85 |
| Total | 250,000 | - | 300,000 | - | 706,274 | 1,256,274 | 250,000 | - | 300,000 | - | 706,274 | 1,256,274 | (6,79 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.4 Financial liabilities, continued****d) Non-current unsecured interest-bearing bonds, continued**

As of December 31, 2018 and December 31, 2017, the breakdown of unsecured interest-bearing liabilities, non-current is as follows:

| Tax ID No, | Company | Country | Number of registration or ID of the instrument | Series | Maturity date | Currency or adjustment index | Periodicity Payment of interest | Repayment | Effective rate | Nominal rate |
|--------------|----------|---------|--|-----------|---------------|------------------------------|------------------------------------|---------------|----------------|--------------|
| 93.007.000-9 | SQM S.A. | CHILE | - | MMUS\$250 | 04/21/2020 | US\$ | Semiannual | Upon maturity | 5.50% | 5.50% |
| 93.007.000-9 | SQM S.A. | CHILE | - | MMUS\$250 | 01/28/2025 | US\$ | Semiannual | Upon maturity | 4.38% | 4.38% |
| 93.007.000-9 | SQM S.A. | CHILE | - | MMUS\$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% | 6.01% |
| 93.007.000-9 | SQM S.A. | CHILE | 699 | O | 01/02/2033 | UF | Semiannual | Upon maturity | 3.80% | 3.80% |

Nominal non-current maturities**12/31/2017**

| Series | Over 1 year to 2 | Over 2 years to 3 | Over 3 years to 4 | Over 4 years to 5 | Over 5 years | Total |
|----------|------------------|-------------------|-------------------|-------------------|--------------|---------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| MUS\$250 | 250,000 | - | - | - | - | 250,000 |
| MUS\$250 | - | - | - | - | 250,000 | 250,000 |
| MUS\$300 | - | - | - | - | 300,000 | 300,000 |

Non-current maturities**12/31/2017**

| 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\$ |
| 250,000 | - | - | - | - | 250,000 | (517) | 249,483 |
| - | - | - | - | 250,000 | 250,000 | (2,636) | 247,364 |
| - | - | - | - | 300,000 | 300,000 | (2,618) | 297,382 |

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| | | | | | | | | | | | | | | |
|-------|---------|---|---|---|---------|-----------|---------|---|---|---|---------|-----------|---------|-------|
| H | - | - | - | - | 174,367 | 174,367 | - | - | - | - | 174,367 | 174,367 | (1,532) | 172,8 |
| O | - | - | - | - | 65,388 | 65,388 | - | - | - | - | 65,388 | 65,388 | (945) | 64,44 |
| Total | 250,000 | - | - | - | 789,755 | 1,039,755 | 250,000 | - | - | - | 789,755 | 1,039,755 | (8,248) | 1,031 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

e) Additional information

Bonds

On December 31, 2018 and December 31, 2017, short term bonds of ThUS\$15,145 and ThUS\$13,494 respectively were classified as short-term, consisting of the current portion due plus accrued interest to date; debt is presented net of bond issuance costs. The non-current portion consisted of ThUS\$1,249,479 on December 31, 2018 and ThUS\$1,031,507 on December 31, 2017, corresponding to the issuance series H bonds second issue single series bonds (ThUS\$250), series M bonds, series O bonds, third issue single series bonds (ThUS\$300) and fourth issue single series bonds (ThUS\$250) , series P bonds and series Q bonds , net of bond issuance costs

As of December 31, 2018 and, 2017, the details of each issuance are as follows:

Series “C” bonds

On January 24, 2006, the Company placed Series C bonds for UF 3,000,000 (ThUS\$101,918) at an annual rate of 4.00%.

On July 5, 2017, the Series C bond was prepaid.

As of December 31, 2018, and December 31 2017, the Company has made the following payments with a charge to the Series C bonds:

| | |
|-------------------|------------|
| Payments made | 12/31/2017 |
| | ThUS\$ |
| Principal payment | 57,290 |

Interest payment 1,515

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)

14.4 Financial liabilities, continued

Serie “H” bonds

On January 13, 2009, the Company placed two bond series in the domestic market. The first was Series H for UF 4,000,000 (ThUS\$139,216) at an annual interest rate of 4.9%, with a term of 21 years and payment of the principal beginning in 2019.

As of December 31, 2018, and December 31, 2017, the Company has made the following payments with a charge to the Series H bonds:

| | 12/31/2018 | 12/31/2017 |
|--------------------------------------|------------|------------|
| Payments made | | |
| | ThUS\$ | ThUS\$ |
| Payments of interest, Series H bonds | 8,325 | 7,691 |

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, 2018, and December 31, 2017, the detail of payments charged to the line of single series bonds, second issue is as follows:

| | 12/31/2018 | 12/31/2017 |
|------------------|------------|------------|
| Payments made | | |
| | ThUS\$ | ThUS\$ |
| Interest payment | 13,750 | 13,750 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14

Financial instruments (continued)

14.4 Financial liabilities, continued

Series “M” and “O” bonds

On April 4, 2012, the Company placed two bond series in the domestic market. Series M for UF 1,000,000 (ThUS\$46,601) was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 3.3%. On February 1, 2017, the M bond was canceled.

| | 12/31/2017 |
|-------------------------------------|------------|
| Payments made | |
| | ThUS\$ |
| Principal payment Series M bonds | 40,726 |
| Payment of interest, Series M bonds | 667 |

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, 2018, and December 31, 2017 the Company has made the following payments with a charge to the Series O bonds:

| | 12/31/2018 | 12/31/2017 |
|-------------------------------------|------------|------------|
| Payments made | | |
| | ThUS\$ | ThUS\$ |
| Payment of interest, Series O bonds | 2,457 | 2,301 |

Single series bonds, third issue ThUS\$300,000

On April 3, 2013, the Company issued a non-guaranteed 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% and an annual yield of 3.716%. This rate equates to a difference of 180 basis points to comparable US Treasury bonds. The funds raised will be used to refinance long term liabilities and finance general corporate objectives.

As of December 31, 2018, and December 31, 2017, the following payments have been made with a debit to the line of single-series bonds, third issue:

| | 12/31/2018 | 12/31/2017 |
|---------------------|-------------------|-------------------|
| Payments made | | |
| | ThUS\$ | ThUS\$ |
| Payment of interest | 10,875 | 10,875 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14

Financial instruments (continued)

14.4 Financial liabilities, continued

Single series bonds, fourth issuance ThUS\$250,000

On October 23, 2014, the Company informed the CMF that Sociedad Química y Minera de Chile S.A. had agreed to issue and place unsecured bonds of ThUS\$250,000 in international markets. These mature in 2025 and have annual interest rate of 4.375%, equivalent to a spread of 215 basis points on comparable US Treasury bonds, which were offered to investors at a price of 99.410% with respect to capital. The aforementioned agreement was agreed on October 23, 2014 and the issuance and placement of such bonds was performed in conformity with the provisions of Rule 144A of the US Securities Act of 1933 and these bonds will not be publicly offered in Chile.

As of December 31, 2018, and December 31, 2017, the following payments have been made.

| | 12/31/2018 | 12/31/2017 |
|---------------------|-------------------|-------------------|
| Payments made | | |
| | ThUS\$ | ThUS\$ |
| Payment of interest | 10,938 | 10,938 |

Series “P” bonds

On April 5, 2018, the Company informed the Financial Markets Commission that it had authorized the placement on the stock market of the Series “P” bond with a value of UF 3 million, with a charge to the 10 year Bonds Line registered in the FMC Securities Registry dated December 31, 2008 under number 563.

The Bonds (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 called early by the Company as of the date of placement, that is, as of April 5, 2018.

| | |
|---------------|-------------------|
| Payments made | 12/31/2018 |
|---------------|-------------------|

Payment of interest **ThUS\$**
2,027

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14

Financial instruments (continued)

14.4 Financial liabilities, continued

Series Q Bonds

On October 31, 2018, the issuance of Series Q bonds (the "Bonds") was authorized in the general stock market for the sum of UF 3,000,000, which were issued with a charge to the 30-year Bonds Line registered in the Securities Registry of your Commission on February 14, 2012 under number 700.

The Bonds (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, as of June 1, 2018; and (iii) may be redeemed early by the Company as of the placement date, that is, 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.

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| | |
|---------------------|-------------------|
| | 12/31/2018 |
| Payments made | |
| | ThUS\$ |
| Payment of interest | 319 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14**Financial instruments (continued)**

14.5 Trade and other payables

| | 12/31/2018 | | | 12/31/2017 | | |
|------------------------|------------|-------------|---------|------------|-------------|---------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Accounts payable | 163,373 | - | 163,373 | 195,858 | - | 195,858 |
| Other accounts payable | 378 | - | 378 | 422 | - | 422 |
| Total | 163,751 | - | 163,751 | 196,280 | - | 196,280 |

As of December 31, 2018 and December 31, 2017, the balance of current and past due suppliers is as follows:

Suppliers current on all payments

Amounts according to payment periods as of 12/31/2018

| | Up to 30 | 31 - 60 | 61 - 90 | 91 - 120 | 121 - 365 | 366 and more | Total |
|------------------|----------|---------|---------|----------|-----------|---------------------|---------|
| Type of Supplier | Days | days | Days | days | days | days | ThUS\$ |
| Goods | 48,969 | 1,919 | 912 | 25 | 278 | 2 | 52,105 |
| Services | 37,376 | 314 | 157 | 107 | 19 | 35 | 38,008 |
| Others | 54,978 | 161 | 20 | - | - | 3 | 55,162 |
| Total | 141,323 | 2,394 | 1,089 | 132 | 297 | 40 | 145,275 |

Amounts according to payment periods as of 12/31/2017

| | Up to 30 | 31 - 60 | 61 - 90 | 91 - 120 | 121 - 365 | 366 and more | Total |
|------------------|----------|---------|---------|----------|-----------|---------------------|---------|
| Type of Supplier | days | days | days | days | days | days | ThUS\$ |
| Goods | 72,567 | - | - | - | - | - | 72,567 |
| Services | 36,855 | - | - | - | - | 3 | 36,858 |
| Others | 45,104 | - | - | - | - | - | 45,104 |
| Total | 154,526 | - | - | - | - | 3 | 154,529 |

Suppliers past due on payments

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Amounts according to payment periods as of 12/31/2018

| | Up to 30 | 31 - 60 | 61 - 90 | 91 - 120 | 121 - 365 | 366 and more | Total |
|------------------|----------|---------|---------|----------|-----------|-------------------------|--------|
| Type of Supplier | days | days | days | days | days | days | ThUS\$ |
| Goods | 1,533 | 209 | 210 | 255 | 175 | 287 | 2,669 |
| Services | 12,229 | 838 | 109 | 111 | 309 | 141 | 13,737 |
| Others | 1,039 | 385 | 92 | 6 | 60 | 110 | 1,692 |
| Total | 14,801 | 1,432 | 411 | 372 | 544 | 538 | 18,098 |

Amounts according to payment periods as of 12/31/2017

| | Up to 30 | 31 - 60 | 61 - 90 | 91 - 120 | 121 - 365 | 366 and more | Total |
|------------------|----------|---------|---------|----------|-----------|-------------------------|--------|
| Type of Supplier | days | days | days | days | days | days | ThUS\$ |
| Goods | 16,693 | 448 | 3,965 | 1,784 | 1,602 | 42 | 24,534 |
| Services | 11,704 | 1,913 | 547 | 681 | 1,325 | 17 | 16,187 |
| Others | 479 | 9 | 13 | 20 | 46 | 41 | 608 |
| Total | 28,876 | 2,370 | 4,525 | 2,485 | 2,973 | 100 | 41,329 |

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company, As of December 31, 2018, the Company has purchase orders amounting to ThUS\$59,919 (ThUS\$41,601 as of December 31, 2017).

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14

Financial instruments (continued)

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 | 12/31/2018 | Effect on | | Effect on profit |
|---|------------|----------------|--------|------------------|
| | | profit or loss | | or loss as of |
| | | as of | | 12/31/2017 |
| | | 12/31/2018 | | 12/31/2017 |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Current | | | | |
| Derivative instruments (IRS) | 91 | - | - | - |
| Total | 91 | - | - | - |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14**Financial instruments (continued)**

14.7 Financial asset and liability categories

As of December 31, 2018 and December 31, 2017 there are no balances corresponding to derivative instruments measured at their fair value,

a) Financial Assets

| Description of financial assets | 12/31/2018 | | | 12/31/2017 | | |
|--|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|
| | Current Amount | Non-current Amount | Total Amount | Current Amount | Non-current Amount | Total Amount |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Cash and cash equivalent | 556,066 | - | 556,066 | 630,438 | - | 630,438 |
| Trade receivables due from related parties | 44,554 | - | 44,554 | 59,132 | - | 59,132 |
| Financial assets measured at amortized cost | 291,790 | 75 | 291,865 | 360,941 | 45 | 360,986 |
| Loans and receivables measured at amortized cost | 464,855 | 2,275 | 467,130 | 446,875 | 1,912 | 448,787 |
| Total financial assets measured at amortized cost | 1,357,265 | 2,350 | 1,359,615 | 1,497,386 | 1,957 | 1,499,343 |
| Derivative financial instruments | | | | | | |
| For hedging purposes | 18,238 | 13,425 | 31,663 | - | 8,910 | 8,910 |
| Held for trading at fair value through profit or loss | 2,693 | - | 2,693 | 6,038 | - | 6,038 |
| Financial assets classified as available for sale at fair value through equity | - | 3,631 | 3,631 | - | 33,924 | 33,924 |
| Total financial assets at fair value | 20,931 | 17,056 | 37,987 | 6,038 | 42,834 | 48,872 |
| Total financial assets | 1,378,196 | 19,406 | 1,397,602 | 1,503,424 | 44,791 | 1,548,215 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.7 Financial asset and liability categories (continued)**

b) Financial liabilities

| Description of financial liabilities | 12/31/2018 | | | 12/31/2017 | | |
|--|------------|-------------|-----------|------------|-------------|-----------|
| | Current | Non-Current | Total | Current | Non-Current | Total |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Accounts payable to related entities | 9 | - | 9 | 1,365 | - | 1,365 |
| Derivative financial instruments | | | | | | |
| For hedging purposes | 5,285 | 12,033 | 17,318 | 37,287 | - | 37,287 |
| Held for trading at fair value through profit or loss | 2,855 | - | 2,855 | 5,979 | - | 5,979 |
| Financial liabilities at fair value through profit or loss | 8,149 | 12,033 | 20,182 | 44,631 | - | 44,631 |
| Liabilities at amortized cost | | | | | | |
| Bank loans | 300 | 68,870 | 69,170 | 163,568 | - | 163,568 |
| Obligations to the public | 15,145 | 1,249,479 | 1,264,624 | 13,494 | 1,031,507 | 1,045,001 |
| Financial liabilities at amortized cost (trade and other payables) | 163,751 | - | 163,751 | 196,280 | - | 196,280 |
| Total financial liabilities at amortized cost | 179,196 | 1,318,349 | 1,497,545 | 373,342 | 1,031,507 | 1,404,849 |
| Total financial liabilities | 187,345 | 1,330,382 | 1,517,727 | 417,973 | 1,031,507 | 1,449,480 |

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Note 14

Financial instruments (continued)

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, Cross Currency Swaps (CCS) to hedge bonds issued in local currency (\$/UF), and Interest Rate Swaps (IRS) to hedge LIBOR rate debt issued.

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 (pesos/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. 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 FRA (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, taking into account 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 the ‘Asociación de Bancos e Instituciones Financieras’ (ABIF) (Association of Banks and Financial Institutions’).

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Note 14 Financial instruments (continued)

14.8 Fair value measurement of assets and liabilities, continued

Fair value hierarchy

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.

The valuation technique used for determining fair value of our hedging instruments is that indicated in Level 2.

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Note 14 Financial instruments (continued)**14.8 Fair value measurement of assets and liabilities, continued**

| | Carrying | | Fair value | | | |
|---|------------------|----------------------|-------------------|---------|--------------------------------|---------|
| | Amount at | Fair value | Fair value | | Measurement Methodology | |
| | Amortized | (informative) | Cost | | | |
| | 12/31/2018 | 12/31/2018 | 12/31/2018 | 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 | 464,855 | 464,855 | - | - | 464,855 | - |
| Trade receivables due from related parties, current | 44,554 | 44,554 | - | - | 44,554 | - |
| Other current financial assets: | - | - | - | - | - | - |
| - Time deposits | 291,790 | 291,790 | - | - | 291,790 | - |
| - Derivative instruments | - | - | - | - | - | - |
| - Forwards | - | - | 2,637 | - | 2,637 | - |
| - Options | - | - | 56 | - | 56 | - |
| - Hedging assets | - | - | - | - | - | - |
| - Investment hedge swaps | - | - | 18,238 | - | 18,238 | - |
| Non-current accounts receivable | 424 | 424 | - | - | - | - |
| Other non-current financial assets: | - | - | - | - | - | - |
| - Other | 95 | 95 | - | - | 95 | - |
| - Actions | - | - | 3,611 | - | - | - |
| - Hedging assets - Swaps | - | - | 13,425 | - | 13,425 | - |
| Other current financial liabilities | - | - | - | - | - | - |
| - Bank loans | 300 | 300 | - | - | 300 | - |
| - Derivative instruments | - | - | - | - | - | - |
| - 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 | - |

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|-----------------------------------|---|---|--------|---|--------|---|
| - Non-current hedging liabilities | - | - | 12,033 | - | 12,033 | - |
|-----------------------------------|---|---|--------|---|--------|---|

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.8 Fair value measurement of assets and liabilities, continued**

| | Carrying | | Fair value | | | |
|---|------------------|----------------------|-------------------|--------------------------------|-----------|---------|
| | Amount at | Fair value | | | | |
| | Amortized | (informative) | Fair value | Measurement Methodology | | |
| | Cost | | | | | |
| | 12/31/2017 | 12/31/2017 | 12/31/2017 | Level 1 | Level 2 | Level 3 |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 630,438 | 630,438 | - | - | 630,438 | - |
| Trade and other receivables, current | 446,875 | 446,875 | - | - | 446,875 | - |
| Trade receivables due from related parties, current | 59,132 | 59,132 | - | - | 59,132 | - |
| Other current financial assets: | - | - | - | - | - | - |
| - Time deposits | 360,941 | 360,941 | - | - | 360,941 | - |
| - Derivative instruments | - | - | - | - | - | - |
| - Forwards | - | - | 2,744 | - | 2,744 | - |
| - Options | - | - | 110 | - | 110 | - |
| - Hedging assets | - | - | 3,184 | - | 3,184 | - |
| - Investment hedge swaps | - | - | - | - | - | - |
| Non-current accounts receivable | 1,912 | 1,912 | - | - | 1,912 | - |
| Other non-current financial assets: | - | - | - | - | - | - |
| - Other | 24,811 | 24,811 | - | - | 24,811 | - |
| - Actions | - | - | 9,159 | 9,159 | - | - |
| - Hedging assets - Swaps | - | - | 8,909 | - | 8,909 | - |
| Other current financial liabilities | - | - | - | - | - | - |
| - Bank loans | 163,568 | 163,568 | - | - | 163,568 | - |
| - Derivative instruments | - | - | - | - | - | - |
| - Forwards | - | - | 5,534 | - | 5,534 | - |
| - Options | - | - | 445 | - | 445 | - |
| - Hedging liabilities - Swaps | - | - | 37,287 | - | 37,287 | - |
| - Unsecured obligations | 13,494 | 13,494 | - | - | 13,494 | - |
| Trade and other payables, current and non current | 196,280 | 196,280 | - | - | 196,280 | - |
| Trade payables due to related parties, current | 1,365 | 1,365 | - | - | 1,365 | - |
| Other non-current financial liabilities: | - | - | - | - | - | - |
| - Bank loans | - | - | - | - | - | - |
| - Unsecured obligations | 1,031,507 | 1,131,639 | - | - | 1,131,639 | - |

- Non-current hedging liabilities - - - -

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Notes to the Consolidated Financial Statements as of December 31, 2018.

14.9 Financial assets pledged as a guarantee

On November 4, 2004, Isapre Norte Grande maintains a guarantee equivalent to the total amount owed to its members and healthcare providers, which is managed and maintained by Banco de Chile.

As of December 31, 2018 and December 31, 2017, assets pledged as guarantees are as follows:

| | 12/31/2018 | 12/31/2017 |
|---------------------------|-------------------|-------------------|
| Restricted cash | | |
| | ThUS\$ | ThUS\$ |
| Isapre Norte Grande Ltda, | 712 | 771 |
| Total | 712 | 771 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)

14.10 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 14 Financial instruments (continued)**14.10 Estimated fair value of financial instruments and financial derivatives, continued**

The detail of the Company's instruments at carrying value and estimated fair value is as follows:

| | 12/31/2018 | | 12/31/2017 | |
|---|-------------------|------------|-------------------|------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Cash and cash equivalents | 556,066 | 556,066 | 630,438 | 630,438 |
| Current trade and other receivables | 464,855 | 464,855 | 446,875 | 446,875 |
| Receivables due from related parties, current | 44,554 | 44,554 | 59,132 | 59,132 |
| Other financial assets, current: | | | | |
| - Time deposits | 291,790 | 291,790 | 360,941 | 360,941 |
| - Derivative instruments | 2,693 | 2,693 | 6,038 | 6,038 |
| - Hedging assets | 18,238 | 18,238 | - | - |
| Total other current financial assets | 312,721 | 312,721 | 366,979 | 366,979 |
| Non-Current Trade Receivables | 424 | 424 | 1,912 | 1,912 |
| Other non-current financial assets: | 17,131 | 17,131 | 42,879 | 42,879 |
| Total other non-current financial assets: | 17,131 | 17,131 | 42,879 | 42,879 |
| Other financial liabilities, current: | | | | |
| - Bank loans | 300 | 300 | 163,568 | 163,568 |
| - Derivative instruments | 2,855 | 2,855 | 5,979 | 5,979 |
| - Hedging liabilities | 5,285 | 5,285 | 37,287 | 37,287 |
| - Unsecured obligations | 15,145 | 15,145 | 13,494 | 13,494 |
| Other financial liabilities, current | 23,585 | 23,585 | 220,328 | 220,328 |
| Current and non-current accounts payable | 163,751 | 163,751 | 196,280 | 196,280 |
| Payables due to related parties, non-current | 9 | 9 | 1,365 | 1,365 |
| Other non-current financial liabilities: | | | | |
| - Bank loans | 68,870 | 71,826 | - | - |
| - Unsecured obligations | 1,249,479 | 1,404,614 | 1,031,507 | 1,131,639 |
| - Non-current hedging liabilities | 12,033 | 2,657 | - | - |
| Other non-current financial liabilities: | 1,330,382 | 1,479,097 | 1,031,507 | 1,131,639 |

All the fair value estimates are included in levels 1 and 2.

