



CAP S.A.

2022 THIRD QUARTER RESULTS PRESENTATION

15 November 2022



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Agenda

- 1** Highlights 3Q22
- 2** Market background
- 3** Consolidated financial results 3Q22
- 4** Segments results 3Q22
- 5** ESG update
- 6** Major short and medium-term strategic projects

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CAP appoints Nicolás Burr as Chief Executive Officer

Nicolás brings extensive experience in business development and internationalization strategies, as well as in the implementation of alliances, M&A and productivity improvements. Before joining CAP, he was Manager of the Efficiency and Productivity Division of Banco de Chile, and between 2015 and 2020, he served as Corporate CFO and member of the Executive Committee of Hapag-Lloyd, based in Hamburg, Germany. Between 2012 and 2015 he served as CFO of Compañía Sudamericana de Vapores. Nicolás holds B.S. and M.S. degrees in Engineering from Pontificia Universidad Católica de Chile, an MBA from MIT and an MPA from LSE.



CMP and ENGIE will implement a pilot project to advance in the energy transformation of large mining companies

Conversion of two 220 ton mining trucks (CAEX) at Los Colorados mine that will operate with a dual fuel system that will run mainly on natural gas

Siderúrgica Huachipato commissions SMS with digitalization project for significant improvement of energy efficiency in its steel mill

This will allow optimizing the plant's energy management through digitalization, reducing CO2 emissions by up to 14 kilotons per year