Note 14 Financial instruments (continued)

14.11 Nature and scope of risks arising from financing instruments

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 - Financial Risk Management.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 15 Intangible assets and goodwill

15.1 Balances

| | 12/31/2018 | 12/31/2017 |
|---------------------------------------|------------|------------|
| | ThUS\$ | ThUS\$ |
| Intangible assets other than goodwill | 188,283 | 113,787 |
| Goodwill (1) | 34,718 | 37,972 |
| Total | 223,001 | 151,759 |

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, 2018 and December 31, 2017 are detailed as follows:

| | 12/31/2018 | | | | |
|---|-------------|---------------|---------------------|--------------------|---------------|
| | | Gross | Accumulated | Accumulated | Net |
| | Useful life | amount | Amortization | Impairment | Value |
| | | ThUS\$ | ThUS\$ | losses | ThUS\$ |
| | | | | ThUS\$ | |
| Intangible assets and goodwill | | | | | |
| Software | Finite | 28,833 | (25,455) | - | 3,378 |
| Intellectual property rights, patents and other industrial property rights, service | Finite | 1,254 | (1,096) | (7) | 151 |
| Mining property, water rights and rights of way. | Indefinite | 184,849 | (88) | (1,729) | 183,032 |
| Customer-related intangible assets | Indefinite | 1,778 | - | (205) | 1,573 |
| Other intangible assets | Indefinite | 149 | - | - | 149 |
| Intangible assets other than goodwill | | 216,863 | (26,639) | (1,941) | 188,283 |
| Goodwill | Indefinite | 37,972 | - | (3,254) | 34,718 |
| Total intangible assets and goodwill | | 254,835 | (26,639) | (5,195) | 223,001 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

| Intangible assets and goodwill | Useful life | 12/31/2017 | | |
|---|-------------|---------------------|---------------------------------|------------------|
| | | Gross amount | Accumulated Amortization | Net Value |
| | | ThUS\$ | ThUS\$ | ThUS\$ |
| Software | Finite | 25,060 | (19,769) | 5,291 |
| Intellectual property rights, patents and other industrial property rights, service | Finite | 1,250 | (1,061) | 189 |
| Mining property, water rights and rights of way | Indefinite | 106,358 | - | 106,358 |
| Customer-related intangible assets | Indefinite | 1,778 | - | 1,778 |
| Other intangible assets | Indefinite | 171 | - | 171 |
| Intangible assets other than goodwill | | 134,617 | (20,830) | 113,787 |
| Goodwill | Indefinite | 37,972 | - | 37,972 |
| Total intangible assets and goodwill | | 172,589 | (20,830) | 151,759 |

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 is 2-6 years, for other assets with a finite useful life, the useful life over 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 rights, 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. The present value of future cash flows generated by these assets was calculated given a variation in sales volumes, market prices and costs, discounted at a WACC rate of 8.04%.

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 15 Intangible assets and goodwill (continued)

15.2 Disclosures on intangible assets and goodwill, continued

c) Minimum and maximum amortization lives or rates of intangible assets:

| Estimated useful lives or amortization rate | Minimum life or rate | Maximum life or rate |
|---|----------------------|----------------------|
| Mining property, water rights and rights of way | Indefinite | Indefinite |
| Intangible assets other than goodwill | Indefinite | Indefinite |
| Intellectual property rights, patents and other industrial property rights, service and exploitation rights | 1 year | 16 years |
| Trademarks | 1 year | 5 years |
| Software | 2 years | 6 years |

The following table shows the movements in goodwill as of December 31, 2018:

| Company | Goodwill 01/01/2018 ThUS\$ | Additional recognition ThUS\$ | Impairment losses ThUS\$ | Transferred to available for sale ThUS\$ | Goodwill 12/31/2018 ThUS\$ |
|----------------------------|----------------------------------|-------------------------------------|--------------------------------|--|----------------------------------|
| SQM Industrial S.A. | 3,214 | - | (3,214) | - | - |
| SQM S.A. | 22,255 | - | - | - | 22,255 |
| SQM Investment Corporation | 86 | - | - | - | 86 |
| Soquimich Comercial S.A. | 320 | - | (40) | - | 280 |
| Soquimich European Holding | 11,373 | - | - | - | 11,373 |
| SQM Potasio S.A. | 724 | - | - | - | 724 |
| Total | 37,972 | - | (3,254) | - | 34,718 |

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 15 Intangible assets and goodwill (continued)**15.2 Disclosures on intangible assets and goodwill, continued****e) Movements in identifiable intangible assets as of December 31, 2018:**

| Movements in identifiable intangible assets, gross | Trademarks | Software | Intellectual property rights, patents and other industrial property rights, service, rights of way | Intellectual property rights, patents and other industrial property rights, service, rights of way | Other intangible assets | Goodwill | Identifiable intangible assets |
|---|------------|----------|--|--|-------------------------|----------|--------------------------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening Balance | 25,060 | 1,250 | 106,358 | 1,778 | 171 | 37,972 | 172,589 |
| Additions | 1,159 | 5 | 77,201 | - | 11 | - | 78,376 |
| Other increases / decreases for foreign currency exchange rates | (5) | (1) | (4) | - | - | - | (10) |
| Other increases (decreases) | 2,619 | - | 1,294 | - | (33) | - | 3,880 |
| Total increases (decreases) | 3,773 | 4 | 78,491 | 1,778 | (22) | - | 82,246 |
| Final balance | 28,833 | 1,254 | 184,849 | 1,778 | 149 | 37,972 | 254,835 |

| Accumulated amortization | IT programs | Intellectual property rights, patents and other industrial property rights, service. Finite | Mining property, water rights and rights of way Indefinite | Customer-related intangible assets | Other intangible assets | Goodwill | Identifiable intangible assets |
|---|-------------|---|--|------------------------------------|-------------------------|----------|--------------------------------|
| Movements in Identifiable intangible assets | 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) | (205) | - | (3,254) | (5,195) |
| Amortization | (2,880) | (35) | (88) | - | - | - | (3,003) |

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|-----------------------------|-----------|----------|----------|--------|---|----------|-----------|
| Other increases (decreases) | (2,810) | - | - | - | - | - | (2,810) |
| Total increases (decreases) | (5,686) | (42) | (1,817) | (205) | - | (3,254) | (11,004) |
| Final balance | (25,455) | (1,103) | (1,817) | (205) | - | (3,254) | (31,834) |

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Note 15 Intangible assets and goodwill (continued)**15.2 Disclosures on intangible assets and goodwill, continued****f) Movements in identifiable intangible assets as of December 31, 2018, continued**

| Net value | | | Intellectual property rights, patents and other industrial property rights, service. Finite | Mining property, water rights and rights of way Indefinite | Customer- related intangible assets | Other intangible assets | Goodwill | Identifiable intangible assets |
|---|----------------|--------|---|--|--|-------------------------------|----------|--------------------------------------|
| Movements in Identifiable intangible assets | IT programs | | | | | | | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening Balance | 5,291 | 189 | 106,358 | 1,778 | 171 | 37,972 | 151,759 | |
| Additions | 1,159 | 5 | 77,201 | - | 11 | - | 78,376 | |
| Amortization | (2,880) | (35) | (88) | - | - | - | (3,003) | |
| Impairment losses recognized in profit or loss for the year | - | (7) | (1,729) | (205) | - | (3,254) | (5,195) | |
| Other increases / decreases for foreign currency exchange rates | (1) | (1) | (4) | - | - | - | (6) | |
| Other increases (decreases) | (191) | - | 1,294 | - | (33) | - | 1,070 | |
| Total increases (decreases) | (1,913) | (38) | 76,674 | (205) | (22) | (3,254) | 71,242 | |
| Final balance | 3,378 | 151 | 183,032 | 1,573 | 149 | 34,718 | 223,001 | |

g) Movements in identifiable intangible assets as of December 31, 2017:

| Gross value | | | Intellectual property rights, patents and other industrial property rights, service. Finite | Mining property, water rights and rights of way Indefinite | Customer- related intangible assets | Other intangible assets | Goodwill | Identifiable intangible assets |
|--|----------------|--------|--|--|--|-------------------------------|----------|--------------------------------------|
| Movements in Identifiable intangible assets | IT programs | | | | | | | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |

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| | | | | | | | |
|-------------------------------------|--------|--------|---------|----------|-----|--------|---------|
| Opening Balance | 23,280 | 1,483 | 106,436 | 2,942 | - | 37,972 | 172,113 |
| Additions | 939 | 8 | - | - | 171 | - | 1,118 |
| Increases (decreases) for transfers | - | - | (205) | - | - | - | (205) |
| Other increases (decreases) | 841 | (241) | 127 | (1,164) | - | - | (437) |
| Total increases (decreases) | 1,780 | (233) | (78) | (1,164) | 171 | - | 476 |
| Final balance | 25,060 | 1,250 | 106,358 | 1,778 | 171 | 37,972 | 172,589 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 15 Intangible assets and goodwill (continued)**15.2 Disclosures on intangible assets and goodwill, continued****g) Movements in identifiable intangible assets as of December 31, 2017:**

| Movements in identifiable intangible assets, accumulated amortization | Software | Intellectual property rights, patents and other industrial property rights, service, rights of way | Mining property, water rights and rights of way. Indefinite. | Customer-related intangible assets | Other intangible assets | Goodwill | Identifiable intangible assets |
|--|-----------------|---|---|---|--------------------------------|-----------------|---------------------------------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening balance | (16,234) | (1,023) | - | - | - | - | (17,257) |
| Additions | - | - | - | - | - | - | - |
| Amortization | (2,653) | (38) | - | - | - | - | (2,691) |
| Other increases (decreases) | (882) | - | - | - | - | - | (882) |
| Total Increases (decreases) | (3,535) | (38) | - | - | - | - | (3,573) |
| Final balance | (19,769) | (1,061) | - | - | - | - | (20,830) |

| Movements in identifiable intangible assets, net | Software | Intellectual property rights, patents and other industrial property rights, service, rights of way | Mining property, water rights and rights of way. Indefinite. | Customer-related intangible assets | Other intangible assets | Goodwill | Identifiable intangible assets |
|---|-----------------|---|---|---|--------------------------------|-----------------|---------------------------------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening balance | 7,046 | 460 | 106,436 | 2,942 | - | 37,972 | 154,856 |
| Additions | 939 | 8 | - | - | 171 | - | 1,118 |
| Increases (decreases) for transfers | - | - | (205) | - | - | - | (205) |
| Amortization | (2,653) | (38) | - | - | - | - | (2,691) |

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| | | | | | | | |
|-------------------------------------|----------|--------|---------|----------|-----|--------|----------|
| Impairment | - | - | - | - | - | - | - |
| Increases (decreases) for transfers | - | - | - | - | - | - | - |
| Other increases (decreases) | (41) | (241) | 127 | (1,164) | - | - | (1,319) |
| Total Increases (decreases) | (1,755) | (271) | (78) | (1,164) | 171 | - | (3,097) |
| Final balance | 5,291 | 189 | 106,358 | 1,778 | 171 | 37,972 | 151,759 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 16 Property, plant and equipment

As of December 31, 2018 and December 31, 2017, the detail of property, plant and equipment is as follows:

16.1 Types of property, plant and equipment

| | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| Description of types of property, plant and equipment | ThUS\$ | ThUS\$ |
| Property, plant and equipment, net | | |
| Land | 24,695 | 24,900 |
| Buildings | 238,808 | 230,319 |
| Other property, plant and equipment | 28,175 | 24,862 |
| Transport equipment | 2,892 | 3,257 |
| Supplies and accessories | 4,722 | 1,872 |
| Office equipment | 513 | 487 |
| Network and communication equipment | 692 | 1,050 |
| Mining assets | 11,501 | 16,237 |
| IT equipment | 4,980 | 3,401 |
| Energy generating assets | 6,117 | 7,861 |
| Constructions in progress | 207,830 | 165,054 |
| Machinery, plant and equipment (1) | 923,898 | 950,054 |
| Total | 1,454,823 | 1,429,354 |
| Property, plant and equipment, gross | | |
| Land | 24,695 | 24,900 |
| Buildings | 648,719 | 610,264 |
| Other property, plant and equipment | 245,731 | 244,831 |
| Transport equipment | 11,668 | 11,195 |
| Supplies and accessories | 24,456 | 19,498 |
| Office equipment | 11,377 | 11,105 |
| Network and communication equipment | 7,505 | 7,356 |
| Mining assets | 132,309 | 129,028 |
| IT equipment | 29,955 | 27,038 |
| Energy generating assets | 36,930 | 36,643 |
| Constructions in progress | 207,830 | 165,054 |
| Machinery, plant and equipment | 3,068,862 | 2,938,287 |
| Total | 4,450,037 | 4,225,199 |
| Accumulated depreciation and value impairment of property, plant and equipment, total | | |
| Accumulated depreciation and impairment of buildings | (409,911) | (379,945) |
| Accumulated depreciation and impairment of other property, plant and equipment | (217,556) | (219,969) |
| Accumulated depreciation and impairment of transport equipment | (8,776) | (7,938) |
| Accumulated depreciation and impairment of supplies and accessories | (19,734) | (17,626) |
| Accumulated depreciation and impairment of office equipment | (10,864) | (10,618) |
| Accumulated depreciation and impairment of network and communication equipment | (6,813) | (6,306) |
| Accumulated depreciation and impairment of mining assets | (120,808) | (112,791) |

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| | | |
|---|-------------|-------------|
| Accumulated depreciation and impairment of IT equipment | (24,975) | (23,637) |
| Accumulated depreciation and impairment of energy generating assets | (30,813) | (28,782) |
| Accumulated depreciation and impairment of machinery, plant and equipment | (2,144,964) | (1,988,233) |
| Total | (2,995,214) | (2,795,845) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 16 Property, plant and equipment, (continued)

16.1 Types of property, plant and equipment, continued

(1) The detail of machinery, plant and equipment is as follows:

| Description of classes of property, plant and equipment | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| | ThUS\$ | ThUS\$ |
| Property, plant and equipment, net | | |
| Pumps | 34,145 | 33,614 |
| Conveyor belt | 22,082 | 24,832 |
| Crystallizer | 27,112 | 15,519 |
| Plant equipment | 188,934 | 186,885 |
| Water tanks | 14,876 | 11,296 |
| Filter | 29,300 | 18,572 |
| Facilities/electrical equipment | 96,179 | 105,600 |
| Other machinery, plant and equipment | 71,964 | 72,812 |
| Piping | 98,498 | 113,641 |
| Pond | 250,045 | 275,731 |
| Well | 42,903 | 46,802 |
| Parts | 47,860 | 44,750 |
| Total | 923,898 | 950,054 |

* The net balance of other machinery, plant and equipment includes capitalized site closure expenses of ThUS\$12,967 as of December 31, 2018 and ThUS\$14,104 as of December 31, 2017.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 16 Property, plant and equipment (continued)

16.2 Reconciliation of changes in property, plant and equipment by type:

Reconciliation of changes in property, plant and equipment by class as of December 31, 2018 and December 31, 2017:

| Reconciliation 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 |
|---|--------|-----------|-------------------------------------|---------------------|--------------------------|------------------|-------------------------------------|---------------|
| | 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 |
| Changes | | | | | | | | |
| Additions | - | 28 | 833 | - | 41 | 15 | - | - |
| Disposals | - | (38) | (7,811) | (51) | - | - | - | - |
| Increase (decrease) in foreign currency translation difference | (64) | (134) | (8) | (3) | (19) | (6) | - | - |
| Reclassifications | - | 38,746 | 10,330 | 529 | 4,889 | 268 | 150 | 3,281 |
| Other increases (decreases) (*) | - | (147) | (2,444) | (2) | 47 | (5) | (1) | - |
| Decreases for classification as held for sale (1) | (141) | - | - | - | - | - | - | - |
| Total changes | (205) | 38,455 | 900 | 473 | 4,958 | 272 | 149 | 3,281 |
| Closing balance | 24,695 | 648,719 | 245,731 | 11,668 | 24,456 | 11,377 | 7,505 | 132,309 |

| Reconciliation 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 |
|---|--------|-----------|-------------------------------------|---------------------|--------------------------|------------------|-------------------------------------|---------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening balance | - | (379,945) | (219,969) | (7,938) | (17,626) | (10,618) | (6,306) | (112,791) |
| Changes | | | | | | | | |
| Disposals | - | 38 | 7,737 | 8 | - | - | - | - |
| Depreciation expense | - | (29,829) | (7,415) | (880) | (2,056) | (271) | (483) | (8,017) |
| Impairment | - | (437) | - | - | - | - | - | - |
| Increase (decrease) in foreign currency translation difference | - | 41 | 4 | 1 | 12 | 3 | - | - |
| Reclassifications | - | 106 | (483) | - | (87) | (17) | (28) | - |
| Other increases (decreases) (*) | - | 115 | 2,570 | 33 | 23 | 39 | 4 | - |
| Decreases for classification as held for sale (1) | - | - | - | - | - | - | - | - |
| Total changes | - | (29,966) | 2,413 | (838) | (2,108) | (246) | (507) | (8,017) |
| Closing balance | - | (409,911) | (217,556) | (8,776) | (19,734) | (10,864) | (6,813) | (120,808) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 16 Property, plant and equipment (continued)**16.2 Reconciliation of changes in property, plant and equipment by type, continued:**

| Reconciliation 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 and office | Network and communication equipment | Mining assets | IT equipment | Energy generation assets |
|---|--------|-----------|-------------------------------------|---------------------|--------------------------|----------------------|-------------------------------------|---------------|--------------|--------------------------|
| | 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 | 7,000 |
| Changes | | | | | | | | | | |
| Additions | - | 28 | 833 | - | 41 | 15 | - | - | 489 | - |
| Disposals | - | - | (74) | (43) | - | - | - | - | - | - |
| Depreciation expense | - | (29,829) | (7,415) | (880) | (2,056) | (271) | (483) | (8,017) | (1,374) | (2,000) |
| Impairment | - | (437) | - | - | - | - | - | - | - | (1,000) |
| Increase (decrease) in foreign currency translation difference | (64) | (93) | (4) | (2) | (7) | (3) | - | - | (12) | - |
| Reclassifications | - | 38,852 | 9,847 | 529 | 4,802 | 251 | 122 | 3,281 | 2,190 | 7,000 |
| Other increases (decreases) (*) | - | (32) | 126 | 31 | 70 | 34 | 3 | - | 286 | 2,000 |
| Decreases for classification as held for sale (1) | (141) | - | - | - | - | - | - | - | - | - |
| Total changes | (205) | 8,489 | 3,313 | (365) | 2,850 | 26 | (358) | (4,736) | 1,579 | (1,000) |
| Closing balance | 24,695 | 238,808 | 28,175 | 2,892 | 4,722 | 513 | 692 | 11,501 | 4,980 | 6,000 |

(*) 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: 1) work in progress which is expensed to profit or loss, forming part of operating costs or other expenses per function, as appropriate; 2) the variation representing the purchase and use of materials and spare parts; 3) projects corresponding mainly to exploration expenditures and ground studies that are reclassified to the item other non-current financial assets; 4) software that is reclassified to Intangibles.

(1) Any 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 16 Property, plant and equipment (continued)**16.2 Reconciliation of changes in property, plant and equipment by type, continued:**

| Reconciliation of changes in property, plant and equipment by class as of December 31, 2017, gross amount | Land | Buildings | Other property, plant and equipment | Transport equipment | Supplies and accessories | Equipment and office | Network and communication equipment | Mining assets |
|---|----------|-----------|-------------------------------------|---------------------|--------------------------|----------------------|-------------------------------------|---------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening balance | 32,702 | 582,082 | 253,555 | 10,819 | 18,259 | 17,731 | 7,522 | 158,514 |
| Changes | | | | | | | | |
| Additions | - | 189 | 541 | - | 115 | 42 | 12 | - |
| Disposals | - | (59) | (11,623) | (321) | - | (23) | - | (30,082) |
| Increase (decrease) in foreign currency translation difference | 45 | 103 | 3 | 1 | - | - | - | - |
| Reclassifications | - | 23,336 | 8,255 | 696 | 1,044 | 172 | 123 | 596 |
| Other increases (decreases) (*) | (7,436) | 4,669 | (5,900) | - | 80 | (6,817) | (301) | - |
| Decreases for classification as held for sale (1) | (411) | (56) | - | - | - | - | - | - |
| Total changes | (7,802) | 28,182 | (8,724) | 376 | 1,239 | (6,626) | (166) | (29,486) |
| Closing balance | 24,900 | 610,264 | 244,831 | 11,195 | 19,498 | 11,105 | 7,356 | 129,028 |

| Reconciliation of changes in property, plant and equipment by class as of December 31, 2017, accumulated depreciation | Land | Buildings | Other property, plant and equipment | Transport equipment | Supplies and accessories | Equipment and office | Network and communication equipment | Mining assets |
|---|--------|-----------|-------------------------------------|---------------------|--------------------------|----------------------|-------------------------------------|---------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening balance | - | (344,497) | (227,138) | (7,464) | (16,486) | (14,089) | (5,836) | (133,871) |
| Changes | | | | | | | | |
| Disposals | - | 58 | 11,622 | 312 | - | 3 | - | 30,083 |
| Depreciation expense | - | (33,306) | (6,759) | (730) | (1,047) | (357) | (665) | (10,638) |
| Impairment | - | - | - | - | - | - | - | - |
| Increase (decrease) in foreign currency translation difference | - | (35) | (3) | (2) | - | - | - | - |
| Reclassifications | - | (62) | 38 | (32) | (110) | (69) | (25) | - |
| Other increases (decreases) (*) | - | (2,102) | 2,271 | (22) | 17 | 3,894 | 220 | 1,635 |
| Decreases for classification as held for sale (1) | - | (1) | - | - | - | - | - | - |
| Total changes | - | (35,448) | 7,169 | (474) | (1,140) | 3,471 | (470) | 21,080 |
| Closing balance | - | (379,945) | (219,969) | (7,938) | (17,626) | (10,618) | (6,306) | (112,791) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 16 Property, plant and equipment (continued)**16.2 Reconciliation of changes in property, plant and equipment by type, continued:**

| Reconciliation of changes in property, plant and equipment by class as of December 31, 2017, net amount | Land | Buildings | Other property, plant and equipment | Transport equipment | Supplies and accessories | Equipment and office | Network and communication equipment | Mining assets | IT equipment |
|---|----------|-----------|-------------------------------------|---------------------|--------------------------|----------------------|-------------------------------------|---------------|--------------|
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Opening balance | 32,702 | 237,585 | 26,417 | 3,355 | 1,773 | 3,642 | 1,686 | 24,643 | 30,000 |
| Changes | | | | | | | | | |
| Additions | - | 189 | 541 | - | 115 | 42 | 12 | - | 89 |
| Disposals | - | (1) | (1) | (9) | - | (20) | - | 1 | (3) |
| Depreciation expense | - | (33,306) | (6,759) | (730) | (1,047) | (357) | (665) | (10,638) | (9) |
| Impairment | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in foreign currency translation difference | 45 | 68 | - | (1) | - | - | - | - | (1) |
| Reclassifications | - | 23,274 | 8,293 | 664 | 934 | 103 | 98 | 596 | 70 |
| Other increases (decreases) (*) | (7,436) | 2,567 | (3,629) | (22) | 97 | (2,923) | (81) | 1,635 | 3,000 |
| Decreases for classification as held for sale (1) | (411) | (57) | - | - | - | - | - | - | - |
| Total changes | (7,802) | (7,266) | (1,555) | (98) | 99 | (3,155) | (636) | (8,406) | 3,000 |
| Closing balance | 24,900 | 230,319 | 24,862 | 3,257 | 1,872 | 487 | 1,050 | 16,237 | 33,000 |

(*) 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: 1) work in progress which is expensed to profit or loss, forming part of operating costs or other expenses per function, as appropriate;. 2) the variation representing the purchase and use of materials and spare parts; 3) projects corresponding mainly to exploration expenditures and ground studies that are reclassified to the item other non-current financial assets; 4) assets for retirement obligations and 5) software that is reclassified to Intangibles.

(1) Any 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 16 Property, plant and equipment (continued)

16.3 Detail of property, plant and equipment pledged as guarantee

There are no restrictions in title or guarantees for compliance with obligations that affect property, plant and equipment.

16.4 Impairment of assets

As indicated in Note 3.28 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, 2018, impairment of ThUS\$1,390 was recorded, while impairment of ThUS\$5,205 was recorded as of December 31, 2017.

16.5 Additional Information

Capitalized interest

As of December 31, 2018, capitalized interest totaled ThUS\$5,021, while for the period January to December 2017, this item totaled ThUS\$4,382.

No borrowing costs are capitalized for periods beyond the normal period for acquiring, constructing or installing an asset such as delays, interruptions or temporary suspension of projects due to technical, financial or other problems that render the asset unusable.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 17 Other current and non-current non-financial assets

As of December 31, 2018, and December 31, 2017, the detail of other current and non-current assets is as follows:

| Other non-financial assets, current | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Domestic Value Added Tax | 20,209 | 11,484 |
| Foreign Value Added Tax | 7,211 | 5,122 |
| Prepaid mining licenses | 1,329 | 1,205 |
| Prepaid insurance | 1,763 | 2,446 |
| Other prepayments | 2,988 | 1,443 |
| Refund of Value Added Tax to exporters | 12,545 | 941 |
| Other taxes | 2,800 | 4,027 |
| Other assets | 341 | 215 |
| Total | 49,186 | 26,883 |

| Other non-financial assets, non-current | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| | ThUS\$ | ThUS\$ |
| Stain development expenses and prospecting expenses (1) | 26,189 | 17,721 |
| Guarantee deposits | 712 | 771 |
| Other assets | 639 | 770 |
| Total | 27,540 | 19,262 |

- 1) Reconciliation of changes in assets for exploration and mineral resource evaluation, by type.

Movements in assets for the exploration and evaluation of mineral resources as of December 31, 2018, and December 31, 2017:

| Reconciliation | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Opening balance | 17,721 | 23,008 |
| Changes | | |
| Additions, other than business combinations | 11,298 | - |
| Reclassifications | 1,987 | 595 |
| Increase (decrease) due to transfers and other charges | (4,817) | (5,882) |
| Total changes | 8,468 | (5,287) |
| Total | 26,189 | 17,721 |

As of the presentation date, no reevaluations of assets for exploration and assessment of mineral resources have been conducted.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 18 Employee benefits

18.1 Provisions for employee benefits

| Classes of benefits and expenses by employee | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|--|----------------------|----------------------|
| Current | | |
| Profit sharing and bonuses | 20,085 | 22,421 |
| Total | 20,085 | 22,421 |
| Non-current | | |
| Profit sharing and bonuses | 8,831 | 6,487 |
| Severance indemnity payments | 28,233 | 27,445 |
| Total | 37,064 | 33,932 |

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, which applies the definitions under 18.4 below.

SQM 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. The short-term portion is presented as a provision for current employee benefits and the long-term portion as non-current.

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 18 Employee benefits (continued)

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).

| Staff severance indemnities at actuarial value | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Staff severance indemnities, Chile | 27,562 | 25,893 |
| Executive severance plan | 8,831 | 6,487 |
| Severance for foreigners | 671 | 1,552 |
| Total other non-current liabilities | 37,064 | 33,932 |

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 4,89%.

Benefit payment conditions

The staff severance indemnity benefit relates to remuneration days for years worked for the Company without a limit being imposed in regard of amount of salary or years of service. It applies when employees cease to work for the Company because they are made redundant or in the event of their death. This benefit is applicable up to a maximum age of 65 for men and 60 for women, which are the usual retirement ages according to the Chilean pensions system as established in Decree Law 3,500 of 1980.

Methodology

The 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 18 Employee benefits (continued)

18.3 Other long-term benefits, continued

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-2009 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 North America, 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.

| Reconciliation | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---|----------------------|----------------------|
| Changes in the benefit obligation | | |
| Benefit obligation at the beginning of the year | 8,755 | 8,185 |
| Service cost | - | 2 |
| Interest cost | 319 | 359 |
| Actuarial loss | 63 | 556 |
| Benefits paid | (480) | (347) |
| Benefit obligation at the end of the year | 8,657 | 8,755 |

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Note 18 Employee benefits (continued)**18.4 Post-employment benefit obligations, continued**

| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---|----------------------|----------------------|
| Changes in the plan assets: | | |
| Fair value of plan assets at the beginning of the year | 8,751 | 7,404 |
| Actual return (loss) in plan assets | 133 | 1,694 |
| Benefits paid | (480) | (347) |
| Fair value of plan assets at the end of the year | 8,404 | 8,751 |
| Financing status | (253) | (4) |
| Items not yet recognized as net periodic pension cost components: | | |
| Net actuarial loss at the beginning of the year | (2,614) | (3,432) |
| Amortization during the year | 160 | 219 |
| Net estimated gain or loss occurred during the year | (568) | 599 |
| Adjustment to recognize the minimum pension obligation | (3,022) | (2,614) |

The net periodic pension expense was composed of the following components for the years ended December 31, 2018 and 2017:

| Reconciliation | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---|----------------------|----------------------|
| Service cost or benefits received during the year | - | 2 |
| Interest cost in benefit obligation | 319 | 359 |
| Actual return in plan assets | 133 | 1,694 |
| Amortization of prior year losses | 160 | 219 |
| Net gain during the year | (568) | 599 |
| Net periodic pension expense | (159) | 41 |

18.5 Staff severance indemnities

As of December 31, 2018 and 2017, severance indemnities calculated at the actuarial value are as follows:

| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|-----------------|----------------------|----------------------|
| Opening balance | (27,445) | (22,532) |

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| | | | | |
|-------------------------------|---------|---|---------|---|
| Current cost of service | (1,529 |) | (934 |) |
| Interest cost | (1,658 |) | (1,488 |) |
| Actuarial gain/loss | (1,617 |) | (1,144 |) |
| Exchange rate difference | 2,710 | | (2,284 |) |
| Benefits paid during the year | 1,306 | | 937 | |
| Balance | (28,233 |) | (27,445 |) |

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Note 18 Employee benefits (continued)

18.5 Staff severance indemnities, continued

a) Actuarial assumptions

The liability recorded for staff severance indemnity is valued at the actuarial value method, using the following actuarial assumptions:

| | 12/31/2018 | | 12/31/2017 | |
|-----------------------------|------------|---|------------|----------|
| Mortality rate | RV - 2014 | | RV - 2014 | |
| Actual annual interest rate | 4.642 | % | 5.114 | % |
| 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, 2018 and December 31, 2017, the Company has conducted a sensitivity analysis of the main assumptions of the actuarial calculation, determining the following:

| | Effect + 100 basis points | | Effect - 100 basis points | |
|--|---------------------------|---|---------------------------|--|
| Sensitivity analysis 12/31/2018 | ThUS\$ | | ThUS\$ | |
| Discount rate | (1,807 |) | 2,033 | |
| Employee turnover rate | (237 |) | 265 | |
| | Effect + 100 basis points | | Effect - 100 basis points | |
| Sensitivity analysis 12/31/2017 | ThUS\$ | | ThUS\$ | |
| Discount rate | (1,991 |) | 2,436 | |
| Employee turnover rate | (252 |) | 281 | |

Sensitivity relates to an increase/decrease of 100 basis points.

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Note 18 Employee benefits (continued)

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.

Average Share Price Spread

Plan characteristics

This compensation plan is related to the Company's performance through the SQM Series B share price (Santiago Stock Exchange).

Plan participants

A total of 37 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.

Compensation

The compensation payable to each executive is calculated by multiplying a) by b):

- 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).

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 476,302 shares reflected as a cost of ThUS\$3,754 in the results for the period ending December 31, 2018. As of December 31, 2017, the effect of the plan was 533,476 shares, equal to ThUS\$6,487 in costs in the profit or loss for 2017.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 19 Provisions and other non-financial liabilities

19.1 Types of provisions

| | 12/31/2018 | | | 12/31/2017 | | |
|---|------------|-------------|---------|------------|-------------|--------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Provision for legal complaints (*) | 11,862 | 3,000 | 14,862 | 16,419 | 3,000 | 19,419 |
| Provision for dismantling, restoration and rehabilitation cost (**) | - | 28,822 | 28,822 | - | 26,954 | 26,954 |
| Other provisions(***) | 94,335 | - | 94,335 | 47,026 | 47 | 47,073 |
| Total | 106,197 | 31,822 | 138,019 | 63,445 | 30,001 | 93,446 |

(*) 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).

(**) 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.

(***)See Note 19.2

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 19 Provisions and other non-financial liabilities (continued)

19.2 Description of other provisions

| Current provisions, other short-term provisions | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| | ThUS\$ | ThUS\$ |
| Rent under Lease contract with Corfo(*) | 84,826 | 32,331 |
| Provision for additional tax related to foreign loans | 471 | 416 |
| End of agreement bonus | 5,129 | 4,522 |
| Directors' per diem allowance | 2,881 | 2,630 |
| Provision for subsidiary restructuring | - | 6,000 |
| Miscellaneous provisions | 1,028 | 1,127 |
| Total | 94,335 | 47,026 |
| Other long-term provisions | | |
| Investments with negative equity | - | 47 |
| Total | - | 47 |

(*) Payment Obligations for the lease contract with CORFO: These correspond to obligations assumed in the modification of the Lease Agreement for extraction of mining claims owned by the Chilean Economic Development Agency (CORFO). Part of the obligations include quarterly lease payments to CORFO, based on SQM Salar's sales for the period of products obtained from the claims leased; another part corresponds to annual contributions that SQM Salar must make, since 2018, to Research and Development and to Communities and Regional Development. 2017 includes US\$20.4 million corresponding to the payment that formed part of the agreement reached between SQM Salar and CORFO due to the end of Arbitration. (See Note 22.1)

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 19 Provisions and other non-financial liabilities (continued)

19.3 Other current liabilities

Other liabilities non-financial current

| Description of other liabilities | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Tax withholdings | 4,782 | 7,404 |
| VAT payable | 7,345 | 3,344 |
| Guarantees received | 2,641 | 2,638 |
| Accrual for dividend | 109,670 | 110,529 |
| Monthly tax provisional payments | 21,001 | 11,684 |
| Deferred income | 18,574 | 5,301 |
| Withholdings from employees and salaries payable | 6,052 | 6,725 |
| Accrued vacations (*) | 20,070 | 19,042 |
| Other current liabilities | 4,489 | 2,137 |
| Total | 194,624 | 168,804 |

(*) 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 19 Provisions and other non-financial liabilities (continued)

19.4 Changes in provisions

| Description of items that gave rise to variations as of 12/31/2018 | Legal complaints ThUS\$ | Provision for dismantling, restoration and rehabilitation cost ThUS\$ | Other provisions ThUS\$ | Total ThUS\$ |
|---|-----------------------------------|---|-----------------------------------|---------------------|
| Total provisions, initial balance | 19,419 | 26,954 | 47,073 | 93,446 |
| Changes in provisions: | | | | |
| Additional provisions | 1,000 | 1,820 | 96,516 | 99,336 |
| Provision used | (5,557) | - | (49,221) | (54,778) |
| Increase(decrease) in foreign currency exchange others | - | - | - | - |
| | - | 48 | (33) | 15 |
| Total Increase (decreases) | (4,557) | 1,868 | 47,262 | 44,573 |
| Total provisions, final balance | 14,862 | 28,822 | 94,335 | 138,019 |

| Description of items that gave rise to variations as of 12/31/2017 | Legal complaints ThUS\$ | Provision for dismantling, restoration and rehabilitation cost ThUS\$ | Other provisions ThUS\$ | Total ThUS\$ |
|---|-----------------------------------|---|-----------------------------------|---------------------|
| Total provisions, initial balance | 23,867 | 5,890 | 21,089 | 50,846 |
| Changes in provisions: | | | | |
| Additional provisions | 6,352 | 21,064 | 33,507 | 60,923 |
| Provision used | (10,800) | - | (7,538) | (18,338) |
| Increase(decrease) in foreign currency exchange | - | - | 9 | 9 |
| Others | - | - | 6 | 6 |
| Total Increase (decreases) | (4,448) | 21,064 | 25,984 | 42,600 |
| Total provisions, final balance | 19,419 | 26,954 | 47,073 | 93,446 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

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 SQM.

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 must comply with the external capital requirements (or covenants) imposed in its financial obligations, which regulate the indebtedness level to 1.2 times, its strictest level.

In conjunction with the level of indebtedness, it is also important for the Company to maintain a comfortable profile of maturities for its financial obligations, in order to oversee the relation between its short-term financial obligations and the long-term maturities, and the relation they have with the Company's asset distribution. Consequently, the Company has maintained a liquidity level of 3 times during the last periods.

The Company's management controls capital management based on the following ratios:

| CAPITAL MANAGEMENT | 12/31/2018 | 12/31/2017 | Description (1) | Calculation (1) |
|------------------------------|------------|------------|---|--|
| Net Financial Debt ThUS\$ | 471,755 | 245,508 | Financial Debt – Financial Resources | Other current Financial Liabilities + Other Non-Current Financial Liabilities – Cash and Cash Equivalents – Other Current Financial Assets – Hedging Assets, non-current |
| Liquidity | 4.32 | 3.29 | | |

| | | | | | |
|------------------------------|---------|---|---------|---|---|
| | | | | Current Assets divided by Current Liabilities | Total Current Assets / Total Current Liabilities |
| Net Debt / Capitalization | 0.18 | | 0.10 | Net Financial Debt divided by Total Equity | Net financial debt / Total Equity |
| ROE | 20.7 | % | 19.1 | % Profit for the year divided by Total Equity | LTM ⁽²⁾ Profit for the year / Equity |
| Adjusted EBITDA (ThUS\$) | 885,652 | | 901,856 | 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 (ThUS\$) | 902,450 | | 885,240 | EBITDA | Profit for the year + Depreciation and Amortization Expenses + Finance Costs + Income Tax |
| ROA | 20.31 | % | 21.3 | % 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 | 1.00 | | 0.91 | Total Liabilities on Equity | Total Liabilities / Total Equity |

(1) Assumes the absolute value of the accounting records

(2) Last 12 months

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 20 Disclosures on equity (continued)

20.1

Capital management, continued

The Company's capital requirements change according to variables such as working capital needs, new investment financing and dividends, among others. The Company manages its capital structure and makes adjustments on the basis of 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.

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 (or covenants) have been recorded.

20.2 Disclosures on preferred share capital

Issued share capital is divided into 263,196,524 fully paid and subscribed shares composed of 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

require the calling of an extraordinary meeting of the board of directors, without the president being able to qualify
(b) 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, 2018 and December 31, 2017, the Group does not hold shares of the Parent Company either directly or through its investees.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 20 Disclosures on equity (continued)

20.2 Disclosures on preferred share capital, continued

Detail of types of capital in preference shares:

| Type of capital in preferred shares | 12/31/2018 | | 12/31/2017 | |
|---|-------------|-------------|-------------|-------------|
| Description of type of capital in preferred shares | Series A | Series B | Series A | Series B |
| 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 ThUS\$ | 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, total | 142,819,552 | 120,376,972 | 142,819,552 | 120,376,972 |

As of December 31, 2018 and December 31, 2017, the Company has not placed any new issuances of shares on the market.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 20 Disclosures on equity (continued)

20.3

Disclosures on reserves in equity

As of December 31, 2018 and December 31, 2017, this caption comprises the following:

| | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Reserve for currency exchange conversion | (26,307) | (24,913) |
| Reserve for cash flow hedges | 7,971 | 2,248 |
| Reserve for gains and losses from financial assets measured at fair value through other comprehensive income | (1,111) | 2,937 |
| Reserve for actuarial gains or losses in defined benefit plans | (6,884) | (5,953) |
| Other reserves | 11,332 | 11,332 |
| Total other reserves | (14,999) | (14,349) |

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 5.5% interest rate for 2017 and 2016.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 20 Disclosures on equity (continued)**20.3 Disclosures on reserves in equity, continued**

Movements in other reserves and changes in interest were as follows:

| | 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 | | |
|--|--|------------------------------------|-----------------------|--|--------------------------------------|--|--------------------------------------|------------------------------------|----------------------------|--------------------------------------|--------------------------------------|
| Movements | Before taxes ThUS\$ | Before taxes ThUS\$ | Tax ThUS\$ | Before taxes ThUS\$ | Deferred taxes ThUS\$ | Before taxes ThUS\$ | Deferred taxes ThUS\$ | Before taxes ThUS\$ | Reserves ThUS\$ | Deferred taxes ThUS\$ | Total reserves ThUS\$ |
| Opening balance as of 1/1/2017 | (19,463) | 89 | (25) | (5,446) | 612 | 4,813 | (1,300) | 7,832 | (12,175) | (713) | (12,888) |
| Increase (decrease) in reserves | (5,450) | 2,159 | - | (1,401) | | (26) | - | 3,500 | (1,218) | - | (1,218) |
| Deferred taxes | - | - | 25 | - | 282 | - | (550) | - | - | (243) | (243) |
| Reclassification of loss in reserves | - | - | - | - | - | - | - | - | - | - | - |
| Closing balance as of 12/31/2017 | (24,913) | 2,248 | - | (6,847) | 894 | 4,787 | (1,850) | 11,332 | (13,393) | (956) | (14,349) |
| Increase (decrease) in reserves | (1,394) | 5,723 | - | (1,329) | - | (5,546) | - | - | (2,546) | - | (2,546) |
| Deferred taxes | - | - | - | - | 398 | - | 1,498 | - | - | 1,896 | 1,896 |
| Reclassification of loss in reserves | - | - | - | - | - | - | - | - | - | - | - |
| Closing balance as of 12/31/2018 | (26,307) | 7,971 | - | (8,176) | 1,292 | (759) | (352) | 11,332 | (15,939) | 940 | (14,999) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 20 Disclosures on equity (continued)

20.3 Disclosures on reserves in equity, continued

Other reserves

This caption corresponds to the legal reserves reported in the individual financial statements of the subsidiaries that are mentioned below and that have been recognized in SQM's equity through the application of the equity method.

(*) 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.

| | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Subsidiary - Associate | | |
| SQM Iberian S.A. (*) | 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 |
| Total | 13,009 | 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 | 11,332 | 11,332 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 20 - Disclosures on equity (continued)

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 2018.

The Company has defined the following dividend policy:

- a) Distribute and pay, as a final dividend (*dividendo definitivo*) and in favor of the respective shareholders, a percentage of the net income that shall be determined per the following financial parameters:

100% of the 2018 net income, when the following financial parameters are met: (a) that the total sum of cash and cash equivalent, and other current financial assets ("Cash") divided by the total sum of the current financial liabilities (i) ("Current Financial Liabilities") is equal to or greater than 2.5 times, and (b) the total sum of the current liabilities and the non-current liabilities ("Total Liabilities") divided by the total sum of the equity ("Equity") is equal to or less than 1.1 times.

80% of the 2018 net income when the following financial parameters are met: (a) that Cash divided by Current (ii) Financial Liabilities is equal to or greater than 2.0 times, and (b) the total sum of the Total Liabilities divided by the total Equity is equal to or less than 1.2 times.

60% of the 2018 net income when the following financial parameters are met: (a) that Cash divided by Current (iii) Financial Liabilities is equal to or greater than 1.5 times, and (b) Total Liabilities divided by Equity is equal to or less than 1.3 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 2018 net income.

Distribute and pay, if possible and during 2018, three interim dividends (*dividendos provisorios*) 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 2018 interim financial statements, respectively. Its amounts shall be calculated as follows:

For the interim dividends that will be charged to the accumulated net income reflected in the March 2018 interim financial statements, the percentage distributed shall be determined per the financial parameters expressed in letter a) above.

For the interim dividends that will be charged to the accumulated net income reflected in the June 2018 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 2017.

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Note 20 - Disclosures on equity (continued)

20.4

Dividend policies, continued

For the interim dividends that will be charged to the accumulated net income reflected in the September 2018 (iii) 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 2018.

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.

At the ordinary shareholders meeting that will be held in 2019, 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 2018.

If there is an excess of net income in 2018, this may be retained and assigned or allocated for financing its own operations, to one or more investment projects of the Company, notwithstanding a future distribution of special dividends (*dividendos eventuales*) charged to the 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 (*dividendos adicionales*) 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.

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Note 20 Disclosures on equity (continued)

20.5 Interim and provisional dividends

At the General Ordinary Shareholders' Meeting of April 27, 2018, the shareholders agreed to the payment of a final dividend of US\$1.62501 per share from the net profit obtained during the 2017 fiscal year, the amount of US\$1.20533 per share must be discounted from the final dividend as it had been already paid in a form of interim dividends. The remaining balance of US\$0.41968 per share was paid to shareholders on May 10, 2018.