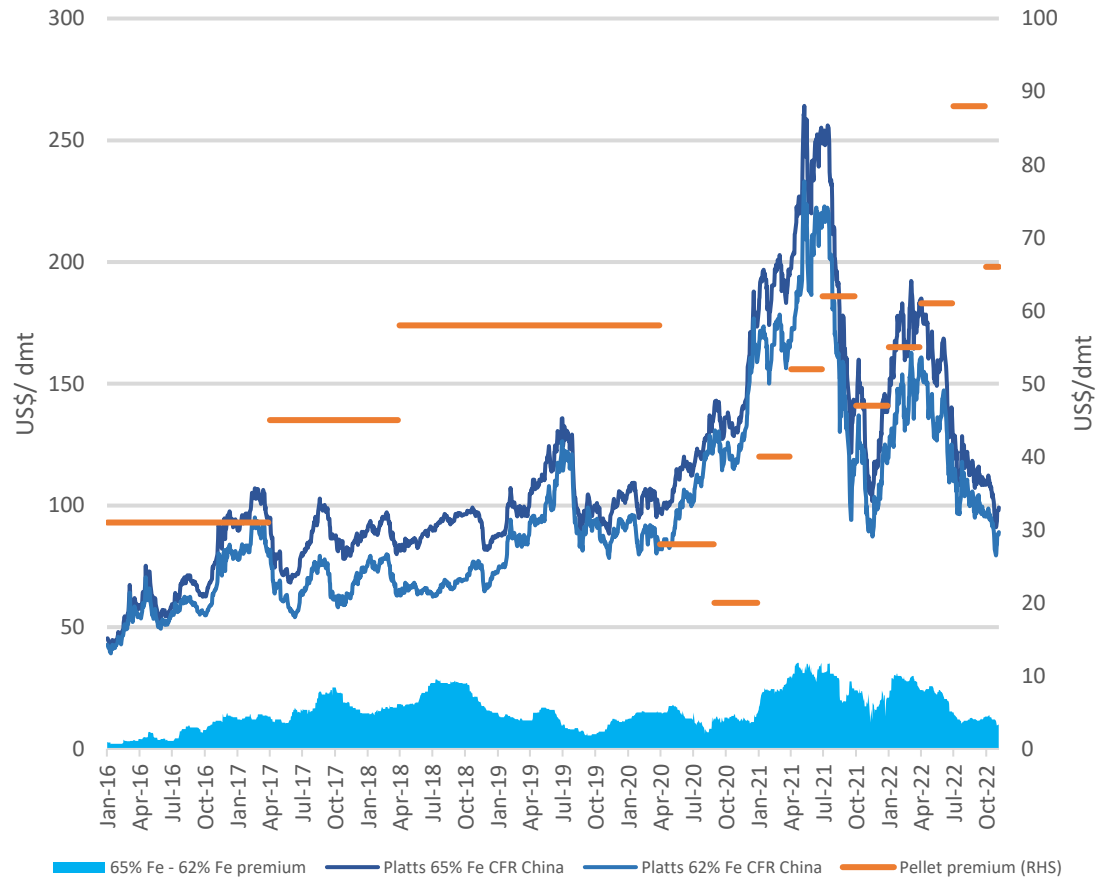


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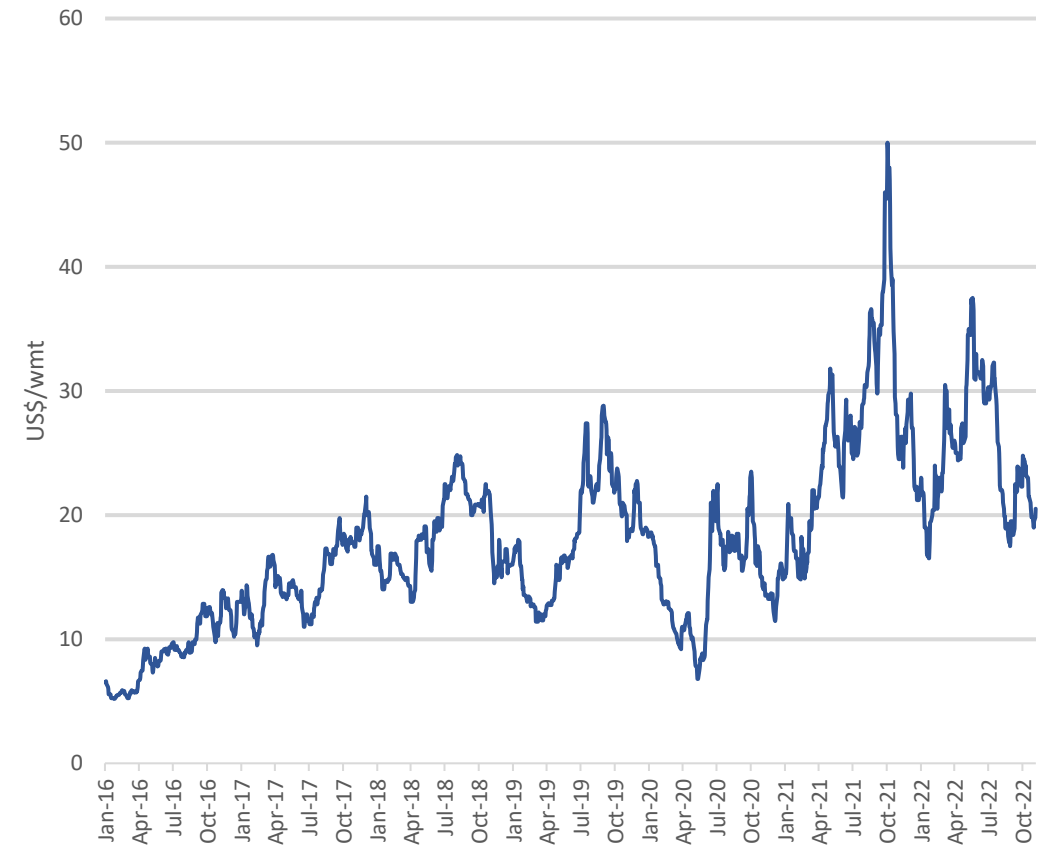


Iron ore price (CFR China)



(USD/dmt)	3Q22	3Q21	9M22	9M21
Platts 62% Fe avg	103,3	163,0	127,3	176,5
Platts 65% Fe avg	115,5	189,9	148,1	204,3

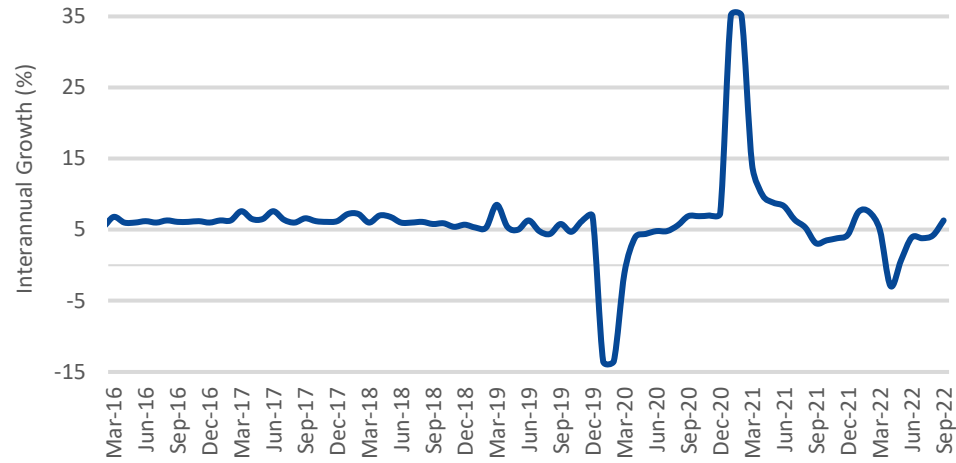
Brazil – China freight rate



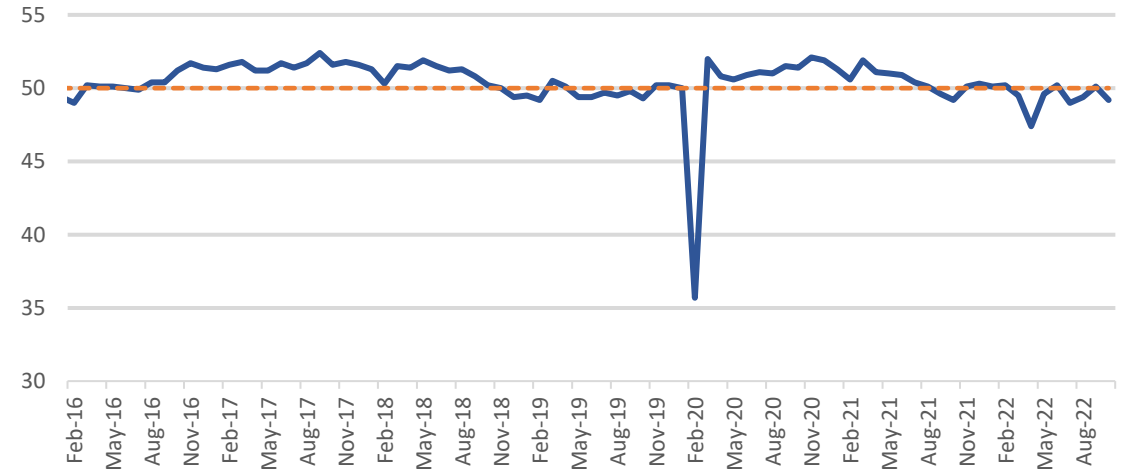
(USD/wmt)	3Q22	3Q21	9M22	9M21
Freight rate avg	23,7	31,7	25,5	25,4