The Ordinary Shareholders' Meeting held on April 27, 2018 agreed to change the Company's Dividend Policy for 2017 which was presented to the Ordinary Shareholders' Meeting held on April 28, 2017, by incorporating a special dividend of US\$100,000,000, equivalent to US\$0.37994 per share which would be paid with a charge to the Company's retained earnings. This dividend was paid to shareholders on May 10, 2018.

On May 23, 2018, the Company's Board of Directors approved the payment of an interim dividend equivalent to US\$ 0.43247 per share, charged to 2018 net income. On August 22, 2018, the Board of Directors approved the payment of an interim dividend equivalent to US\$ 0.50864 per share, charged to net income for 2018. This amount was paid in its equivalent in national currency according to the value of the Observed Dollar published in the Official Gazette on August 31, 2018.

On November 21, 2018, the Board of Directors approved the payment of an interim dividend equivalent to US\$0.31726 per share, charged to net income for 2018. This amount was paid in its equivalent in national currency according to the value of the Dollar Observed in the Official Journal of November 30, 2018.

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Note 20 - Disclosures on equity (continued)

20.5 Interim and provisional dividends, continued

The dividends presented as deducted from equity are as follows:

| | 12/31/2018 | 12/31/2017 |
|--|-------------------|-------------------|
| | ThUS\$ | ThUS\$ |
| Dividends attributable to owners of the parent | 823 | 55,501 |
| Provisional dividend | 331,199 | 317,243 |
| Additional dividend | 107,872 | - |
| Dividend payable | 109,669 | 110,529 |
| Total | 549,563 | 483,273 |

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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:

| | 12/31/2018 | 12/31/2017 |
|--|-------------------|-------------------|
| | ThUS\$ | ThUS\$ |
| Basic earnings per share | | |
| Earnings (losses) attributable to owners of the parent | 439,830 | 427,697 |

| | 12/31/2018 | 12/31/2017 |
|---|-------------------|-------------------|
| | Units | Units |
| Number of common shares in circulation | 263,196,524 | 263,196,524 |
| | 12/31/2018 | 12/31/2017 |
| Basic earnings per share (US\$ per share) | 1.6711 | 1.6250 |

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 Contingencies and restrictions

In accordance with note 18,1, 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

1. Plaintiff : Nancy Erika Urrea Muñoz,
 Defendants : Fresia Flores Zamorano, Duratec-Vinilit S.A. and the Company and their Insurers.
 Date : December 2008.
 Court : 1st Civil Court of Santiago.
 Reason : Labor Accident.
 Status : Judgment favorable for the Company. Dated March 11, 2016. Appeal filed by the plaintiff which has not been pronounced on. Awaiting notification of the sentence, case filed on December 28, 2016
 Nominal value : ThUS\$550.
2. Plaintiff : City of Pomona, California USA.
 Defendant : SQM North America Corporation ("SQM NA").
 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 September 14, 2018, the plaintiff filed a motion to appeal, which is pending resolution.
 Nominal value : ThUS\$32,000.
3. Plaintiff : City of Lindsay, California USA.
 Defendant : 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions
(continued)**

22.1 Lawsuits and other relevant events, continued

4. Plaintiff : H&V Van Mele N.V.
 Defendant : NV Euroports, SQM Europe N.V. and its insurance companies.
 Date : July 2013.
 Court : Commercial Court of Dendermonde.
 Reason : Alleged indirect responsibility for the absence of adequate specifications for the SOP-WS by the Belgian distributor.
 Status : Sentencing against NV Euroports and subsidiary SQM Europe N.V., for EUR 206,675.91. Appeal presented in November 2017.
 Nominal value : ThUS\$430.
5. Plaintiff : Carlos Aravena Carrizo et al.
 Defendant : SQM Nitratos S.A. ("SQM Nitratos") and its insurers.
 Date : May 2014.
 Court : 18th Civil Court of 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 : Summons to hear sentence
 Nominal value : ThUS\$1,235.
6. Plaintiff : Evt Consulting SpA.
 Defendant : SQM Nitratos.
 Date : October 2014.
 Court : 23th Civil Court of Santiago.
 Reason : Lawsuit seeking compensation for damages related to the termination of the purchase and sale agreement for metallic structures.
 Status : On November 13, 2017, the Santiago Appeals Court sentenced SQM Nitratos S.A. to pay US\$304,620. Cassation in form and substance presented before the Supreme Court in December 2017.
 Nominal value : ThUS\$835.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions
(continued)**

22.1 Lawsuits and other relevant events, continued

7. Plaintiff : SQM Salar S.A. (“SQM Salar”) and the Company.
 Defendant : Seguros Generales Suramericana S.A. (formerly - RSA Seguros Chile S.A.)
 Date : August 29, 2016.
 Court : Arbitration Court – Arbitrator Mr. Gonzalo Fernández.
 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.
8. Plaintiff : Tyne and Wear Pension Fund as represented by the Council of the Borough of South Tyneside acting as Lead Plaintiff.
 Defendant : 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 noncompliance with the securities regulations in the United States by the Company.
 Status : Initial stage of disclosure of background information.
 Nominal value : Not determined.
9. Plaintiff : Ernesto Saldaña González et al.
 Defendant : SQM Salar S.A., SQM Industrial S.A. (“SQM Industrial”) 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 : Summons to hear sentence
 Nominal value : ThUS\$515.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions
(continued)**

22.1 Lawsuits and other relevant events, continued

10. Plaintiff : María Yolanda Achiardi Tapia et al.
 Defendant : SQM Salar and its insurance companies and other 5 defendants
 Date : February 2015.
 Court : 1st Civil Court of Antofagasta.
 Reason : Lawsuit seeking compensation for damages for alleged civil liability under tort law arising from a traffic accident that occurred in April 2011 in the city of Antofagasta.
 Status : Summons to hear sentence.
 Nominal value : ThUS\$1,265.
11. Plaintiff : The Company
 Defendants : AES Gener S.A. (“Gener”) and Empresa Eléctrica Cochrane SpA (“Cochrane”).
 Date : May 11, 2017.
 Court : Arbitration award in accordance with the arbitration rules established by the Center for Arbitration and Mediation of the Santiago Chamber of Commerce (“CAM”).
 Reason : Request for the interpretation of an electricity supply agreement alleging the right by the plaintiff to receive a collection in conformity with such agreement.
 Instance : Probationary stage.
 Nominal value : Not determined.
12. Plaintiff : Gener and Cochrane.
 Defendant : The Company.
 Date : May 2017.
 Court : Arbitration in accordance with the rules established by the Center for Arbitration and Mediation (CAM).
 Reason : Discrepancy with respect to the amount of an alleged right by the plaintiff to receive a collection in conformity with the agreement entered into by the parties.
 Instance : Probationary stage
 Nominal value : Not determined.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions
(continued)**

22.1 Lawsuits and other relevant events, continued

13. Plaintiffs : Transportes Buen Destino
 Defendant : SQM Salar.
 Date : None.
 Court : Arbitration in accordance with the rules established by the Center for Arbitration and Mediation (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.
 Instance : Prior stage. The audience for setting procedure rules is pending.
 Nominal value : Undetermined.
14. Plaintiffs : Castillo, Hernán et al.
 Defendants : Servicios Integrales de Tránsitos y Transferencias S.A. and SQM Industrial S.A.
 Date : September 15, 2017.
 Court : 1st Labor Court of Santiago.
 Reason : Lawsuit to assert labor rights, seeking collection of wages owed and other amounts.
 Instance : On August 24, 2018, a judgment is issued rejecting the application in its entirety. On September 6, 2018, plaintiffs deduct an appeal for nullity before the Santiago Court of Appeals, which is still in branch.
 Nominal value : ThUS\$1,940.
15. Plaintiffs : Acosta Tapia, Eloisa del Tránsito and others as successors and assigns of Araya Castillo, Raimundo del Rosario.
 Defendants : SQM Salar.
 Date : January 19, 2018.
 Court : 2nd Labor Court of Santiago.
 Reason: : Lawsuit for damages for pain and suffering as a result of occupational illness.
 Instance : On October 22, the final ruling was issued, wherein the claim was denied. The plaintiff filed an appeal for annulment, which is pending with the Court of Appeals of Santiago
 Nominal value : ThUS\$472.

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Note 22 **Contingencies and restrictions**
(continued)

22.1 Lawsuits and other relevant events, continued

16. Appellants : Asociación Indígena Consejo Pueblos Atacameños and others.
Appellees : Corfo, the Company, SQM Salar and SQM Potasio S.A.
Date of appeal : February 15, 2018.
Court : Santiago Court of Appeals
Reason : Appeal requesting annulment of modifications to contracts signed by the defendants on January 17, 2018.
Instance : On September 25, the Court of Appeals of Santiago rejected the appeal for protection. On October 12, the Supreme Court ordered the revision of the appeal filed by the appellants.
Nominal value : Undetermined.
17. Claimant : The Society.
Defendant : Office of the Superintendent of the Environment (“SMA”)
Date : 20 July 2017
Court : Second Environmental Court of Santiago
Reason : Motion for review filed by the Company against ruling rejecting the compliance program for the Pampa Hermosa project.
Instance : On August 21, 2018, the Second Environmental Court of Santiago accepted the Company’s claim and ordered the SMA to take the procedure back to the stage prior to their sentencing that rejected the compliance program. This ruling was appealed with the Supreme Court on August 8, 2018.
Nominal value : Amount involved: Undetermined.
18. Claimant : Congresspersons Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya, Camila Ruslay Rojas Valderrama et al.
Defendant : 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.
Instance : Pending ruling on dilatory pleas and independent third-party status of companies and subsidiaries.
Nominal value : Undetermined.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions**
(continued)

22.1 Lawsuits and other relevant events, continued

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 has 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions**
(continued)

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:

To maintain Leverage Ratio not higher than 1.2 times at its strictest level. The Leverage ratio is defined as the Total Liabilities divided by Total Equity.

As of December 31, 2018, the above mentioned financial indicator has the following values:

| Indicator | 12/31/2018 | 12/31/2017 |
|-----------|------------|------------|
| Leverage | 1.00 | 0.91 |

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions
(continued)**

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.

On December 13, 2017, the First Environmental Court of Antofagasta authorized the SMA to apply the temporary and partial closure of the water extraction wells located in the Salar de Llamara. These wells allow the Company to extract around 124 liters/second of water, which is approximately 15% of the water used in Chile's First Region. In October 2018, the First Environmental Court of Antofagasta accepted the Company's claim, leaving the indicated closure without effect, maintaining only the requirement to prepare reports to increase knowledge of ecosystems. In mid-October, the Court denied authorization to SMA to renew the closure measure. In December 2018, the First Environmental Court accepted the Company's second claim, ratifying the previous decision.

On January 10, 2019, the SMA carried out the sentence of the Second Environmental Court, taking the procedure back to the stage prior to their resolution rejecting the compliance program presented by the Company. On January 14, 2019, the SMA made new observations to the compliance program formulated by the Company. The term granted for the Company to address these observations is currently underway, after which the SMA will issue a new ruling on the proposal.

Through a ruling dated November 28, 2016, which was modified by a ruling dated December 23, 2016, the SMA filed charges against SQM Salar for extracting brine in excess of authorized amounts, progressively impacting the vitality of algarrobo trees, delivering incomplete information, modifying variables and other matters.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions
(continued)**

22.3 Environmental contingencies, continued

SQM Salar presented a compliance program that details the actions and commitments that will be undertaken to overcome the objections formulated by the SMA. This program was accepted by SMA ruling dated January 7, 2019, thus suspending the process initiated against SQM Salar. The Atacameño Indigenous Community of Peine, the Indigenous Association Council of Atacameño Peoples and the Atacameño Indigenous Community of Camar have filed against this ruling with the First Environmental Court. In keeping with the monitoring plans established in the current environmental qualification resolution for the operation at the Salar de Atacama, SQM Salar periodically monitors the flora, fauna, hydrogeological and meteorological variables, including 225 monitoring points and 48 continuous measuring points for the brine and water levels in different parts of the salar basin, which it periodically reports to the corresponding authorities. If any of the monitoring points fall below predefined levels, various actions are considered, which are part of the environmental monitoring plan.

On May 20, 2018, 2 of the 225 points were 1 cm below the predefined level for those points. These points are on the route of an outlet sector for a lagoon located on the eastern edge of the Salar de Atacama. Historically flows from the lagoons of the deposit have varied in location and route. That has happened in this case and the flow has moved with regard to the location of the monitoring well in question. Both the levels and the flows from the lagoons have behaved normally and no changes in the ecosystem that is being monitored in the area have been observed.

Following the protocols established for these cases, SQM Salar's total extraction volume in the Salar de Atacama, has been reduced from a maximum average of 1,500 liters per second per year to 1,250 liters per second per year for a period of six months.

The Company estimates that an average annual decrease of brine extraction of 250 liters per second would have no impact on current and estimated production volumes of lithium carbonate and hydroxide. In the case of potassium chloride, it is estimated that the reduction in brine extraction could imply a reduction in production and sales volumes of approximately 170.000 metric tons on an annual basis.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions
(continued)**

22.4 Tax contingency

During 2015, the Company, SQM Salar and SQM Industrial submitted to the Chilean IRS four tax amendments (two by the Company, one by SQM Salar and one by SQM Industrial).

The first two (one for SQM and one for SQM Salar), after being approved by the SII, generated payments for taxes, interests and other charges of US\$8.1 million. A provision for such amount was made in the profit or loss for the first quarter of 2015.

Additionally, during August 2015, the Chilean IRS was provided, for its review and approval, with the documentation necessary for amending the annual tax returns of the Company and SQM Industrial. As a result of such amendments, the Company paid an approximate amount of US\$1.4 million for taxes, interests and other charges. This amount was recorded in a provision in the profit or loss for the second quarter of 2015.

Finally, during 2016, the last 12 invoices were amended with a payment of approximately US\$50,000.

Accordingly, the SQM Group considers terminated the the internal analysis which has been performed. The purpose of the analysis was to identify the expenses incurred by the SQM Group during the fiscal years 2008 to 2014 and which could be a matter of tax rectification.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

**Note 22 Contingencies and restrictions
(continued)**

22.4 Tax contingency, continued

Because of the aforementioned amendments, the Company, SQM Salar and SQM Industrial might be affected by additional penalties established in the first subparagraph, No. 4 of Article 97 of the Tax Code, for an amount ranging between 50% and 300% of the taxes paid. The Company has not considered it necessary to make any provisions related to this possible additional penalty.

On Friday, August 26, 2016, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessments No. 169, 170, 171 and 172, which seek to expand application of the specific tax on mining activities to include lithium exploitation. The amount involved is approximately US\$17.8 million. On November 28, 2018, the Third Tax and Customs Court rejected the claim, and the case is in the Santiago Court of Appeals, based on the 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, 2017 and the same as of December 31, 2018.

The amount involved is approximately US\$32.2 million. The Chilean IRS has not issued an assessment claiming differences in the specific tax on mining activities filed for business years 2016, 2017 and 2018. As of the date of these financial statements, the Company has not made any provisions for these possible 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 and 2018 financial years. It is reasonable to expect that should these assessments for the period 2016 to the quarter half of 2018 be issued, the value would be approximately US\$57 million (without considering potential interest and fines).

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Note 22 **Contingencies and restrictions
(continued)**

22.5 Contingencies regarding the Changes to the Contracts with Corfo. Appeal No. 10301-2018, Santiago Court of Appeals:

In January 2018, indigenous communities and various parties presented an appeal for legal protection against Corfo, the Company, SQM Salar and SQM Potasio (the “Companies”), with regard to the amendments to the contract for the project in the Salar de Atacama and the OMA mining property lease contract dated January 17, 2018, both granted as a result of a conciliation process proposed by the arbitration court which took place at the end of arbitration between the parties (the “Amendments”). According to the appellants, the Amendments will deprive, (a) disturb and threaten in an illegal and arbitrary way the constitutional rights of the appellants established in article 19, numbers 8, 21 and 24 of the Political Constitution. The appellants have therefore requested the following: (i) that the acts subject to appeal be declared invalid, vacated or without effect, (ii) that the Amendments be reviewed according to the provisions of Convention 169 (iii) that the counterparts be expressly made liable for the costs, given the clearly illegal and arbitrary nature of what has occurred.

Once informed of the appeal, the Companies requested that it be rejected for the following reasons. Firstly because it is extemporaneous. Secondly, as the matter is one that requires the interpretation and verification of the application or effects of contractual clauses, it goes beyond the scope of this cautionary action. Thirdly it should be challenged on the principle of specialty, because there is a special procedure which would better apply. In terms of substance, the Companies have indicated to the Court that an increase in the lithium quota, authorized through contractual changes adopted through a conciliation process proposed by the Arbitration Judge does not constitute an arbitrary or illegal act and that no indigenous consultation took place as per article 6 of Convention 169 because the Amendments were not legislative or administrative measures likely to directly affect the indigenous peoples. The Companies have sustained that the Amendments are the implementation of a conciliation agreement, that is the jurisdictional equivalent of res judicata, which was proposed by the arbitration judge and does not correspond to the exercise of public powers, as required in article 6 of Convention 169.

On September 25, 2018, the Santiago Court of Appeals rejected the appeal for protection. The appeal for protection is currently pending before the Supreme Court.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22

**Contingencies and restrictions
(continued)**

22.5 Contingencies regarding the Changes to the Contracts with Corfo. Appeal No. 10301-2018, Santiago Court of Appeals (continued)

In the event that a ruling is made to leave without effect the Amendments and if there are no appeals by the parties, the contracts prior to the Amendments will once again be valid, although this resolution should not affect the efficiency and validity of the conciliation reached regarding the matters debated in arbitration.

The court has the faculties to adopt the decisions it considers necessary to reestablish the rule of law and ensure the protection of the affected party.

(b) On September 6, 2018, a public law annulment lawsuit was filed by the congresspersons Mss. Claudia Nathalie Mix Jiménez, Gael Fernanda Yeomans Araya and Camila Ruslay Rojas Valderrama and the Citizen Power Party (Partido Poder Ciudadano) to render null and void the contract for the Salar de Atacama Project signed between Corfo and the Companies. The Companies have joined the suit as interested third parties.

In the suit, the plaintiffs request a pretrial measure against Corfo for the signing of agreements and contracts related to the exploitation of lithium. On October 31, 2018, the special magistrate rejected the measure, which was appealed by the plaintiffs.

In the event that the contract for the Salar de Atacama Project is rendered null and void, SQM Salar could be unable to exploit the mining claims in the Salar de Atacama that it has leased from Corfo.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions**
(continued)

22.6 Restricted or pledged cash

The subsidiary Isapre Norte Grande Ltda., in compliance with the provisions established by the Chilean Superintendence of Healthcare, which regulates the running of pension-related health institutions, maintains a guarantee in financial instruments delivered in deposits, custody and administration to Banco de Chile.

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total amount owed to its members and medical providers. Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda on a daily basis. As of December 31, 2018, the guarantee amounts to ThUS\$712.

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Note 22 **Contingencies and restrictions**
(continued)

22.7 Securities obtained from third parties

The main security received (exceeding ThUS\$100) from third parties to guarantee Soquimich Comercial S.A. their compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$9,423 and ThUS\$12,103 on December 31, 2018 and December 31, 2017 respectively; which is detailed as follows:

| Grantor | Relationship | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|--------------------------------|-----------------------|----------------------|----------------------|
| Ferosor Agrícola S.A. | Unrelated third party | 3,598 | 4,067 |
| Tattersall Agroinsumos S.A. | Unrelated third party | 2,000 | 2,000 |
| Contador Frutos S.A. | Unrelated third party | 1,587 | 1,743 |
| Agrícola Lobert Ltda. | Unrelated third party | - | 1,264 |
| Covepa SPA | Unrelated third party | 720 | 813 |
| Johannes Epple Davanzo | Unrelated third party | 321 | 363 |
| Hortofrutícola La Serena | Unrelated third party | 294 | 323 |
| Juan Luis Gaete Chesta | Unrelated third party | 195 | 262 |
| Arena Fertilizantes y Semillas | Unrelated third party | 216 | 244 |
| Vicente Oyarce Castro | Unrelated third party | 222 | 244 |
| Soc. Agrocom. Julio Polanco | Unrelated third party | 144 | 163 |
| Bernardo Guzmán Schmidt | Unrelated third party | 126 | 138 |
| Gilberto Rivas Y Cia. Ltda. | Unrelated third party | - | 138 |
| Lemp Martin Julian | Unrelated third party | - | 124 |
| Comercial Agrosal Ltda. | Unrelated third party | - | 116 |
| Soc.Comercial el Mimbral | Unrelated third party | - | 101 |
| Total | | 9,423 | 12,103 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions**
(continued)

22.8 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 Name | Relationship | Type of guarantee | Balances as of the closing date of the financial statements | |
|-----------------------------------|----------------------------------|--------------|----------------------|---|----------------------|
| | | | | 12/31/2018 ThUS\$ | 12/31/2017 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 | - | - |
| Banks and financial institutions | SQM Investment Corp. N.V. | Subsidiary | Guarantee | - | - |
| Banks and financial institutions | SQM Europe N.V. | Subsidiary | Guarantee | - | - |
| Banks and financial institutions | SQM North America Corp | Subsidiary | Guarantee | - | - |
| Banks and financial institutions | Nitratos Naturais do Chile Ltda. | Subsidiary | Guarantee | - | - |
| Banks and financial institutions | SQM México S.A. de C.V. | Subsidiary | Guarantee | - | - |
| Banks and financial institutions | SQM Brasil Ltda. | Subsidiary | Guarantee | - | - |
| "BNP" | SQM Investment Corp. N.V. | Subsidiary | Guarantee | - | - |
| Sociedad Nacional de Minería A.G. | SQM Potasio S.A. | Subsidiary | Guarantee | - | - |
| Scotiabank & Trust (Cayman) Ltd. | Royal Seed Trading A.V.V. | 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 | - | - |
| | | Subsidiary | Guarantee | - | - |

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|---------------------------------------|---------------------------|------------|-----------|---|
| The Bank of Tokyo-Mitsubishi UFJ Ltd. | Royal Seed Trading A.V.V. | | | |
| JP Morgan Chase Bank | SQM Industrial S.A. | Subsidiary | Guarantee | - |
| The Bank of Nova Scotia | SQM Investment Corp. N.V. | Subsidiary | Guarantee | - |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 22 **Contingencies and restrictions**
(continued)

22.8 Indirect guarantees, continued

| Creditor of the guarantee | Debtor | | Type of guarantee | Pending balances as of the closing date of the financial statements | |
|---------------------------------------|---------------------------|--------------|-------------------|---|----------------------|
| | Name | Relationship | | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
| Credit Suisse International | 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 | - | - |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 23 Lawsuits and complaints

Lawsuits and complaints

During 2015, the Chilean IRS filed several lawsuits and complaints against a number of individuals related to the so-called “SQM Case”, which were associated with the irregular financing of politicians. Amongst those affected by these legal claims were the legal representatives of the Company then the CEO, Patricio de Sominihac T. and the Vice President of Corporate Services, Ricardo Ramos R. today Chief Executive Officer Those lawsuits and complaints related to alleged tax crimes associated with a possible undue decrease in the taxable net income of the Company and two of its subsidiaries over the last seven years by recording as expenses varios invoices and fee receipts, which could be considered as ideologically false. Similar legal actions were also filed against the taxpayers who provided the tax documents that allowed the alleged commission of the related illicit acts.