Context in China and the impact of zero-Covid policy

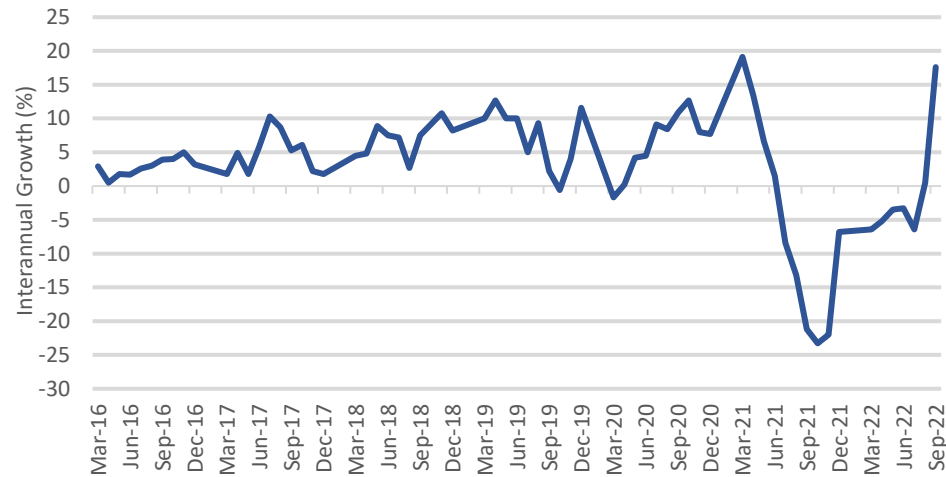
China – Industrial Production Growth



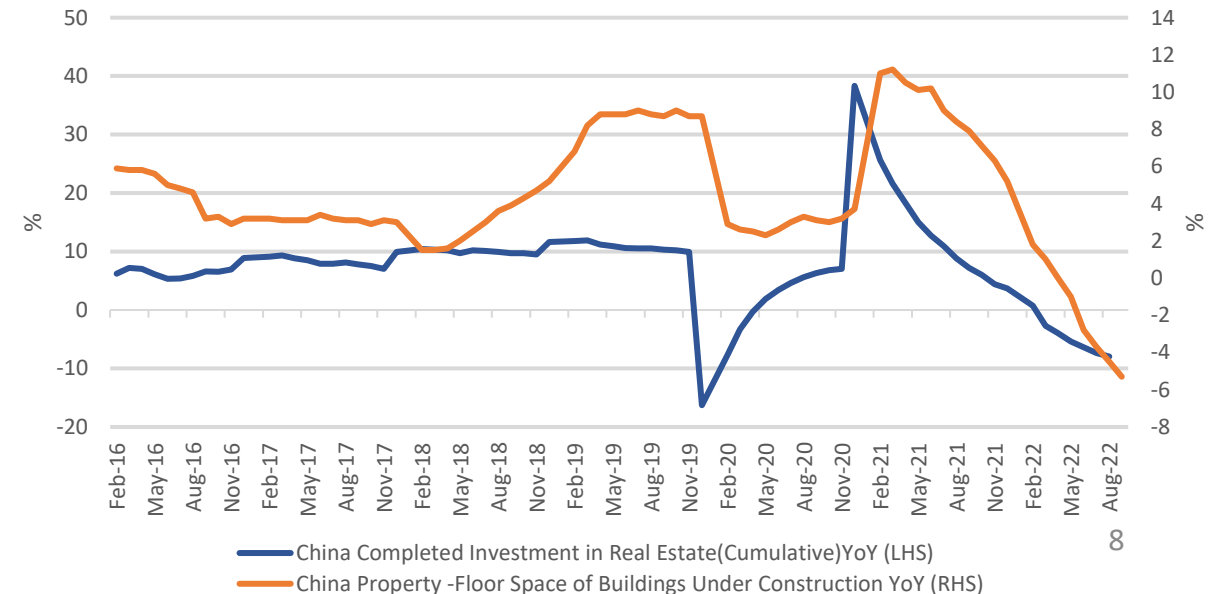
China – Manufacturing PMI



China – Production Crude Steel Growth



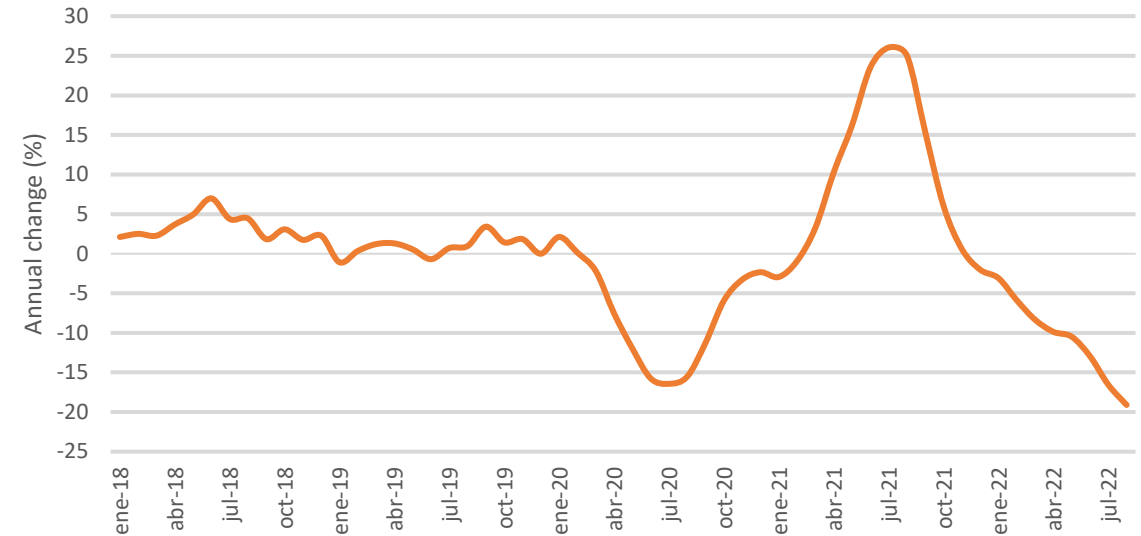
China – Construction Growth



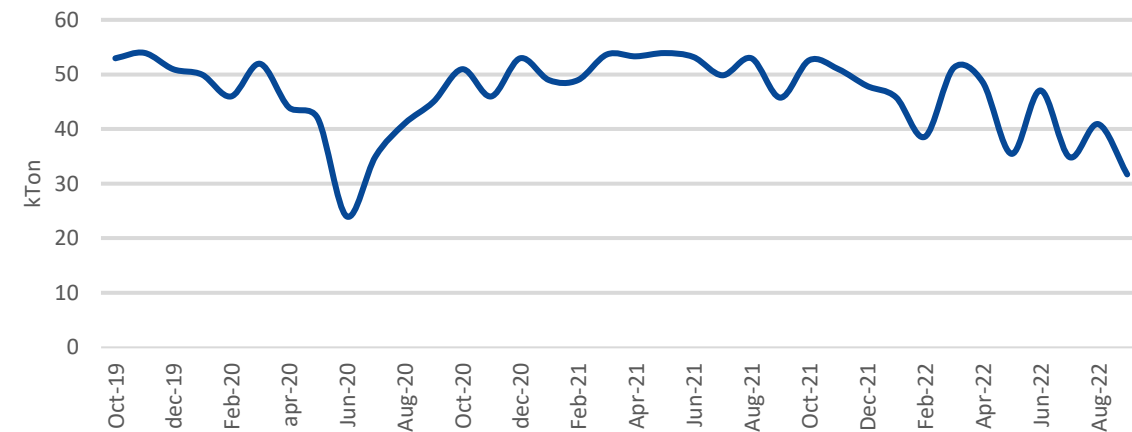
Steel Price ¹⁾



Monthly Construction Activity Index Chile (IMACON) ²⁾



Dispatches of steel bars for Chilean construction industry (kT)²⁾



Source: 1) CRUspi index @ 100 as of April 1994
Metal bulletin

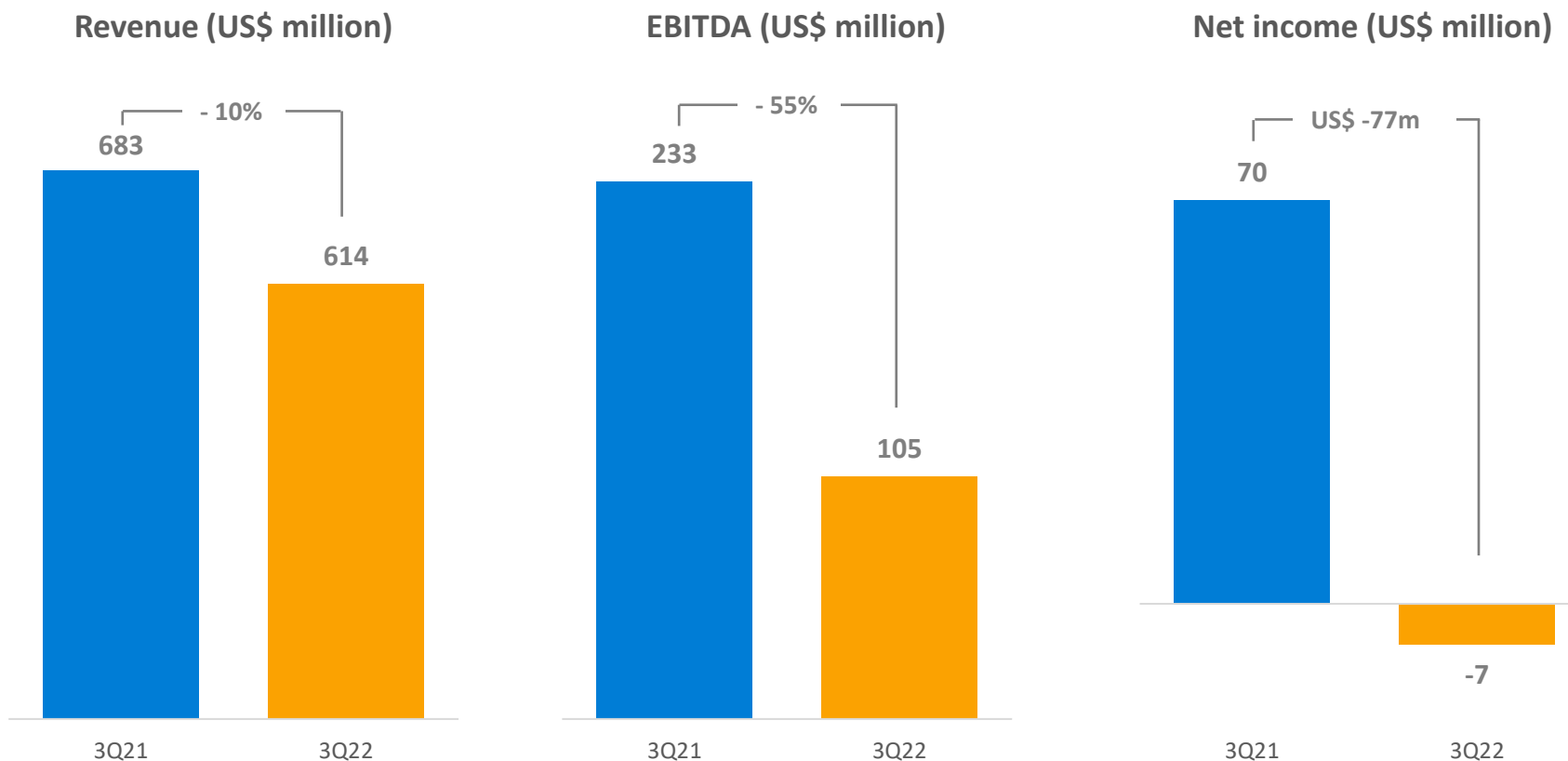
2) Cámara chilena de la construcción

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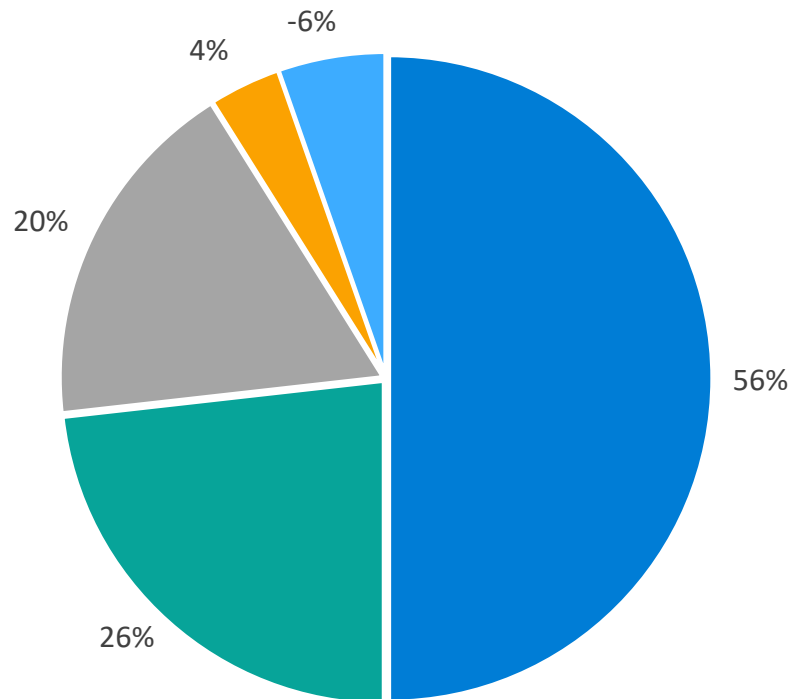