Actions performed by the Authority and Termination of research in Chile

The Public Ministry and the Chilean IRS (Servicio de Impuestos Internos (SII) have performed a number of actions within the framework of the so-called “SQM Case”, where the Company and its executives have provided their cooperation. Several of the Company’s executives have granted access to their computers and made several statements at the request of the Prosecutors responsible for the investigation. Additionally, SQM has provided physical and digital copies of its accounting records and its subsidiaries’ accounting records. SQM has also provided the Public Ministry with its email files and all the documentation that has been requested by the authority.

On August 17, 2018, the Eighth Guarantee Court declared the definitive dismissal of the Company, SQM Salar and SQM Nitratos with respect to the case in which their criminal liability was being investigated.

On January 15, 2019, the MP communicated to the Eighth Criminal Court its decision not to continue with the criminal investigation against Messrs. Patricio de Solminihac T, Ricardo Ramos R. and Enrique Olivares C.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 23 Lawsuits and complaints, (continued)

Shearman & Sterling and Ad-Hoc Committee

On February 26, 2015, the Board of Directors of SQM established an ad-hoc committee comprised of three directors (the “Ad-hoc Committee”), which was authorized to conduct an investigation on the matters described in the preceding paragraph and to request any external advisory services it deemed necessary. The original members of the Ad-hoc Committee were José María Eyzaguirre B., Juan Antonio Guzmán M., and Wolf von Appen B.

The Ad-hoc Committee hired its own legal counsel in Chile and the United States as well as forensic accountants in the United States to support its internal investigation. The U.S. attorneys hired by the Ad-hoc Committee were mainly charged with reviewing the important facts and analyzing them in the context of the United States Foreign Corrupt Practices Act (“FCPA”). However, the Ad-hoc Committee’s factual conclusions were shared with both Chilean authorities and U.S. authorities.

On December 15, 2015, the Ad-hoc Committee presented the conclusions of its investigation to the Board of Directors. In addition to discussing the facts related to the referenced payments, the Ad-hoc Committee concluded that, for the purposes of the FCPA:

- a. payments were identified that had been authorized by the former CEO of SQM for which the Company did not find sufficient supporting documentation;
- b. no evidence was identified that demonstrated that such payments were made in order to prompt a public official to act or abstain from acting in order to help SQM obtain economic benefits;
- c. in relation to the cost centers managed by the former CEO of SQM, it was concluded that the Company's books did not accurately reflect the transactions in question but that these transactions were determined to be quantitatively immaterial in comparison to SQM's equity, sales, expenses and profits during that period; and that.
- d. SQM's internal controls were insufficient to supervise the expenses within the cost center managed by the former CEO of SQM and relied on the proper use of resources by Patricio Contesse G. himself.

After the Ad-hoc Committee presented its conclusions to the Board of Directors, the Company voluntarily shared these conclusions with the Chilean and U.S. Authorities (including the Securities and Exchange Commission (the “SEC”) and the U.S. Department of Justice (the “DOJ”)) and has since collaborated by handing over documents and additional information requested by these authorities regarding this investigation.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 23 Lawsuits and complaints, (continued)

Investigation by the Department of Justice and the Securities Exchange Commission and Agreements

The Company reported on the investigation by Shearman & Sterling for North American regulatory entities (DOJ and Securities and Exchange Commission, the “SEC”), in accordance with the regulations in force in the United States of America. The results of this investigation were given to these regulatory entities, which have opened investigations to determine the existence of possible noncompliance with the FCPA or Internal control standards.

On January 13, 2017, the Company and the DOJ reached agreement on the terms of a Deferred Prosecution Agreement (the “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 calls 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 would 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 calls for the Company to pay an additional monetary penalty of US\$15 million. These penalties were reflected in the 2016 financial statements.

In accordance with the terms of the Deferred Prosecution Agreement (the “DPA”) with the DOJ, 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 (the “Monitor”) 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, 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.

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Note 24 Sanction proceedings

On April 03, 2018, the National Directorate of the “Dirección Nacional del Servicio Nacional de Geología y Minería” (National Geology and Mining Service) filed charges against SQM Industrial for the alleged violation of Article 40 letter c) of Law No. 20,551 that regulates the closure of mining works and facilities for Pampa Blanca, located in the district of Sierra Gorda. On April 26, 2018, SQM Industrial gave its deposition. According to current regulations, the National Geology and Mining Service can impose fines of up to 10 UTMs (monthly tax units) for each day of infringement, with a total maximum of 10,000 UTMs per month.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment

25.1 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, due to their low waste-to-mineral ratio, generate remaining deposits that slightly alter the environment.

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)

25.1 Disclosures of disbursements related to the environment, continued

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies. Within this context, the Company entered into a contract with the National Forestry Corporation (CONAF) aimed at researching the activities of flamingo groups that live in the Salar de Atacama (Atacama Saltpeter Deposit) lagoons. Such research includes a population count of the birds, as well as breeding research. Environmental monitoring activities carried out by the Company at the Salar de Atacama and other systems in which it operates are supported by a number of studies that have integrated diverse scientific efforts from prestigious research centers, including Dictuc from the Pontificia Universidad Católica in Santiago and the School of Agricultural Science of the Universidad de Chile.

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.

25.2 Detail of information on disbursements related to the environment

The cumulative disbursements which the Company had incurred as of December 31, 2018 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\$19,439 and are detailed as follows:

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Accumulated expenses as of 12/31/2018**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Exact or Disbursement Estimated Date of Disbursement | |
|---|--|---|----------------------------|--|---|------------|
| | | | | | ThUS\$ | |
| Miscellaneous | Environment - Operating Area | Not classified | Expense | Not classified | 9,002 | 12/31/2018 |
| SQM S.A. | 01-I005500 - Standardization of SO2 plants | Environmental processing | Assets | Not classified | 27 | 12/31/2018 |
| SQM S.A. | 01-I007300 - Compliance with Iodine Gas Exposure Standard | Environmental processing | Assets | Not classified | 59 | 12/31/2018 |
| SQM S.A. | 01-I013800 - Increase height of Absorber Tower | Sustainability: Environment and Risk Prevention | Assets | Not classified | 124 | 12/31/2018 |
| SQM S.A. | 01-I017200 - CEDAM at Puquíos (ponds) at Llamara | Sustainability: Environment and Risk Prevention | Expense | Not classified | 25 | 12/31/2018 |
| SQM S.A. | 01-I017400 - Development of Pintados and surrounding area. | Sustainability: Environment and Risk Prevention | Expense | Not classified | 5 | 12/31/2018 |
| SQM S.A. | 01-I018300 - Cultural Heritage Baseline Environmental Impact Statement (EIS) Mina Oeste N.V. | Environmental processing | Expense | Not classified | 117 | 12/31/2018 |

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| | | | | | | |
|---------------------|---|---|---------|----------------|-------|------------|
| SQM S.A. | 01-I018700 - Penalization Process for Salar de Llamara | Environmental processing | Expense | Not classified | 992 | 12/31/2018 |
| SQM S.A. | 01-I019400 - EIA Expansion of TEA and Seawater Impulsion | Environmental processing | Assets | Not classified | 1,914 | 12/31/2018 |
| SQM S.A. | 01-I017600 - Regularization of Substances Decree | Environmental processing | Expense | Not classified | 121 | 12/31/2018 |
| SQM Industrial S.A. | 04-J007000 - Environmental Impact Statement | Environmental processing | Expense | Not classified | 30 | 12/31/2018 |
| SQM Industrial S.A. | 04-J010200 - NK CS (KNO3-NaNO3 salt production at NPT2 plant) | Sustainability: Environment and Risk Prevention | Assets | Not classified | 100 | 12/31/2018 |
| SQM Industrial S.A. | 04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant | Sustainability: Environment and Risk Prevention | Assets | Not classified | 130 | 12/31/2018 |
| SQM Industrial S.A. | 04-J012200 - Environmental Impact Statement and Regularization of CS Ponds | Tramitación Ambiental | Assets | Not classified | 131 | 12/31/2018 |
| SQM Industrial S.A. | 04-M002000 - Recovery of Potable Water at María Elena | Sustainability: Environment and Risk Prevention | Assets | Not classified | 161 | 12/31/2018 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Accumulated expenses as of 12/31/2018**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Disbursement ThUS\$ | Exact or Estimated Date of Disbursement |
|---------------------------------|---|---|--------------------|------------------------------------|------------------------|---|
| 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 | Not classified | 18 | 12/31/2018 |
| SQM Industrial S.A. | 04-P006500 - Installation, electrical wiring | Sustainability: Environment and Risk Prevention | Assets | Not classified | 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 | Not classified | 561 | 12/31/2018 |
| SQM Industrial S.A. | 04-J013500 - Handling of Equipment associated with PCBs | Sustainability: Environment and Risk Prevention | Expense | Not classified | 127 | 12/31/2018 |
| SIT S.A. | 03-T003400 - 2016 Port maintenance Capex | Sustainability: Environment and Risk Prevention | Assets | Not classified | 28 | 12/31/2018 |
| SIT S.A. | 03-T001900 - Storage | Sustainability: Environment and Risk | Assets | Not classified | 25 | 12/31/2018 |

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|----------|---|---|--------|----------------|-----|------------|--|
| | Warehouse Cover | Prevention | | | | | |
| SIT S.A. | 03-T001800 - Mechanization of Shipment from Ca | Sustainability: Environment and Risk Prevention | Assets | Not classified | 50 | 12/31/2018 | |
| SIT S.A. | 03-T003200 - Mechanization of Shipment from Ca | Sustainability: Environment and Risk Prevention | Assets | Not classified | 218 | 12/31/2018 | |
| SIT S.A. | 03-T003600 - Improved Port SQM Bulk Storage | Sustainability: Environment and Risk Prevention | Assets | Not classified | 33 | 12/31/2018 | |
| SIT S.A. | 03-T004200 - Encapsulation and Collectors Yards 8 and 9 | Sustainability: Environment and Risk Prevention | Assets | Not classified | 795 | 12/31/2018 | |
| SIT S.A. | 03-T004500 - Belt 5 Extension and Overhaul | Environmental processing | Assets | Not classified | 200 | 12/31/2018 | |
| SIT S.A. | 03-T005000 - Ground leveling and paving of warehouse | Sustainability: Environment and Risk Prevention | Assets | Not classified | 210 | 12/31/2018 | |
| SIT S.A. | 03-T006400 - Pollution Control and Management Equipment | Sustainability: Environment and Risk Prevention | Assets | Not classified | 246 | 12/31/2018 | |
| SIT S.A. | 03-T006200 - Storage Facilities Yard 6 | Sustainability: Environment and Risk Prevention | Assets | Not classified | 299 | 12/31/2018 | |
| SIT S.A. | 03-T006100 - Closure of Storage Facilities Yard 9 | Sustainability: Environment and Risk Prevention | Assets | Not classified | 443 | 12/31/2018 | |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Disbursement ThUS\$ | Exact or Estimated Date of Disbursement |
|---|--|---|----------------------------|--|--------------------------------|--|
| SQM Salar S.A. | 19-L012200 - Installation of flow meters per environmental standard | Sustainability: Environment and Risk Prevention | Assets | Not classified | 74 | 12/31/2018 |
| SQM Salar S.A. | 19-L012100 – Regularization of weather station | Sustainability: Environment and Risk Prevention | Assets | Not classified | 39 | 12/31/2018 |
| SQM Salar S.A. | 19-C003900 - Extension of Carbonate 120,000 TPA Plant | Sustainability: Environment and Risk Prevention | Assets | Not classified | 776 | 12/31/2018 |
| SQM Salar S.A. | 19-L014700 - Industrial Waste Management | Sustainability: Environment and Risk Prevention | Expense | Not classified | 120 | 12/31/2018 |
| SQM Salar S.A. | 19-L014900 - Sludge Drying Project | Sustainability: Environment and Risk Prevention | Assets | Not classified | 180 | 12/31/2018 |
| SQM Salar S.A. | 19-L018400 - EIA, PSA, Hydrogeology and Conservation | Environmental processing | Expense | Not classified | 1,824 | 12/31/2018 |
| SQM Salar S.A. | 19-L018700 - 5th Update of environmental modeling | Environmental processing | Expense | Not classified | 76 | 12/31/2018 |
| SQM Nitratos S.A | 12-I012700 - Mine Site Workshop Water Recovery Plant | Sustainability: Environment and Risk Prevention | Assets | Not classified | 156 | 12/31/2018 |

| | |
|-------|--------|
| Total | 19,439 |
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Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Future expenses as of 12/31/2018**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Disbursement ThUS\$ | Exact or |
|---------------------------------|---|---|--------------------|------------------------------------|------------------------|-----------------------------------|
| | | | | | | Estimated Date of Disbursement |
| Miscellaneous | Environment - Operating Area | Not classified | Expense | Not classified | 10,204 | 12/31/2018 |
| SQM S.A. | 01-I012200 - Repair or replacement of well | Sustainability: Environment and Risk Prevention | Assets | Not classified | 76 | 12/31/2018 |
| SQM S.A. | 01-I013800 - Increase height of Absorber Tower | Sustainability: Environment and Risk Prevention | Assets | Not classified | 15 | 12/31/2018 |
| SQM S.A. | 01-I007200 - Environmental Follow-up Plan for Salar de Llamara for 2015-2016 | Sustainability: Environment and Risk Prevention | Expense | Not classified | 90 | 12/31/2018 |
| SQM S.A. | 01-I017400 - Development of Pintados and surrounding area. | Sustainability: Environment and Risk Prevention | Expense | Not classified | 116 | 12/31/2018 |
| SQM S.A. | 01-I018700 - Penalization Process for Salar de Llamara | Environmental processing | Expense | Not classified | 528 | 12/31/2018 |
| SQM S.A. | 01-I019400 - EIA Expansion of TEA and Seawater | Environmental processing | Assets | Not classified | 536 | 12/31/2018 |
| SQM S.A. | Impulsion 01-I017600 - Regularización | Environmental processing | Expense | Not classified | 485 | 1/23/2019 |

| | | | | | | |
|----------------|--|---|---------|----------------|-------|------------|
| SIT S.A. | Decreto Sustanc 03-T004200 - Encapsulation and Collectors Yards 8 and 9 | Sustainability: Environment and Risk Prevention | Assets | Not classified | 321 | 12/31/2018 |
| SIT S.A. | 03-T004500 - Belt 5 Extension and Overhaul | Tramitación Ambiental | Assets | Not classified | 141 | 12/31/2018 |
| SIT S.A. | 03-T006200 - Warehouses, yard 6 | Sustainability: Environment and Risk Prevention | Assets | Not classified | 1,147 | 1/12/2019 |
| SIT S.A. | 03-T006400 - Pollution Control Equipment and Maintenance | Sustainability: Environment and Risk Prevention | Assets | Not classified | 144 | 1/13/2019 |
| SIT S.A. | 03-T006100 - Warehouses, yard 9 | Sustainability: Environment and Risk Prevention | Assets | Not classified | 490 | 1/18/2019 |
| SQM Salar S.A. | 19-L012100 - Regularization of weather station | Sustainability: Environment and Risk Prevention | Assets | Not classified | 13 | 12/31/2018 |
| SQM Salar S.A. | 19-L018000 - Regularize TT lighting | Sustainability: Environment and Risk Prevention | Assets | Not classified | 74 | 1/16/2019 |
| SQM Salar S.A. | 19-L018700 - Fifth environmental model update | Environmental processing | Expense | Not classified | 27 | 12/31/2018 |

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Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Future expenses as of 12/31/2018**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Disbursement in US\$ | Exact or Estimated Date of Disbursement |
|---------------------------------|--|---|--------------------|------------------------------------|-------------------------|---|
| SQM Industrial S.A. | 04-J010200 - NK CS (KNO ₃ -NaNO ₃ salt production at NPT2 plant) | Sustainability: Environment and Risk Prevention | Assets | Not classified | 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 | Not classified | 452 | 12/31/2018 |
| SQM Industrial S.A. | 04-J010700 - Recovery Water Intake from Rivers | Sustainability: Environment and Risk Prevention | Assets | Not classified | 120 | 1/1/2019 |
| SQM Industrial S.A. | 04-J012200 - Environmental Impact Statement and Regularization of CS Ponds | Environmental processing | Assets | Not classified | 187 | 1/2/2019 |
| SQM Industrial S.A. | 04-M002000 - Recovery of Potable Water at María Elena | Sustainability: Environment and Risk Prevention | Assets | Not classified | 264 | 1/6/2019 |
| SQM Industrial S.A. | 04-J013500 - Handling of Equipment associated with PCBs | Sustainability: Environment and Risk Prevention | Expense | Not classified | 34 | 1/10/2019 |

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| | | | | | | |
|---------------------|---|---|---------|----------------|--------|-----------|
| SQM Industrial S.A. | 04-J013300 - Increase solid waste management in Dual Plant (Delkor Filter) | Sustainability: Environment and Risk Prevention | Assets | Not classified | 68 | 1/14/2019 |
| SQM Industrial S.A. | 04-P006500 - Installation, electrical wiring | Sustainability: Environment and Risk Prevention | Assets | Not classified | 104 | 1/17/2019 |
| SQM Industrial S.A. | 04-J015200 - Implementation Economizers | Sustainability: Environment and Risk Prevention | Assets | Not classified | 276 | 1/21/2019 |
| SQM Industrial S.A. | 04-I025000 - Re-drilling of Well 2PL-2 and Ma | Sustainability: Environment and Risk Prevention | Expense | Not classified | 242 | 1/24/2019 |
| SQM Industrial S.A. | 04-J014200 - Commitments with Environmental Qualification Resolutions | Environmental processing | Expense | Not classified | 70 | 1/25/2019 |
| Total | | | | | 16,227 | |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Future expenses as of 12/31/2017**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Exact or Disbursement Estimated Date of Disbursement | |
|---------------------------------|--|---|--------------------|------------------------------------|---|------------|
| | | | | | ThUS\$ | |
| Miscellaneous | Environment - Operating Area 04-IQWZ00 - | Not classified | Expense | Not classified | 9,552 | 12/31/2017 |
| SQM Industrial S.A. | Normalization TK NV liquid fuels 04-PPZU00 - | Environmental processing | Asset | Not classified | 37 | 4/1/2014 |
| SQM Industrial S.A. | Standardize and Certify Plant Fuel Tanks 04-J007000 - | Environmental processing | Asset | Not classified | 48 | 7/1/2011 |
| SQM Industrial S.A. | Environmental Impact Statement 04-P003600 - | Environmental processing | Expense | Not classified | 151 | 12/31/2017 |
| SQM Industrial S.A. | Opening of NPT IV Project (NK engineering studies) 04-I012400 - | Sustainability: Environment and Risk Prevention | Asset | Not classified | 181 | 12/31/2017 |
| SQM Industrial S.A. | Acquisition of Power Generator to Back up the Injection System at Puquios in Salar de Llamara 04-J004300 - | Sustainability: Environment and Risk Prevention | Asset | Not classified | 34 | 12/31/2016 |
| SQM Industrial S.A. | Energy efficiency study | Sustainability: Environment and Risk Prevention | Expense | Not classified | 56 | 12/31/2017 |
| SQM Industrial S.A. | | | Asset | Not classified | 1 | 4/30/2019 |

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| | | | | | | |
|---------------------|---|---|---------|----------------|-----|------------|
| | 04-J010200 - Sustainability: NK CS Environment and Risk (KNO3-NaNO3 Prevention salt production at NPT2 plant) | | | | | |
| SQM Industrial S.A. | 04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant | Sustainability: Environment and Risk Prevention | Asset | Not classified | 12 | 12/31/2018 |
| SQM S.A. | 01-I005500 - Standardization of SO2 plants | Environmental processing | Asset | Not classified | 81 | 12/31/2018 |
| SQM S.A. | 01-I007100 - Environmental Follow-up Plan for Pampa del Tamarugal for 2015-2016 | Environmental processing | Expense | Not classified | 2 | 1/31/2018 |
| SQM S.A. | 01-I007200 - Environmental Follow-up Plan for Salar de Llamara for 2015-2016 | Sustainability: Environment and Risk Prevention | Expense | Not classified | 2 | 1/31/2018 |
| SQM S.A. | 01-I013800 - Increase height of Absorber Tower | Sustainability: Environment and Risk Prevention | Asset | Not classified | 62 | 12/31/2018 |
| SQM S.A. | 01-I007300 - Compliance with Iodine Gas Exposure Standard | Environmental processing | Asset | Not classified | 961 | 12/31/2017 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Accumulated expenses as of 12/31/2017, continued**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Disbursement ThUS\$ | Exact or Estimated Date of Disbursement |
|---------------------------------|---|---|--------------------|------------------------------------|------------------------|---|
| SQM S.A. | 01-I012200 - Repair or replacement of well | Sustainability: Environment and Risk Prevention | Asset | Not classified | 41 | 12/31/2018 |
| SQM Salar S.A. | 19-L008100 - EIS Salar 2015 | Environmental processing | Expense | Not classified | 488 | 12/31/2017 |
| SQM Salar S.A. | 19-L012200 - Installation of flow meters per environmental standard | Sustainability: Environment and Risk Prevention | Asset | Not classified | 240 | 6/1/2018 |
| SQM Salar S.A. | 19-C002300 - Extension of LIOH 7,000 TPA Plant | Sustainability: Environment and Risk Prevention | Asset | Not classified | 230 | 12/31/2018 |
| SQM Salar S.A. | 19-L012100 - Renovation of equipment with certification required for Environmental Assessment Resolution | Sustainability: Environment and Risk Prevention | Asset | Not classified | 13 | 6/1/2018 |
| SIT S.A. | 03-T003400 - 2016 Port maintenance Capex | Sustainability: Environment and Risk Prevention | Asset | Not classified | 42 | 3/31/2018 |
| SIT S.A. | 03-T001900 - Storage Warehouse Cover | Sustainability: Environment and Risk Prevention | Asset | Not classified | 37 | 3/31/2018 |
| SIT S.A. | | | Asset | Not classified | 982 | 5/31/2018 |

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| | | | | | | |
|----------|--|-------|----------------|--------|-----------|--|
| | 03-T001800 - Sustainability: Mechanization Environment and Risk of Shipment Prevention from Ca | | | | | |
| SIT S.A. | 03-T003200 - Sustainability: Mechanization Environment and Risk of Shipment Prevention from Ca | Asset | Not classified | 1,296 | 5/31/2018 | |
| SIT S.A. | 03-T004200 - Sustainability: Encapsulation Environment and Risk and Collectors Prevention Yards 8 and 9 | Asset | Not classified | 58 | 8/30/2018 | |
| SIT S.A. | 03-T004500 - Belt 5 Environmental Extension and processing Overhaul | Asset | Not classified | 180 | 8/30/2018 | |
| Total | | | | 14,787 | | |

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Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Future expenses as of 12/31/2017, continued**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Disbursement ThUS\$ | Exact or Estimated Date of Disbursement |
|---------------------------------|--|---|--------------------|------------------------------------|------------------------|---|
| Miscellaneous | Environment - Operating Area 04-J010200 - NK CS | Not classified | Expense | Not classified | 10,450 | 12/31/2018 |
| SQM Industrial S.A. | (KNO3-NaNO3 salt production at NPT2 plant) 04-I015600 - Recovery of Reject Water from Osmosis Plant, NV | Sustainability: Environment and Risk Prevention | Asset | Not classified | 140 | 4/30/2019 |
| SQM Industrial S.A. | Iodine Plant 01-I005500 - Standardization of SO2 plants | Sustainability: Environment and Risk Prevention | Asset | Not classified | 130 | 12/31/2018 |
| SQM S.A. | 01-I012200 - Repair or replacement of well | Environmental processing | Asset | Not classified | 37 | 12/31/2018 |
| SQM S.A. | 01-I013800 - Increase height of Absorber Tower | Sustainability: Environment and Risk Prevention | Asset | Not classified | 76 | 12/31/2018 |
| SQM S.A. | 01-I017200 - CEDAM at Puqufios (ponds) at Llamara | Sustainability: Environment and Risk Prevention | Asset | Not classified | 111 | 12/31/2018 |
| SQM S.A. | 01-I017400 - Development of Pintados and surrounding area | Sustainability: Environment and Risk Prevention | Expense | Not classified | 260 | 12/31/2018 |
| SQM S.A. | | | Expense | Not classified | 124 | 12/31/2018 |

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| | | | | | | |
|----------------|---|---|-------|----------------|-----|-----------|
| SIT S.A. | 03-T001900 - Storage Warehouse Cover | Sustainability: Environment and Risk Prevention | Asset | Not classified | 10 | 3/31/2018 |
| SIT S.A. | 03-T001800 - Mechanization of Shipment from Ca | Sustainability: Environment and Risk Prevention | Asset | Not classified | 103 | 5/31/2018 |
| SIT S.A. | 03-T003200 - Mechanization of Shipment from Ca | Sustainability: Environment and Risk Prevention | Asset | Not classified | 254 | 5/31/2018 |
| SIT S.A. | 03-T004200 - Encapsulation and Collectors Yards 8 and 9 | Sustainability: Environment and Risk Prevention | Asset | Not classified | 854 | 8/30/2018 |
| SIT S.A. | 03-T004500 - Belt 5 Extension and Overhaul | Environmental processing | Asset | Not classified | 336 | 8/30/2018 |
| SIT S.A. | 03-T005000 - Ground leveling and paving of warehouse | Sustainability: Environment and Risk Prevention | Asset | Not classified | 210 | 9/30/2018 |
| SQM Salar S.A. | 19-L012100 – Renovation of equipment with certification required for Environmental Assessment Resolution | Sustainability: Environment and Risk Prevention | Asset | Not classified | 52 | 6/1/2018 |

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Note 25 Environment (continued)**25.2 Detail of information on disbursements related to the environment, continued****Future expenses as of 12/31/2017, continued**

| Parent Company or Subsidiary | Project Name | Reason for Disbursement | Asset / Expense | Description of Asset or Expense | Disbursement ThUS\$ | Exact or Estimated Date of Disbursement |
|---|--|---|----------------------------|--|--------------------------------|--|
| SQM Salar S.A. | 19-L012200 - Installation of flow meters per environmental standard | Sustainability: Environment and Risk Prevention | Asset | Not classified | 10 | 6/1/2018 |
| SQM Salar S.A. | 19-C002300 - Extension of LIOH 7,000 TPA Plant | Sustainability: Environment and Risk Prevention | Asset | Not classified | 28 | 12/31/2018 |
| SQM Nitratos S.A | 12-I012700 - Mine Site Workshop Water Recovery Plant | Sustainability: Environment and Risk Prevention | Asset | Not classified | 160 | 12/31/2018 |
| Total | | | | | 13,345 | |

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Note 25 Environment (continued)

25.3 Description of each project, indicating whether these are in process or have been finished

SOM S.A.

I0055: In the SO₂ plant, the gas/liquid ratio is deficient, preventing the absorption of SO₂; producing a loss of free iodine through inadequate stripping of kerosene and prilling air. This also causes the ducts and furnaces to be blocked (unplanned shutdowns), a very polluted environment for people (aberration in health and hygiene), excessive acid rain (corrosion of facilities) and a high sulfur and sodium metabisulfite consumption factor. By changing the gas extractors to increase air flows and the SO₂ absorption towers for prilling, the diameter of the ducts will be increased. This will ensure that the gas/liquid ratio is increased and sustained. In order to decrease SO₂ emissions, a scrubber unit (tower, pump, gas extractor and piping) needs to be installed following the same concept as was developed at the ME Iodine SO₂ plant.

I0073: The system for capturing iodine gases 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 No, 594/1999, approving Basic Sanitary and Environmental Conditions in Workplaces. This project is in progress.

I0122: The project consists of repairing and/or replacing the environmental follow-up wells that need to be deepened. It also includes implementing improvements in mine shaft type wells to avoid risk conditions. The priority wells are Nos. 8 and 10-S-1 in Pampa del Tamarugal and PO-5 in Salar de Llamara.

I0138: 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.

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Note 25 Environment (continued)

25.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM S.A.

I0174: One of the commitments of the Pampa Hermosa project involves developing the former Pintados station. The development proposal was presented to the authorities and once approved, it needs to be implemented (parking, footpath, shade and information panels). One of the commitments for the Nueva Victoria and Pampa Hermosa mining area projects is to prepare a storage place in Humberstone for storing the archaeological materials that are recovered. This is part of the archaeological compensation measures involved in these projects. A proposal needs to be developed and subsequently developed for the Humberstone deposit, which is subject to approval by the authorities so its duration and costs are subject to the approval of third parties.

I0183: A heritage baseline will be taken for the eastern mine sector, required for the EIS

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.

I0176: The project involves an initial diagnosis in the different sites to identify deviations and actions to be implemented for adaptation, for subsequent preparation of the Adaptation Program that will be presented to the Seremi de Salud. This diagnosis will be used to define the activities to be developed, and these may require minor or major structural modifications that require prior environmental assessment (DIA/EIA).

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)

25.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM Industrial S.A.

I0156: The project will enable the recovery of reject water from the osmosis plant to be used in the leach pile area, increasing the efficiency of water use.

J0070: This project relates to the preparation and processing of an Environmental Impact Statement (EIS), with the purpose of obtaining the environmental authorization (RCA) for the yards. The information to be presented includes the air quality baseline, so a PM 2.5 and gas monitoring station has been installed to complement the existing stations at ME. This project is in progress.

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.

J0122: The project consists of entering the Coya Sur wells into the environmental impact assessment system (SEIA) and processing the permits for these wells with the General Directorate of Water Resources (DGA).

P0036: The project consists of enabling the reuse of the crystallization plant and all of its facilities associated with the production of nitrate salts.

J0135: This project consists of dealing with all the oils and components that contain 50ppm or more of 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.

I0177: The project involves completing the development of basic engineering, implementing the Environmental Impact Study for Tente en el Aire, obtain legal and sectorial permits for project implementation in a second stage

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)

25.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM Industrial S.A.

P0065: The project involves installation of a transformer, posts and ditch solution collection tank. In addition to improvements in the ditch sector, heavy machinery will be used to safely position low-suction pumps.

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.

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.

J0133: The project consists of increasing the centrifuge filter capacity at the Anhydrous Sulfate Plant: Industrial test. If favorable, install belts to remove discarded material to the storage yard.

J0152: The project involves the installation of heat collection equipment for gas emanating from boilers and implementation of associated structural improvements.

J0142: The project involves implementing environmental measures associated with the CS Update DIA (heritage sign, pavement of ME road) and the DIA for NK PV (controlled disturbance plan).

SIT S.A.

T0018: The project consists of the installation of an underground conveyor belt running outside of the storage boxes in yards Nos. 8 and 9, connected to belt 5 and subsequently to the shipment system. While this is an operating improvement, the project has an environmental component as the project involves the implementation and purchase of belt covers as an internal emissions control measure to improve compliance with the Tocopilla EDP. This project is in progress

T0019: This project consists of the installation of covers (ceiling and side cover) in the 4 new storage boxes, which will be built in the area of current yards Nos. 8 and 9. While this is an operating improvement, the project has an environmental component as the project involves the building of a warehouse as an emissions control measure to improve compliance with the Tocopilla EDP and reduce dust emissions. This project has been completed.

T0032: The project consists of the installation of an underground conveyor belt running outside of the storage boxes in Yard No. 6, with feeding points of access directly connected to belt 6 and subsequently to the shipment system. While this is an operating improvement, the project has an environmental component as it includes the implementation of conveyor belt No. 6 from Yard No. 6, which is an action to control emissions as per the commitments within the Tocopilla EDP. This project is at the start-up stage.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)

25.4 Description of each project, indicating whether these are in process or have been finished, continued

SIT S.A.

T0034: The project seeks to make all the investments associated with maintaining the port's operating capacity, guaranteeing high equipment availability for shipment purposes. While this is an operating improvement, the project also has an environmental component. The project consists of the replenishment and/or replacement of the impaired wind barrier membranes in Yard No. 3, which is an action to control emissions, as committed to in the Tocopilla EDP. This project has been completed.

T0036: The project involves the installation of rainwater collection channels in the storage warehouses and engineering that studies the possibility of storing multiple products in a single silo and the possibility of installing vibrating floors that enable free runoff of the product, thereby preventing the risks of manual operation and the effect that this provokes in shipments.

T0042: In order to comply with Article 13 of Supreme Decree No. 70/2010 Tocopilla EDP must incorporate dust collectors on the TV-1 and TV-2 hoppers in yard Nos.8 and 9.

T0045: The conveyor belts in yard numbers 8 and 9 will be completed by being connected to conveyor belt no. 5 and thus forming part of the shipment system. This involves the extension, connection and overhaul of conveyor belt no. 5, together with the connection to pan feeder 3 and the corresponding improvements to become an integral part of the shipment system. This will be done in compliance with the environmental regulations established in the Tocopilla Decontamination Plan. Atmospheric Decontamination Plan for the City of Tocopilla and surrounding area Supreme Decree No. 70/2010, Art.13 II.3.

T0050: The loose earth soil around the storage warehouse in yard 17 is uneven, which creates operational difficulties and poses a risk both for the warehouse and operationally. The area of land to be paved measures 2100 m². A hazardous waste patio is also to be built.

T0062: A 35 x 110 m hangar will be installed on yard 6 to stockpile bulk product that also permits loading and unloading from trucks and front loaders as well as proper stacking. The warehouse in yard 6 will be expanded into

boxes 5 and 6 in order to stockpile bulk product.

T0064: Purchase of Sentinel sweeper - Purchase critical operating equipment.

T0061: The project involves the construction of the second part of the yard storage facility 9 (1500 square meters).

SQM Salar.

C0023: A new plant extension is to be built with the capacity for 7,000 TPA of product. This project is in progress.

L0121: Change of the weather station equipment to comply with the standard.

L0147: This project involves the elimination of these unauthorized industrial waste storage points. This work will be undertaken by an external company that separates, organizes and packages different types of industrial waste according to the environmental authorization and legislation in force. The waste can then be removed from the same points for final disposal off site.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 25 Environment (continued)

25.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM Salar.

L0180: Normalization of lighting and electrical circuits at ground transportation facilities in Salar Atacama.

C0039: The project involves increasing the Lithium Carbonate production capacity from 70,000 TPA to 120,000 TPA.

L0149: This project includes building a dehydrating plant at SQM Salar's current facilities to be used for treatment, storage, transport and final disposal of sludge generated by the different sewage treatment plants and providing the solutions necessary to comply with DS No. 04/09, Regulation for Managing Sludge at Sewage Treatment Plants.

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".

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 26 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: Implementation, economically feasible, not economically feasible and in exploitation:

Implementation: Disbursements for prospecting under implementation and therefore prior to determination of economic feasibility, are classified in the caption of Non-Current Assets, found in Works in Progress for Properties, Plant and Equipment, which include, exploration of caliche, and brine from the Salar de Atacama (these processes 1. are generally developed over a one-year period), both totaling ThUS\$8,355 in this caption, as of December 31, 2018, and ThUS\$8,942 as of December 31, 2017. For Mt Holland, exploration disbursements fall under Other Non-Current Non-Financial Assets and correspond to ThUS\$11,298 as of December 31, 2018. As of December 31, 2017 there were no disbursements for this concept.

2. 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 Financial Assets. The balance as of December 31, 2018, is ThUS\$5,099 and as of December 31, 2017, it is ThUS\$12,530.

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.

3. 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, 2018 and December 31, 2017, there is no existing disbursement for this item.

4. 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 inventories. As of December 31, 2018, the amount is ThUS\$2,028 and the balance as of December 31, 2017 for this concept is ThUS\$521. The portion that will be amortized in the following years is classified as non-current assets under Other Non-current Assets. As of December 31, 2018, there is a balance of ThUS\$9,791 for this concept, and as of December 31, 2017, the balance is ThUS\$5,191.

Disbursements corresponding to metal exploration are charged to profit or loss in the period in which they are incurred.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

27.1

Revenue from operating activities

The Group derives revenues from the sale of goods (which are recognised at one point in time) and from the provision of services (which are recognised over time) and are distributed among the following geographical areas and main product and service lines: Geographic areas:

12/31/2018

| 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 | 6,390 | 3,596 | 80,192 | 12,097 | 177 | 180,189 |
| 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 | 151,194 | 121,863 | 558,821 | 64,936 | 46,865 | 1,407 | 945,086 |
| Total | 781,750 | 324,972 | 734,801 | 267,474 | 108,268 | 48,538 | 2,265,803 |

12/31/2017

| Geographic areas | Specialty plant nutrition | Iodine and derivatives | Lithium and derivatives | Potassium | Industrial chemicals | Other | Total ThUS\$ |
|---------------------------------|--|---------------------------------------|--|-----------|---------------------------------|--------|-------------------------|
| Chile | 91,243 | 1,054 | 802 | 20,001 | 2,522 | 45,942 | 161,564 |
| Latin America and the Caribbean | 71,335 | 5,756 | 3,109 | 142,610 | 9,180 | 155 | 232,145 |
| Europe | 177,997 | 81,557 | 88,443 | 72,405 | 28,346 | 305 | 449,053 |
| North America | 235,963 | 67,491 | 42,918 | 69,105 | 25,824 | 553 | 441,854 |
| Asia and Others | 120,713 | 96,265 | 509,301 | 75,205 | 69,706 | 1,517 | 872,707 |
| Total | 697,251 | 252,123 | 644,573 | 379,326 | 135,578 | 48,472 | 2,157,323 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Nota 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

27.1 Revenue from operating activities, continued

b) Main product lines:

| | 2018 ThUS\$ | 2017 ThUS\$ |
|--|----------------|----------------|
| Products and Services | | |
| Specialty plant nutrition | 781,750 | 697,251 |
| Sodium Nitrates | 17,688 | 18,555 |
| Potassium nitrate and sodium potassium nitrate | 527,945 | 474,451 |
| Specialty Blends | 145,512 | 121,263 |
| Other specialty fertilizers | 90,605 | 82,982 |
| Iodine and derivatives | 324,972 | 252,123 |
| Lithium and derivatives | 734,801 | 644,573 |
| Potassium | 267,474 | 379,326 |
| Industrial chemicals | 108,268 | 135,578 |
| Other | 48,538 | 48,472 |
| Commodities | 18,582 | 11,822 |
| Other ordinary income Of. Commercial | 24,465 | 32,784 |
| Income from services rendered and others Other | | |
| Income from the provision of services | 4,017 | 3,795 |
| Income from leasing properties | 1,474 | 71 |
| Total | 2,265,803 | 2,157,323 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Nota 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

27.2

Cost of sales

| | 12/31/2018 | 12/31/2017 |
|---|-------------|-------------|
| | ThUS\$ | ThUS\$ |
| Raw materials and consumables used | (260,863) | (227,620) |
| Classes of employee benefit expenses | (203,569) | (172,084) |
| Depreciation expense | (212,582) | (232,275) |
| Amortization expense | (7,194) | (8,153) |
| Operating leases | (75,395) | (80,160) |
| Investment plan expenses | (13,384) | (17,180) |
| Contractors | (78,825) | (72,348) |
| Mining concessions | (8,168) | (7,802) |
| Operations transport | (64,352) | (69,052) |
| Freight and product transport costs | (43,510) | (55,383) |
| Purchase of products from third parties | (239,781) | (208,147) |
| Insurance | (9,816) | (10,255) |
| CORFO rights | (182,954) | (46,274) |
| Export costs | (84,816) | (83,057) |
| Variation in inventory | 11,600 | (90,998) |
| Other expenses, by nature | (9,915) | (14,034) |
| Total | (1,483,524) | (1,394,822) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

| | 27.3 | Other income |
|--|------------|--------------|
| | 12/31/2018 | 12/31/2017 |
| | ThUS\$ | ThUS\$ |
| Discounts obtained from suppliers | 705 | 345 |
| Fines charged to suppliers | 698 | 199 |
| Taxes recovered | 685 | 1,278 |
| Amounts recovered from insurance | 443 | 154 |
| Overestimate of provisions for third-party obligations | 375 | 586 |
| Other operating income | 1,847 | 4,543 |
| Options on mining claims | 16,095 | 2,607 |
| Easements, pipelines and roads | 10,806 | 4,656 |
| Reimbursement mining licenses and notary expenses | 394 | 1,196 |
| Shares obtained in junior mining companies through options | - | 2,263 |
| Total | 32,048 | 17,827 |

| | 27.4 | Administrative expenses |
|--|------------|-------------------------|
| | 12/31/2018 | 13/31/2017 |
| | ThUS\$ | ThUS\$ |
| Employee benefit expenses by nature | | |
| Remuneration and benefits to employees | (63,880) | (51,761) |
| Marketing costs | (3,078) | (2,539) |
| Amortization expenses | (15) | (8) |
| Entertainment expenses | (4,805) | (4,781) |
| Advisory services | (12,848) | (14,348) |
| Leases | (4,556) | (4,097) |
| Insurance | (1,758) | (1,767) |
| Office expenses | (8,165) | (5,357) |
| Contractors | (5,730) | (4,805) |
| Other expenses, by nature | (13,291) | (11,708) |
| Total | (118,126) | (101,171) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

27.5

Other expenses by function

| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---|----------------------|----------------------|
| Classes of Employee Benefit Expenses | | |
| Depreciation and amortization expense | | |
| Depreciation of assets not in use | (59) | (90) |
| Subtotal | (59) | (90) |
| Impairment losses (reversals of impairment losses) recognized in profit (loss) for the year | | |
| Amortization expense intangible | (1,649) | - |
| Subtotal | (1,649) | - |
| Other expenses, by nature | | |
| Legal expenses | (15,139) | (25,176) |
| VAT and other unrecoverable taxes | (1,187) | (1,295) |
| Fines paid | (965) | (1,112) |
| Investment plan expenses | (13,419) | (10,006) |
| Donations not accepted as tax credit | (4,502) | (5,527) |
| Restructuring of joint ventures | 6,000 | (6,000) |
| Other operating expenses | (7,636) | (4,394) |
| Subtotal | (35,199) | (53,510) |
| Total | (36,907) | (53,600) |

27.6

Other income (expenses)

| | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|--|----------------------|----------------------|
| Adjust previous year application method of participation | (664) | 500 |
| Impairment of interests in joint ventures (1) | (8,802) | - |
| Sales of investments (2) | 13,748 | - |
| Others | 2,122 | 43 |
| Total | 6,404 | 543 |

(1)

See Note 10.2.

(2) During the month of December 2018, SQM S.A. sold its interest in Minera Exar S.A. generating a pre-tax profit of ThUS\$14,507.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

27.7 Impairment of gains and reversal of impairment losses

| | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| | ThUS\$ | ThUS\$ |
| Impairment of investments in associates | 2,967 | (8,038) |
| Total | 2,967 | (8,038) |

This table corresponds to the summary required by the CMF and considers notes 26.2, 26.4 and 26.5.

27.8 Summary of expenses by nature

| | 2018 | 2017 |
|---|-------------|-------------|
| | ThUS\$ | ThUS\$ |
| Raw materials and consumables | (260,863) | (227,620) |
| Classes of Employee Benefit Expenses | | |
| Personnel expenses | (267,449) | (223,845) |
| Depreciation and amortization expense | | |
| Depreciation expense | (212,641) | (232,365) |
| Amortization expense | (8,858) | (8,161) |
| Operating leases | (79,951) | (84,257) |
| Legal expenses | (15,139) | (25,176) |
| Investment plan expenses | (26,803) | (27,186) |
| Contractors | (86,313) | (78,920) |
| Mining concessions | (8,168) | (7,802) |
| Operation transport | (64,352) | (69,052) |
| Freight and product transport costs | (43,510) | (55,383) |
| Purchase of products from third parties | (239,781) | (208,147) |
| Office expenses | (17,981) | (15,612) |
| CORFO rights | (182,954) | (46,274) |
| Export costs | (84,816) | (83,057) |
| Representation expenses | (4,805) | (4,781) |
| Restructuring of joint ventures | 6,000 | (6,000) |
| Consultant and advisor services | (12,848) | (14,348) |
| Variation in inventory | 11,600 | (90,998) |
| Other expenses, by nature | (38,925) | (40,609) |
| Other expenses by nature | (1,638,557) | (1,549,593) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 27 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

27.9 Finance expenses

| | January to December | |
|--|---------------------|-----------|
| | 2018 | 2017 |
| | ThUS\$ | ThUS\$ |
| Interest expense from bank borrowings and overdrafts | (1,707) | (1,650) |
| Interest expense from bonds | (55,887) | (49,373) |
| Interest expense from loans | (3,093) | (2,002) |
| Capitalized interest expenses | 5,021 | 4,382 |
| Financial expenses for site closure | (960) | - |
| Other finance costs | (3,288) | (1,481) |
| Total | (59,914) | (50,124) |
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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments

28.1 Reportable segments

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 25.2).