Main consolidated financial figures 3Q22



3Q22 revenue, EBITDA and net income lower than in 3Q21, mainly due to lower iron ore prices, and lower shipments and higher costs in both steel production and steel processing segments

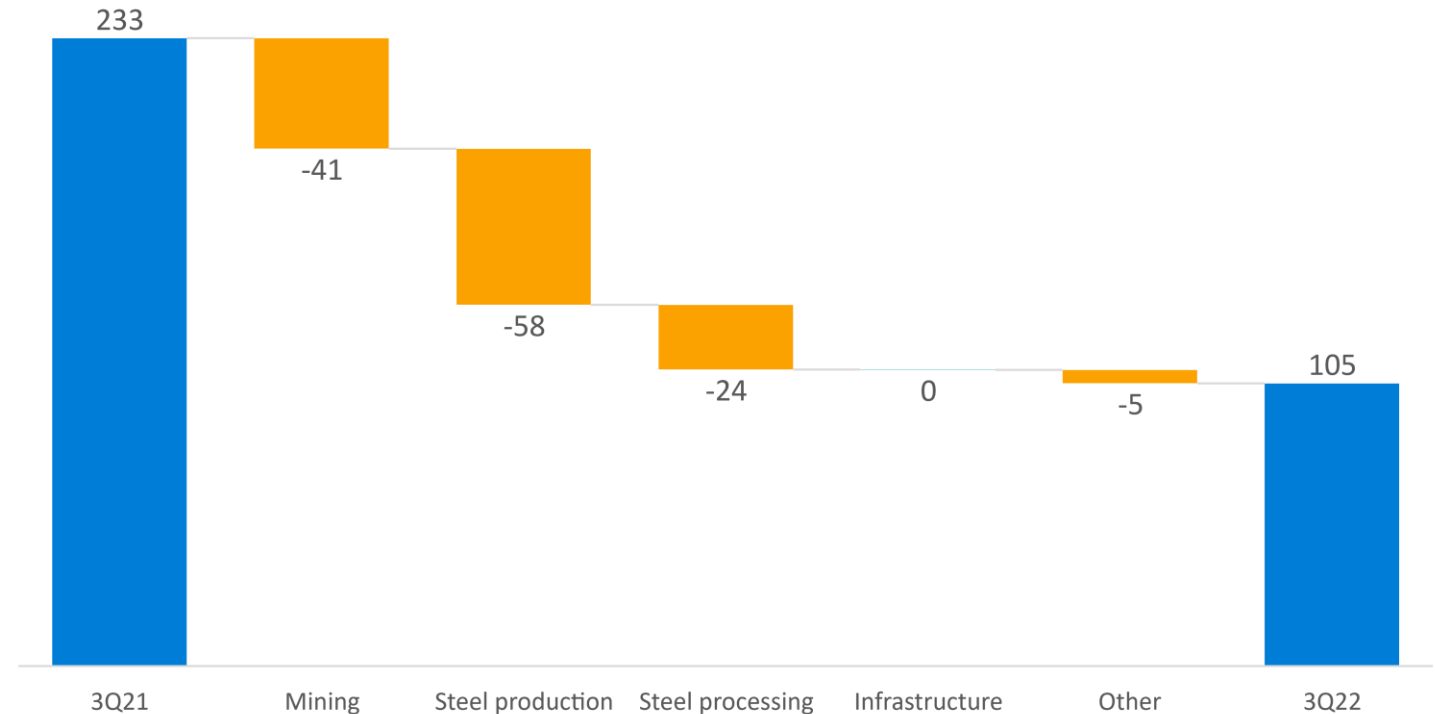
Contribution by segment to 3Q22 (US\$ million)