The performance of each segment is measured based on net income and revenues.

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.

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 |

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)

28.1

Reportable segments, continued

Basis of accounting for transactions between reportable segments

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.

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.

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)

28.2 Reportable segment disclosures:

| | Specialty plant nutrients | Iodine and its derivatives | Lithium and its derivatives | Industrial chemicals | Potassium | Other products and services | Reportable segments | Operating segments | Un am |
|---|---------------------------------|----------------------------------|-----------------------------------|-------------------------|-----------|--------------------------------------|------------------------|-----------------------|----------|
| Operating segment items | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | Th |
| Revenue | 781,750 | 324,972 | 734,801 | 108,268 | 267,474 | 48,538 | 2,265,803 | 2,265,803 | |
| Revenues from transactions with other operating segments of the same entity | - | - | - | - | - | - | - | - | - |
| Revenues from external customers and transactions with other operating segments of the same entity | 781,750 | 324,972 | 734,801 | 108,268 | 267,474 | 48,538 | 2,265,803 | 2,265,803 | |
| Costs of sales | (613,267) | (217,464) | (316,875) | (72,964) | (217,386) | (45,568) | (1,483,524) | (1,483,524) | |
| Administrative expenses | - | - | - | - | - | - | - | - | (1 |
| Interest expense | - | - | - | - | - | - | - | - | (5 |
| Depreciation and amortization expense | (73,073) | (45,280) | (44,837) | (16,041) | (41,891) | (377) | (221,499) | (221,499) | |
| The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method | - | - | - | - | - | - | - | - | 6,3 |
| Income tax expense, continuing operations | - | - | - | - | - | - | - | - | (1 |
| Other items other than significant cash | | | | | | | | | |
| Income (loss) before taxes | 168,483 | 107,508 | 417,926 | 35,304 | 50,088 | 2,970 | 782,279 | 782,279 | (10 |
| Net income (loss) from continuing operations | 168,483 | 107,508 | 417,926 | 35,304 | 50,088 | 2,970 | 782,279 | 782,279 | (3 |
| Net income (loss) from discontinued operations | | | | | | | | | |

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| | | | | | | | | | |
|---|----------|----------|---------|--------|----------|--------|----------|----------|-----|
| Net income (loss) | 168,483 | 107,508 | 417,926 | 35,304 | 50,088 | 2,970 | 782,279 | 782,279 | (3) |
| Assets | - | - | - | - | - | - | - | - | 4,2 |
| Equity-accounted investees | - | - | - | - | - | - | - | - | 11 |
| Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts | | | | | | | | | (1) |
| Increase of non-current assets | - | - | - | - | - | - | - | - | |
| Liabilities | - | - | - | - | - | - | - | - | 2,1 |
| Impairment loss recognized in profit or loss | (2,227) | (1,171) | (243) | (79) | (3,006) | (553) | (7,279) | (7,279) | 2,9 |
| Reversal of impairment losses recognized in profit or loss for the period | - | - | - | - | - | - | - | - | - |
| Cash flows from (used in) operating activities | - | - | - | - | - | - | - | - | 50 |
| Cash flows from (used in) investing activities | - | - | - | - | - | - | - | - | (1) |
| Cash flows from (used in) financing activities | - | - | - | - | - | - | - | - | (3) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)**28.2 Reportable segment disclosures, continued**

| Operating segment items | Specialty plant nutrients ThUS\$ | Iodine and its derivatives ThUS\$ | Lithium and its derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Reportable segments ThUS\$ | Operating segments ThUS\$ | Un- audited ThUS\$ |
|---|---|---|--|-----------------------------------|---------------------|---|----------------------------------|---------------------------------|--------------------------|
| Revenue | 697,251 | 252,123 | 644,573 | 135,578 | 379,326 | 48,472 | 2,157,323 | 2,157,323 | - |
| Revenues from transactions with other operating segments of the same entity | - | - | - | - | - | - | - | - | - |
| Revenues from external customers and transactions with other operating segments of the same entity | 697,251 | 252,123 | 644,573 | 135,578 | 379,326 | 48,472 | 2,157,323 | 2,157,323 | - |
| Costs of sales | (555,356) | (199,808) | (189,242) | (91,753) | (313,690) | (44,973) | (1,394,822) | (1,394,822) | - |
| Administrative expenses | - | - | - | - | - | - | - | - | (|
| Interest expense | - | - | - | - | - | - | - | - | (3 |
| Depreciation and amortization expense | (73,702) | (44,252) | (18,036) | (16,050) | (88,130) | (356) | (240,526) | (240,526) | - |
| The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method | - | - | - | - | - | - | - | - | 1 |
| Income tax expense, continuing operations | - | - | - | - | - | - | - | - | (|
| Other items other than significant cash | | | | | | | | | |
| Income (loss) before taxes | 141,895 | 52,315 | 455,331 | 43,825 | 65,636 | 3,499 | 762,501 | 762,501 | (|
| Net income (loss) from continuing operations | 141,895 | 52,315 | 455,331 | 43,825 | 65,636 | 3,499 | 762,501 | 762,501 | (3 |
| Net income (loss) from discontinued operations | | | | | | | | | |
| Net income (loss) | 141,895 | 52,315 | 455,331 | 43,825 | 65,636 | 3,499 | 762,501 | 762,501 | (3 |
| Assets | - | - | - | - | - | - | - | - | 4 |
| | - | - | - | - | - | - | - | - | 1 |

| | | | | | | | | | | |
|---|-----------|-----|-------|----------|--------|--------|-----------|-----------|-----------|---|
| Equity-accounted investees | | | | | | | | | | |
| Incorporation of non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising from insurance contracts | | | | | | | | | | |
| Increase of non-current assets | - | - | - | - | - | - | - | - | - | - |
| Liabilities | - | - | - | - | - | - | - | - | - | 2 |
| Impairment loss recognized in profit or loss | (15,025) | 335 | 1,112 | (3,546) | (240) | (219) | (17,583) | (17,583) | (17,583) | (|
| Reversal of impairment losses recognized in profit or loss for the period | - | - | - | - | - | - | - | - | - | - |
| Cash flows from (used in) operating activities | - | - | - | - | - | - | - | - | - | 7 |
| Cash flows from (used in) investing activities | - | - | - | - | - | - | - | - | - | (|
| Cash flows from (used in) financing activities | - | - | - | - | - | - | - | - | - | (|

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)**28.3 Statement of comprehensive income classified by reportable segments based on groups of products**

| Items in the statement of comprehensive income | 12/31/2018 | | | | | | | Total segments and Corporate unit |
|--|---------------------------|---------------------------|-------------------------|----------------------|-----------|-----------------------------|----------------|-----------------------------------|
| | Specialty plant nutrients | Limestone and derivatives | Lithium and derivatives | Industrial chemicals | Potassium | Other products and services | Corporate Unit | |
| | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ |
| Revenue | 781,750 | 324,972 | 734,801 | 108,268 | 267,474 | 48,538 | - | 2,265,803 |
| Cost of sales | (613,267) | (217,464) | (316,875) | (72,964) | (217,386) | (45,568) | - | (1,483,524) |
| Gross profit | 168,483 | 107,508 | 417,926 | 35,304 | 50,088 | 2,970 | - | 782,279 |
| Other incomes by function | - | - | - | - | - | - | 32,048 | 32,048 |
| Administrative expenses | - | - | - | - | - | - | (118,126) | (118,126) |
| Other expenses by function | - | - | - | - | - | - | (36,907) | (36,907) |
| Deterioro de valor de ganancias y revisión de pérdidas por deterioro de valor (pérdidas por deterioro de valor) determinado de acuerdo con la NIIF 9 | - | - | - | - | - | - | 2,967 | 2,967 |
| Other gains (losses) | - | - | - | - | - | - | 6,404 | 6,404 |
| Financial income | - | - | - | - | - | - | 22,533 | 22,533 |
| Financial costs | - | - | - | - | - | - | (59,914) | (59,914) |
| 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 | 168,483 | 107,508 | 417,926 | 35,304 | 50,088 | 2,970 | (161,241) | 621,038 |
| Income tax expense | - | - | - | - | - | - | (178,975) | (178,975) |
| Profit (loss) from continuing operations | 168,483 | 107,508 | 417,926 | 35,304 | 50,088 | 2,970 | (340,216) | 442,063 |
| Profit (loss) from discontinued operations | - | - | - | - | - | - | - | - |
| Profit (loss) | 168,483 | 107,508 | 417,926 | 35,304 | 50,088 | 2,970 | (340,216) | 442,063 |
| Profit (loss), attributable to | | | | | | | | |
| Profit (loss) attributable to the controller's owners | - | - | - | - | - | - | - | 439,830 |
| | - | - | - | - | - | - | - | 2,233 |

Profit (loss) attributable
to the non-controllers

| | | | | | | | | |
|---------------|---|---|---|---|---|---|---|---------|
| Profit (loss) | - | - | - | - | - | - | - | 442,063 |
|---------------|---|---|---|---|---|---|---|---------|

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)**28.3 Statement of comprehensive income classified by reportable segments based on groups of products, continued**

| Items in the statement of comprehensive income | 12/31/2017 | | | | | | | Total segments and Corporate unit |
|--|-------------------------------------|--------------------------------|-----------------------------------|--------------------------------|---------------------|---------------------------------------|--------------------------|-----------------------------------|
| | Specialty plant nutrients ThUS\$ | Food and derivatives ThUS\$ | Lithium and derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Corporate Unit ThUS\$ | |
| Revenue | 697,251 | 252,123 | 644,573 | 135,578 | 379,326 | 48,472 | - | 2,157,323 |
| Cost of sales | (555,356) | (199,808) | (189,242) | (91,753) | (313,690) | (44,973) | - | (1,394,822) |
| Gross profit | 141,895 | 52,315 | 455,331 | 43,825 | 65,636 | 3,499 | - | 762,501 |
| Other incomes by function | - | - | - | - | - | - | 17,827 | 17,827 |
| Administrative expenses | - | - | - | - | - | - | (101,171) | (101,171) |
| Other expenses by function | - | - | - | - | - | - | (53,600) | (53,600) |
| Other gains (losses) | - | - | - | - | - | - | 543 | 543 |
| Financial income | - | - | - | - | - | - | 13,499 | 13,499 |
| Financial costs | - | - | - | - | - | - | (50,124) | (50,124) |
| Deterioro de valor de ganancias y revisión de pérdidas por deterioro de valor (pérdidas por deterioro de valor) determinado de acuerdo con la NIIF 9 | - | - | - | - | - | - | (8,038) | (8,038) |
| interest in the profit or loss of associates and joint ventures accounted for by the equity method | - | - | - | - | - | - | 14,452 | 14,452 |
| Exchange differences | - | - | - | - | - | - | (1,299) | (1,299) |
| Profit (loss) before taxes | 141,895 | 52,315 | 455,331 | 43,825 | 65,636 | 3,499 | (167,911) | 594,590 |
| Income tax expense | - | - | - | - | - | - | (166,173) | (166,173) |
| Profit (loss) from continuing operations | 141,895 | 52,315 | 455,331 | 43,825 | 65,636 | 3,499 | (334,084) | 428,417 |
| Profit (loss) from discontinued operations | - | - | - | - | - | - | - | - |
| Profit (loss) | 141,895 | 52,315 | 455,331 | 43,825 | 65,636 | 3,499 | (334,084) | 428,417 |
| Profit (loss), attributable to | - | - | - | - | - | - | - | - |
| Profit (loss) attributable to the controller's owners | - | - | - | - | - | - | - | 427,697 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---------|
| Profit (loss) attributable to the non-controllers | - | - | - | - | - | - | - | 720 |
| Profit (loss) | - | - | - | - | - | - | - | 428,417 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)**28.4 Revenue from transactions with other Company's operating segments****12/31/2018**

| Items in the statement of comprehensive income | Specialty plant nutrients ThUS\$ | Iodine and its derivatives ThUS\$ | Lithium and its derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Total segments and Corporate unit ThUS\$ |
|--|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------------------------|---|
| Revenue | 781,750 | 324,972 | 734,801 | 108,268 | 267,474 | 48,538 | 2,265,803 |

12/31/2017

| Items in the statement of comprehensive income | Specialty plant nutrients ThUS\$ | Iodine and its derivatives ThUS\$ | Lithium and its derivatives ThUS\$ | Industrial chemicals ThUS\$ | Potassium ThUS\$ | Other products and services ThUS\$ | Total segments and Corporate unit ThUS\$ |
|--|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------------|---------------------|---------------------------------------|---|
| Revenue | 697,251 | 252,123 | 644,573 | 135,578 | 379,326 | 48,472 | 2,157,323 |

28.5**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.

28.6**Disclosures on main customers**

With respect to the degree of dependency of the Company on its customers, in accordance with paragraph N° 34 of IFRS N° 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)**28.7 Segments by geographical areas as of December 31, 2018 and 2017**

| Items | 12/31/2018 | | | | | |
|--|-----------------|--|------------------|-------------------------|---------------------------|-----------------|
| | Chile ThUS\$ | Latin America and the Caribbean ThUS\$ | Europe ThUS\$ | North America ThUS\$ | Asia and others ThUS\$ | Total 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 | - | 386 | 152 | 77,201 | 188,283 |
| Goodwill | 22,535 | 86 | 11,373 | 724 | - | 34,718 |
| Property, plant and equipment, net | 1,445,349 | 347 | 4,451 | 3,098 | 1,578 | 1,454,823 |
| Investment property | - | - | - | - | - | - |
| Other non-current assets | 17,111 | 23 | - | (892) | 11,298 | 27,540 |
| Non-current assets that are not financial instruments | 1,588,951 | 456 | 77,466 | 19,197 | 130,843 | 1,816,913 |

| Items | 12/31/2017 | | | | | |
|--|-----------------|--|------------------|-------------------------|---------------------------|-----------------|
| | Chile ThUS\$ | Latin America and the Caribbean ThUS\$ | Europe ThUS\$ | North America ThUS\$ | Asia and others ThUS\$ | Total ThUS\$ |
| Revenue | 140,764 | 228,759 | 1,048,556 | 441,377 | 297,867 | 2,157,323 |
| Investment accounted for under the equity method | (5,513) | 33,065 | 33,318 | 15,193 | 76,567 | 152,630 |
| Intangible assets other than goodwill | 113,152 | - | 453 | 182 | - | 113,787 |
| Goodwill | 23,731 | 6,290 | 11,374 | 724 | 2,058 | 44,177 |
| Property, plant and equipment, net | 1,421,141 | 313 | 3,857 | 2,469 | 1,574 | 1,429,354 |
| Investment property | - | - | - | - | - | - |
| Other non-current assets | 19,234 | 28 | - | - | - | 19,262 |
| Non-current assets that are not financial instruments | 1,571,745 | 39,696 | 49,002 | 18,568 | 80,199 | 1,759,210 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 28 Reportable segments (continued)

28.8 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, 2018 and December 31, 2017:

| 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 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 29 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. As of December 31, 2018, total interest expenses incurred amount to ThUS\$59,914 (ThUS\$50,124 as of December 31, 2017).

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.

29.1 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 IAS 23.

The rates and costs for capitalized interest of property, plant and equipment are detailed as follows:

| | 12/31/2018 | | 12/31/2017 | |
|--|------------|---|------------|---|
| Capitalization rate of costs for capitalized interest, property, plant and equipment | 4 | % | 4 | % |
| Amount of costs for interest capitalized in ThUS\$ | 5,021 | | 4,382 | |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 30 Effect of fluctuations in foreign currency exchange rates

a) Foreign currency exchange differences recognized in profit or loss except for financial instruments measured at fair value through profit or loss:

| | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Conversion foreign exchange gains (losses) recognized in the result of the year. | (16,597) | (1,299) |
| Conversion foreign exchange reserves attributable to the owners of the controlling entity. | (961) | (5,450) |
| Conversion foreign exchange reserves attributable to the non-controlling entity. | 168 | 4 |

b) Reserves for foreign currency exchange differences:

As of December 31, 2018 and 2017, foreign currency exchange differences are detailed as follows:

| | 12/31/2018 | 12/31/2017 |
|---|------------|------------|
| Detail | ThUS\$ | ThUS\$ |
| Changes in equity generated by conversion of equity value: | | |
| Comercial Hydro S.A. | 1,004 | 1,004 |
| SQMC Internacional Ltda. | (17) | (2) |
| Proinsa Ltda. | (11) | (7) |
| Comercial Agrorama Ltda. | (21) | (44) |
| Isapre Norte Grande Ltda. | (1) | (74) |
| Almacenes y Depósitos Ltda. | 113 | 97 |
| Sacal S.A. | (3) | - |
| Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A. | (10) | - |
| Agrorama S.A. | 132 | (98) |
| Doktor Tarsa | (13,811) | (14,447) |
| SQM Vitas Fzco | (2,682) | (1,779) |
| Ajay Europe | (1,270) | (831) |
| SQM Eastmed Turkey | (113) | (92) |
| Charlee SQM (Thailand) Co. Ltd. | - | (285) |
| Coromandel SQM India | (393) | (234) |
| SQM Italia SRL | (213) | (154) |
| SQM Oceanía Pty Ltd. | (634) | (634) |
| SQM Indonesia S.A. | (124) | (124) |
| Abu Dhabi Fertilizers Industries WWL. | (435) | (435) |

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| | | | | |
|-------------------------------|---------|---|---------|---|
| SQM Vitas Holland | (170 |) | (101 |) |
| SQM Thailand Limited | (68 |) | (68 |) |
| SQM Europe | (1,983 |) | (1,550 |) |
| Minera Exar S.A. | - | | (5,209 |) |
| SQM Australia Pty Ltd. | (4,222 |) | 154 | |
| Pavoni & C. Spa | 70 | | - | |
| Terra Tarsa BV | (82 |) | - | |
| Plantacote NV | (34 |) | - | |
| Doktolab Tarim Arastirma San. | (29 |) | - | |
| Kore Potash PLC (a) | (1,206 |) | - | |
| SQM Colombia SAS | (94 |) | - | |
| Total | (26,307 |) | (24,913 |) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 30 Effect of fluctuations in foreign currency exchange rates (continued)

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 31 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 | 12/31/2018 | 12/31/2017 |
|---|----------|------------|------------|
| | | ThUS | ThUS\$ |
| Current assets: | | | |
| Cash and cash equivalents | ARS | 2 | 1 |
| Cash and cash equivalents | BRL | - | 38 |
| Cash and cash equivalents | CLP | 157,500 | 579 |
| Cash and cash equivalents | CNY | 2,305 | 1,143 |
| Cash and cash equivalents | EUR | 4,738 | 9,782 |
| Cash and cash equivalents | GBP | - | 55 |
| Cash and cash equivalents | AUD | 29,598 | - |
| Cash and cash equivalents | MXN | 1,242 | 258 |
| Cash and cash equivalents | PEN | 1 | 8 |
| Cash and cash equivalents | THB | 1 | - |
| Cash and cash equivalents | YEN | 1,786 | 1,773 |
| Cash and cash equivalents | ZAR | 5,219 | 4,074 |
| Subtotal cash and cash equivalents | | 202,392 | 17,711 |
| Other current financial assets | CLP | 20,931 | 39,126 |
| Subtotal other current financial assets | | 20,931 | 39,126 |
| Other current non-financial assets | BRL | - | 1 |
| Other current non-financial assets | ARS | 2 | - |
| Other current non-financial assets | AUD | 102 | - |
| Other current non-financial assets | COP | - | 30 |
| Other current non-financial assets | CLF | 47 | 46 |
| Other current non-financial assets | CLP | 20,276 | 12,172 |
| Other current non-financial assets | CNY | 8 | 12 |
| Other current non-financial assets | EUR | 3,153 | 235 |
| Other current non-financial assets | MXN | 3,274 | 1,429 |
| Other current non-financial assets | THB | 19 | 279 |
| Other current non-financial assets | PEN | - | 20 |
| Other current non-financial assets | YEN | 21 | 18 |
| Other current non-financial assets | ZAR | 1,547 | 2,941 |
| Subtotal other current non-financial assets | | 28,449 | 17,183 |
| Trade and other receivables | ARS | - | 6 |
| Trade and other receivables | BRL | 20 | 23 |
| Trade and other receivables | CLF | 453 | 427 |
| Trade and other receivables | CLP | 71,730 | 85,837 |
| Trade and other receivables | CNY | 11,361 | 10,426 |
| Trade and other receivables | EUR | 31,426 | 49,627 |
| Trade and other receivables | GBP | - | 90 |