Contribution to 3Q22 Revenue



■ Mining ■ Steel production ■ Steel processing
■ Infrastructure ■ Intercompanies

EBITDA differential 3Q22 vs 3Q21 (US\$ million)

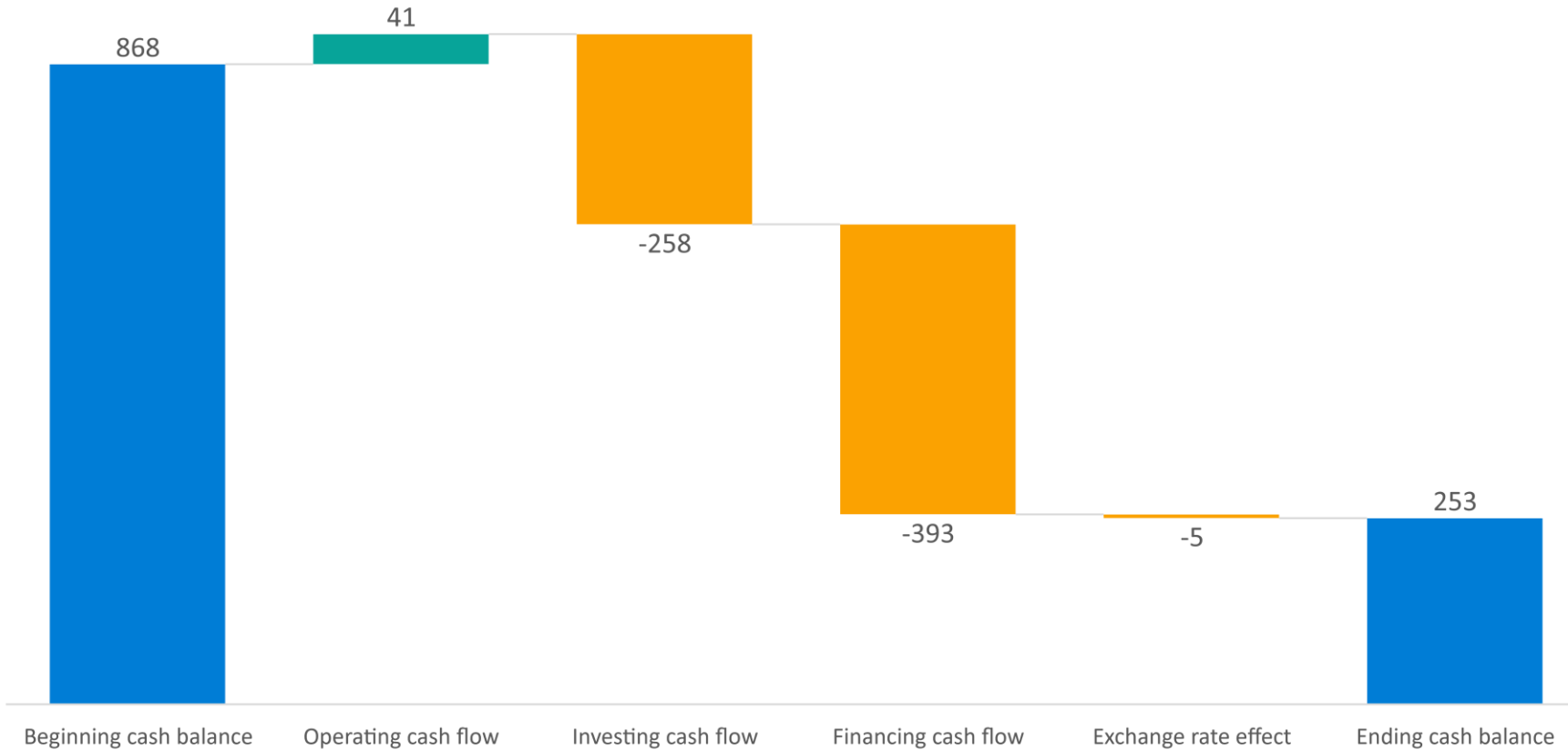


- **Mining:** 8% lower prices, 6% higher volumes and 9% higher cash cost per ton
- **Steel production:** 27% higher prices, 19% lower volumes, and 39% higher costs per ton
- **Steel processing:** 5% lower prices for steel products and 22% lower volumes