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| | | | |
|---|-----|---------|---------|
| Trade and other receivables | MXN | 452 | 195 |
| Trade and other receivables | AED | 15,841 | 546 |
| Trade and other receivables | THB | 2,970 | 791 |
| Trade and other receivables | YEN | 76,267 | 41,582 |
| Trade and other receivables | ZAR | 571 | 23,825 |
| Subtotal trade and other receivables | | 211,091 | 213,375 |
| Receivables from related parties | EUR | 105 | 58 |
| Receivables from related parties | THB | - | 74 |
| Subtotal receivables from related parties | | 105 | 132 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

| Class of assets | Currency | 12/31/2018 | 12/31/2017 |
|---|----------|------------|------------|
| | | ThUS\$ | ThUS\$ |
| Current tax assets | ARS | 2 | 4 |
| Current tax assets | CLP | 601 | 1,413 |
| Current tax assets | EUR | 3,500 | 183 |
| Current tax assets | ZAR | - | 431 |
| Current tax assets | MXN | 843 | - |
| Current tax assets | PEN | 131 | 201 |
| Subtotal current tax assets | | 5,077 | 2,232 |
| Subtotal current assets | | 468,045 | 289,759 |
| Non-current assets | | | |
| Other non-current financial assets | CLP | 20 | 20 |
| Other non-current financial assets | YEN | 72 | 42 |
| Subtotal other non-current financial assets | | 92 | 62 |
| Other non-current non-financial assets | BRL | 23 | 27 |
| Other non-current non-financial assets | CLP | 758 | 822 |
| Subtotal other non-current non-financial assets | | 781 | 849 |
| Non-current right receivable | CLF | 329 | 209 |
| Non-current right receivable | COP | - | 47 |
| Non-current right receivable | CLP | 1,807 | 1,256 |
| Subtotal non-current rights receivable | | 2,136 | 1,512 |
| Equity-accounted investees | AED | 31,023 | 35,414 |
| Equity-accounted investees | EUR | 14,929 | 8,144 |
| Equity-accounted investees | INR | 1,729 | 1,632 |
| Equity-accounted investees | THB | 53 | 2,491 |
| Equity-accounted investees | TRY | 21,892 | 21,741 |
| Subtotal equity-accounted investees | | 69,626 | 69,422 |
| Intangible assets other than goodwill | CLP | 85 | 48 |
| Subtotal intangible assets other than goodwill | | 85 | 48 |
| Property, plant and equipment | CLP | 3,387 | 3,574 |
| Subtotal property, plant and equipment | | 3,387 | 3,574 |
| Total non-current assets | | 76,107 | 75,467 |
| Total assets | | 544,152 | 365,226 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Liabilities held in foreign currencies are detailed as follows:

| Class of liability | Currency | 12/31/2018 | | Total ThUS\$ | 12/31/2017 | | Total ThUS\$ |
|--|----------|-------------------------|-------------------------|-----------------|---------------------|-------------------------|-----------------|
| | | 91 days to 1 year | 91 days to 1 year | | Up to 90 days | 91 days to 1 year | |
| | | ThUS\$ | ThUS\$ | | ThUS\$ | ThUS\$ | |
| Current liabilities | | | | | | | |
| Other current financial liabilities | CLF | 342 | 6,256 | 6,598 | 4,947 | - | 4,947 |
| Other current financial liabilities | BRL | 52 | - | 52 | - | - | - |
| Subtotal other current financial liabilities | | 394 | 6,256 | 6,650 | 4,947 | - | 4,947 |
| Trade and other payables | BRL | 34 | - | 34 | 37 | - | 37 |
| Trade and other payables | THB | 65 | - | 65 | 91 | - | 91 |
| Trade and other payables | CLP | 69,789 | - | 69,789 | 61,310 | 4,361 | 65,671 |
| Trade and other payables | EUR | 36,439 | - | 36,439 | 32,896 | - | 32,896 |
| Trade and other payables | GBP | - | - | - | 11 | - | 11 |
| Trade and other payables | INR | 1 | - | 1 | 1 | - | 1 |
| Trade and other payables | MXN | 7 | - | 7 | 13 | - | 13 |
| Trade and other payables | PEN | - | - | - | 3 | - | 3 |
| Trade and other payables | ZAR | 1,842 | - | 1,842 | 2,541 | - | 2,541 |
| Subtotal trade and other payables | | 108,177 | - | 108,177 | 96,903 | 4,361 | 101,264 |
| Other current provisions | ARS | - | 13 | 13 | - | 12 | 12 |
| Other current provisions | BRL | 707 | - | 707 | 739 | - | 739 |
| Other current provisions | CLP | - | 64 | 64 | - | 80 | 80 |
| Other current provisions | EUR | 243 | - | 243 | 243 | - | 243 |
| Subtotal other current provisions | | 950 | 77 | 1,027 | 982 | 92 | 1,074 |
| Current tax liabilities | CLP | - | 31 | 31 | - | 326 | 326 |
| Current tax liabilities | BRL | - | 3 | 3 | - | 6 | 6 |
| Current tax liabilities | CNY | - | 8 | 8 | 3 | - | 3 |
| Current tax liabilities | EUR | 4,548 | 1,000 | 5,548 | - | 644 | 644 |
| Current tax liabilities | ZAR | - | 201 | 201 | 264 | - | 264 |
| Current tax liabilities | MXN | - | 9 | 9 | 3 | 3,071 | 3,074 |
| Subtotal current tax liabilities | | 4,548 | 1,252 | 5,800 | 270 | 4,047 | 4,317 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

| Class of liability | Currency | 12/31/2018 | | Total ThUS\$ | 12/31/2017 | | Total ThUS\$ |
|--|----------|------------|---------------------|-----------------|------------|---------------------|-----------------|
| | | Up to 90 | over | | Up to 90 | Over 90 | |
| | | days | 90 days | | days | days | |
| | | ThUS\$ | to 1 year ThUS\$ | | ThUS\$ | to 1 year ThUS\$ | |
| Other current non-financial liabilities | BRL | 3 | - | 3 | 15 | - | 15 |
| Other current non-financial liabilities | CLP | 7,703 | 6,431 | 14,134 | 8,708 | 1,824 | 10,532 |
| Other current non-financial liabilities | CNY | 11 | 40 | 51 | 7 | - | 7 |
| Other current non-financial liabilities | EUR | 1,053 | - | 1,053 | 2,955 | - | 2,955 |
| Other current non-financial liabilities | MXN | 103 | 46 | 149 | 346 | 34 | 380 |
| Other current non-financial liabilities | YEN | - | - | - | - | - | - |
| Other current non-financial liabilities | PEN | 70 | - | 70 | 70 | - | 70 |
| Other current non-financial liabilities | ZAR | 11 | - | 11 | 12 | - | 12 |
| Subtotal other current non-financial liabilities | | 8,954 | 6,517 | 15,471 | 12,113 | 1,858 | 13,971 |
| Total current liabilities | | 123,023 | 14,102 | 137,125 | 115,215 | 10,358 | 125,573 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 31 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

| Class of liability | Currency | 12/31/2018 | | | | | Total ThUS\$ |
|---|----------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | Over 5 years | |
| | | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| | | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| Non-current liabilities | | | | | | | |
| Other non-current financial liabilities | CLF | - | - | - | - | 453,818 | 453,818 |
| Subtotal other non-current financial liabilities | | - | - | - | - | 453,818 | 453,818 |
| Non-current provisions for employee benefits | CLP | - | - | - | - | 521 | 521 |
| Non-current provisions for employee benefits | MXN | - | - | - | - | 175 | 175 |
| Non-current provisions for employee benefits | YEN | - | - | - | - | 171 | 171 |
| Subtotal non-current provisions for employee benefits | | - | - | - | - | 867 | 867 |
| Total non-current liabilities | | - | - | - | - | 454,685 | 454,685 |

| Class of liability | Currency | 12/31/2017 | | | | | Total ThUS\$ |
|---|----------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | Over 5 years | |
| | | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| | | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | ThUS\$ | |
| Non-current liabilities | | | | | | | |
| Other non-current financial liabilities | CLF | - | - | - | - | 237,279 | 237,279 |
| Subtotal other non-current financial liabilities | | - | - | - | - | 237,279 | 237,279 |
| Non-current provisions for employee benefits | CLP | - | - | - | - | 601 | 601 |
| Non-current provisions for employee benefits | MXN | - | - | - | - | 65 | 65 |
| Non-current provisions for employee benefits | YEN | - | - | - | - | 626 | 626 |
| Subtotal non-current provisions for employee benefits | | - | - | - | - | 1,292 | 1,292 |
| Total non-current liabilities | | - | - | - | - | 238,571 | 238,571 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32

Income tax and deferred taxes

Accounts receivable from taxes as of December 31, 2018 and December 31, 2017, are as follows:

32.1 Current and non-current tax assets

a) Current tax assets

| | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Monthly provisional income tax payments, Chilean companies | 21,172 | 2,802 |
| Monthly provisional income tax payments, foreign companies | 5,199 | 808 |
| Corporate tax credits (1) | 1,858 | 456 |
| Taxes in recovery process | 28,881 | 28,225 |
| Total | 57,110 | 32,291 |

b) Non-current tax assets

| | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Monthly provisional income tax payments, Chilean companies | 6,398 | 6,398 |
| Specific tax on mining activities paid (on consignment) | 25,781 | 25,781 |
| Total | 32,179 | 32,179 |

These credits are available for Companies and are related to corporate tax payments in April of the following year.
 (1) 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.2 Current tax liabilities**

| Current tax liabilities | 12/31/2018 | 12/31/2017 |
|----------------------------|------------|------------|
| | ThUS\$ | ThUS\$ |
| 1st Category income tax | 25,163 | 45,479 |
| Foreign company income tax | 21,097 | 28,996 |
| Article 21 single tax | 1,152 | 927 |
| Total | 47,412 | 75,402 |

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 5.64% for caliche extraction operations.

The income tax rate for the main countries where the Company operates is presented below:

| Country | Income tax | |
|---------------|------------|--------|
| | 2018 | 2017 |
| Spain | 25% | 25% |
| Belgium | 29.58% | 33.99% |
| Mexico | 30% | 30% |
| United States | 21% + 6% | 34%+6% |
| South Africa | 28% | 28% |

32.3 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

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32

Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes

2 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

different entities or tax subjects who intend either to settle current fiscal assets and liabilities for their net amount, (ii) 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.3 Income tax and deferred taxes, continued**

d.1) Income tax assets and liabilities as of December 31, 2018 are detailed as follows:

| Description of deferred tax assets and liabilities | Net liability position | |
|--|------------------------|-----------------------|
| | Assets ThUS\$ | Liabilities 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 | - |
| Forwards | 2,169 | - |
| Employee benefits | 3,309 | - |
| Research and development expenses | - | (2,216) |
| Accounts receivable | 4,188 | - |
| Provision for legal complaints and expenses | 4,013 | - |
| Loan approval expenses | - | (2,337) |
| Junior mining companies (valued based on stock price) | - | (976) |
| Royalty | - | (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) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.3 Income tax and deferred taxes, continued**

d.2) Income tax assets and liabilities as of December 31, 2017 are detailed as follows

| Description of deferred tax assets and liabilities | Net liability position | |
|--|------------------------|-----------------------|
| | Assets ThUS\$ | Liabilities ThUS\$ |
| Unrealized loss | 68,544 | - |
| Property, plant and equipment and capitalized interest | - | (211,374) |
| Facility closure provision | 3,469 | - |
| Manufacturing expenses | - | (102,748) |
| Staff severance indemnities ,unemployment | - | (6,792) |
| Vacation accrual | 4,887 | - |
| Inventory provision | 25,172 | - |
| Materials provision | 7,107 | - |
| Forwards | 624 | - |
| Employee benefits | 2,317 | - |
| Research and development expenses | - | (3,501) |
| Accounts receivable | 4,253 | - |
| Provision for legal complaints and expenses | 5,243 | - |
| Loan approval expenses | - | (2,670) |
| Junior mining companies (valued based on stock price) | - | (2,474) |
| Royalty | - | (4,084) |
| Tax loss benefit | 1,437 | - |
| Other | 5,002 | - |
| Foreign items (other) | 305 | - |
| Balances to date | 128,360 | (333,643) |
| Net balance | - | (205,283) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.3 Income tax and deferred taxes, continued**

d.3) 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 |
| Individual savings plans, 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) |
| Forwards | (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 |
| Accounts receivable | (4,253) | 686 | (621) | 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 |
| Junior mining companies (valued based on stock price) | 2,474 | - | (1,498) | (1,498) | 976 |
| Royalty | 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) |

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| | | | | | |
|--|---------|-----------|----------|-----------|---------|
| Total temporary differences, unused losses and unused tax credits | 205,283 | (27,407) | (2,515) | (29,922) | 175,361 |
|--|---------|-----------|----------|-----------|---------|

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.3 Income tax and deferred taxes, continued**

d.4) Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2017

| | 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 | (86,156) | 17,612 | - | 17,612 | (68,544) |
| Property, plant and equipment and capitalized interest | 225,124 | (13,750) | - | (13,750) | 211,374 |
| Facility closure provision | (1,589) | (1,880) | - | (1,880) | (3,469) |
| Manufacturing expenses | 110,630 | (7,882) | - | (7,882) | 102,748 |
| Individual savings plans, unemployment insurance | 5,214 | 1,876 | (298) | 1,578 | 6,792 |
| Vacation accrual | (4,061) | (826) | - | (826) | (4,887) |
| Inventory provision | (20,684) | (4,488) | - | (4,488) | (25,172) |
| Materials provision | (7,776) | 669 | - | 669 | (7,107) |
| Forwards | (10,206) | 9,582 | - | 9,582 | (624) |
| Employee benefits | (6,783) | 4,466 | - | 4,466 | (2,317) |
| Research and development expenses | 4,641 | (1,140) | - | (1,140) | 3,501 |
| Accounts receivable | (4,305) | 52 | - | 52 | (4,253) |
| Provision for legal complaints and expenses | (7,686) | 2,443 | - | 2,443 | (5,243) |
| Loan approval expenses | 3,115 | (445) | - | (445) | 2,670 |
| Junior mining companies (valued based on stock price) | 1,300 | 624 | 550 | 1,174 | 2,474 |
| Royalty | 6,457 | (2,389) | 16 | (2,373) | 4,084 |
| Tax loss benefit | (1,302) | (135) | - | (135) | (1,437) |
| Other | (266) | (4,736) | - | (4,736) | (5,002) |
| Foreign items (other) | (212) | (93) | - | (93) | (305) |

| | | | | | | | |
|--|---------|------|---|-----|------|---|---------|
| Total temporary differences, unused losses and unused tax credits | 205,455 | (440 |) | 268 | (172 |) | 205,283 |
|--|---------|------|---|-----|------|---|---------|

During the period ended December 31, 2018 and December 31, 2017, the Company calculated and accounted for taxable income considering a rate of 27% and 25,5% respectively, in conformity with Law No. 20,780, Tax Reform, published in the Official Gazette on September 29, 2014.

The main amendments include a gradual increase in the corporate income tax rate up to 27% starting from 2018.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32

Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

d.5) 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, 2018 and December 31, 2017, tax loss carryforwards are detailed as follows:

| | 12/31/2018 | 12/31/2017 |
|-------|------------|------------|
| | ThUS\$ | ThUS\$ |
| Chile | 1,125 | 1,437 |
| Total | 1,125 | 1,437 |

Tax losses as of December 31, 2018 correspond mainly to SQM S.A., Exploraciones Mineras S.A., Comercial Agrorama S.A., Agrorama Ltd. and SIT S.A.

d.6) Unrecognized deferred income tax assets and liabilities

Unrecognized deferred tax assets and liabilities as of December 31, 2018 and December 31, 2017 are as follows:

| | 12/31/2018 | 12/31/2017 |
|------------------------------|----------------------|----------------------|
| | ThUS\$ | ThUS\$ |
| | Assets (liabilities) | Assets (liabilities) |
| Tax losses (NOLs) | 32 | 37 |
| Doubtful accounts impairment | 47 | 48 |
| Inventory impairment | 947 | 1,347 |
| Pensions plan | 62 | 1 |
| Accrued vacations | 19 | 19 |
| Depreciation | (127) | (139) |

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| | | | | |
|------------------|-----|---|-------|---|
| Other | (28 |) | (36 |) |
| Balances to date | 952 | | 1,277 | |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32

Income tax and deferred taxes (continued)

32.3 Income tax and deferred taxes, continued

d.7) Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of December 31, 2018 and December 31, 2017 are detailed as follows:

| | 12/31/2018 ThUS\$ | | 12/31/2017 ThUS\$ |
|--|----------------------|---|----------------------|
| | Liabilities (assets) | | Liabilities (assets) |
| Deferred tax assets and liabilities, net opening balance | (205,283 |) | (205,455) |
| Increase (decrease) in deferred taxes in profit or loss | 27,407 | | 440 |
| Increase (decrease) in deferred taxes in equity | 2,515 | | (268) |
| Balances to date | (175,361 |) | (205,283) |

d.8) 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

(b) a business combination

Current and deferred tax expenses (income) are detailed as follows:

| 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|----------------------|----------------------|
|----------------------|----------------------|

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| | Income (expenses) | Income (expenses) |
|--|----------------------|----------------------|
| Current income tax expense | | |
| Current income tax expense | (207,959 |) (182,567) |
| Adjustments to prior year current income tax | 1,577 | 15,954 |
| Current income tax expense, net, total | (206,382 |) (166,613) |
| Deferred tax expense | | |
| Deferred tax expense (income) relating to the creation and reversal of temporary differences | 27,407 | 440 |
| Deferred tax expense, net, total | 27,407 | 440 |
| Tax expense (income) | (178,975 |) (166,173) |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.3 Income tax and deferred taxes, continued**

Tax expenses (income) for foreign and domestic parties are detailed as follows:

| | 12/31/2018 | | 12/31/2017 |
|---|--------------------------|---|--------------------------|
| | ThUS\$ | | ThUS\$ |
| | Income (expenses) | | Income (expenses) |
| Current income tax expense by foreign and domestic parties, net | | | |
| Current income tax expense, foreign parties, net | (7,516 |) | (14,396 |
| Current income tax expense, domestic, net | (198,866 |) | (152,217 |
| Current income tax expense, net, total | (206,382 |) | (166,613 |
| Deferred tax expense by foreign and domestic parties, net | | | |
| Deferred tax expense, foreign parties, net | (1,885 |) | (154 |
| Deferred tax expense, domestic, net | 29,292 | | 594 |
| Deferred tax expense, net, total | 27,407 | | 440 |
| Income tax expense | (178,975 |) | (166,173 |

d.9) 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:

- (a) the parent, investor or interest holder is able to control the time for reversal of the temporary difference; and
- (b) 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:

(a) Temporary differences are reversed in a foreseeable future; and

(b) The Company has tax earnings, against which temporary differences can be used.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.3 Income tax and deferred taxes, continued**

- d.10) Disclosures on the tax effects of other comprehensive income components:

| | Amount before taxes (expense) gain | (Expense) income for income taxes | Amount after taxes |
|--|---|--|-----------------------------------|
| | 12/31/2018 ThUS\$ | 12/31/2018 ThUS\$ | 12/31/2018 ThUS\$ |
| Income tax related to other income and expense components with a charge or credit to net equity | | | |
| 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) |

| | Amount before taxes (expense) gain | (Expense) income for income taxes | Amount after taxes |
|--|---|--|-----------------------------------|
| | 12/31/2017 ThUS\$ | 12/31/2017 ThUS\$ | 12/31/2017 ThUS\$ |
| Income tax related to other income and expense components with a charge or credit to net equity | | | |
| Gain (loss) from defined benefit plans | (1,401) | 282 | (1,119) |
| Cash flow hedge | 2,184 | - | 2,184 |
| Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income | (26) | (550) | (576) |
| Total | 757 | (268) | 489 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32**Income tax and deferred taxes (continued)****32.3****Income tax and deferred taxes, continued**

d.11) 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 aforementioned election is based on the fact that the main office and subsidiaries established in Chile generate a large part of the Company’s tax expense (income).

Reconciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile,

| | 12/31/2018 | 12/31/2017 |
|--|------------|------------|
| | ThUS\$ | ThUS\$ |
| Consolidated income before taxes | 621,038 | 594,590 |
| Income tax rate in force in Chile | 27 % | 25.5 % |
| Tax expense using the legal rate | (167,680) | (151,620) |
| Effect of royalty tax payments. | (4,919) | (3,372) |
| Tax effect of revenue from regular activities exempt from taxation | 1,446 | 2,886 |
| Tax rate effect of non-tax-deductible expenses for determining taxable profit (loss) | (4,566) | (4,764) |
| Tax effect of tax rates borne abroad | (8,714) | (8,061) |
| IRS provision surplus | 3,517 | - |
| Fines affected by Article 21 | (718) | (1,517) |
| Other tax effects from reconciliation between accounting gains and tax expenses | 2,659 | 275 |
| Tax expense using the effective rate | (178,975) | (166,173) |

d.12) 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 32

Income tax and deferred taxes (continued)

32.3

Income tax and deferred taxes, continued

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:

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.

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.

Mexico:

In Mexico, the tax authority can review tax returns up to 5 years from the expiration date of the tax return.

Spain:

In Spain, the tax authority can review tax returns up to 4 years from the expiration date of the tax return.

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.

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.

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Note 33

Assets held for sale

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 | 12/31/2018 ThUS\$ | 12/31/2017 ThUS\$ |
|---|----------------------|----------------------|
| Terrenos Soquimich Comercial S.A. | 1,430 | 1,480 |
| Facilities and fixtures at Soquimich Comercial S.A. | - | 109 |
| Total assets held for sale | 1,430 | 1,589 |

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 34

Events occurred after the reporting date

34.1

Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries, prepared in accordance with International Financial Reporting Standards for the period ended December 31, 2018, were approved and authorized for issuance by the Company's Board of Directors on February 27, 2019.

34.2

Disclosures on events occurring after the reporting date

On January 7, 2019, the Superintendency of the Environment (SMA) accepted the compliance program presented by SQM Salar, thus suspending the process initiated against SQM Salar. On January 30, 2019, the Atacameño Indigenous Community of Peine filed against this ruling with the First Environmental Court. More details in note 22.3.

On January 23, 2019 Sociedad Química y Minera de Chile S.A. (SQM) (NYSE SQM, Santiago Stock Exchange SQM-B, SOM-A) informs that today the Board of Directors of SQM approved the following SOM Board Protocol for the presentation and use of sensitive information:

SOM BOARD PROTOCOL FOR THE PRESENTATION AND USE OF SENSITIVE INFORMATION

1. 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 34 Events occurred after the reporting date (continued)

34.2 Disclosures on events occurring after the reporting date (continued)

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 (e) 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.

In consideration of the foregoing, on January 23, 2019, the Board of Directors unanimously resolved to adopt, the (f) 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")

1. Protocol

Managing of information in the Board of Directors

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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 34

Events occurred after the reporting date (continued)

34.2 Disclosures on events occurring after the reporting date (continued)

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 FN E 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 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 34

Events occurred after the reporting date (continued)

34.2 Disclosures on events occurring after the reporting date (continued)

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 SOM Salar S.A. and SOM 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 S.S. 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.

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Notes to the Consolidated Financial Statements as of December 31, 2018.

Note 34

Events occurred after the reporting date (continued)

34.2 Disclosures on events occurring after the reporting date (continued)

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

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 January 7, 2019, the resignation of the Company's Chief Executive Officer, Mr. Patricio de Solminihac Tampier, became effective. Likewise, as of January 8, 2019, Mr. Ricardo Ramos Rodríguez has assumed the position of Chief Executive Officer for the Company.

Management is not aware of any other significant events occurring between December 31, 2018 and the date of issuance of these consolidated financial statements, which affect them.

34.3 Details of dividends declared after the reporting date

Payment of Provisional Dividend

As of the closing date of the financial statements, there are no dividends declared after the reporting date.

Management is not aware of any other significant events that occurred between December 31, 2018, and the date of issuance of these consolidated financial statements that may significantly affect them.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHEMICAL AND MINING COMPANY OF CHILE INC.
(Registrant)

Date: March 27, 2019 /s/ Gerardo Illanes
By: Gerardo Illanes
CFO

Persons who are to respond to the collection of information contained SEC 1815 (04-09) in this form are not required to respond unless the form displays currently valid OMB control number.