CAP Group cash flow generation (US\$ million)



Cash Flow Dec21 - Sep22

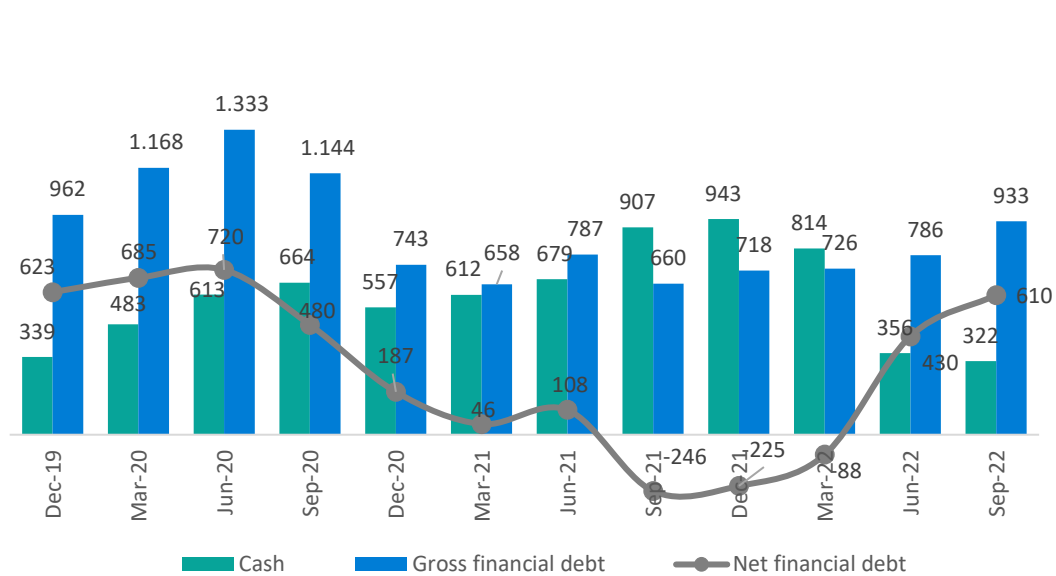


- Positive operating cash flow, but lower than last year's, due to higher working capital needs and tax payments for US\$ 473 million.
- Negative cash flow from investing activities mainly due to CAPEX disbursement of US\$ 299 million.
- Negative financing cash flow due to the payment of US\$566 million in dividends from CAP and some of its subsidiaries during the year.

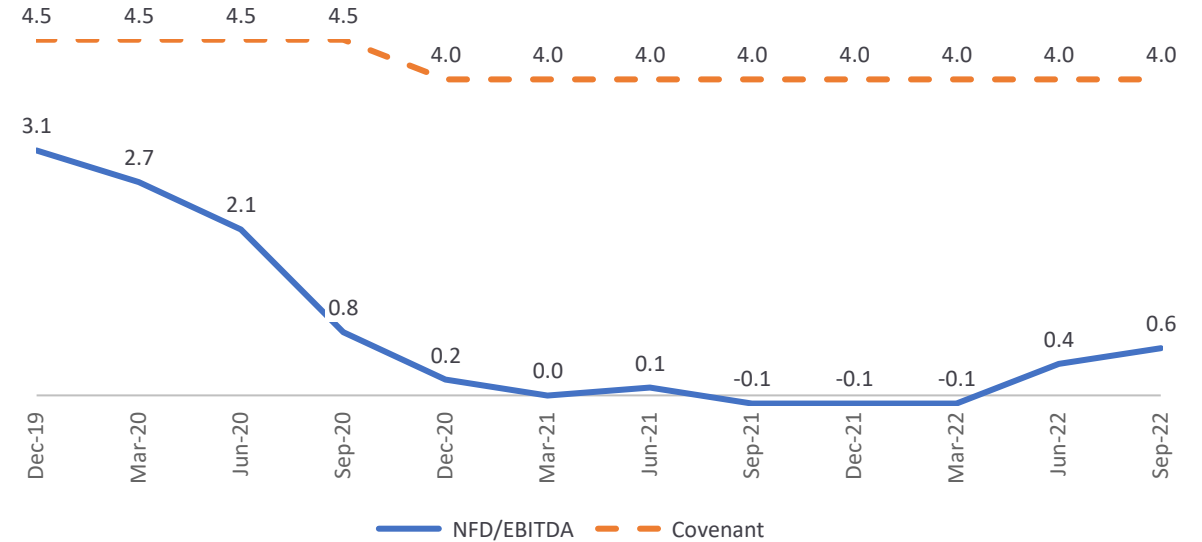
Financial indebtedness and covenants



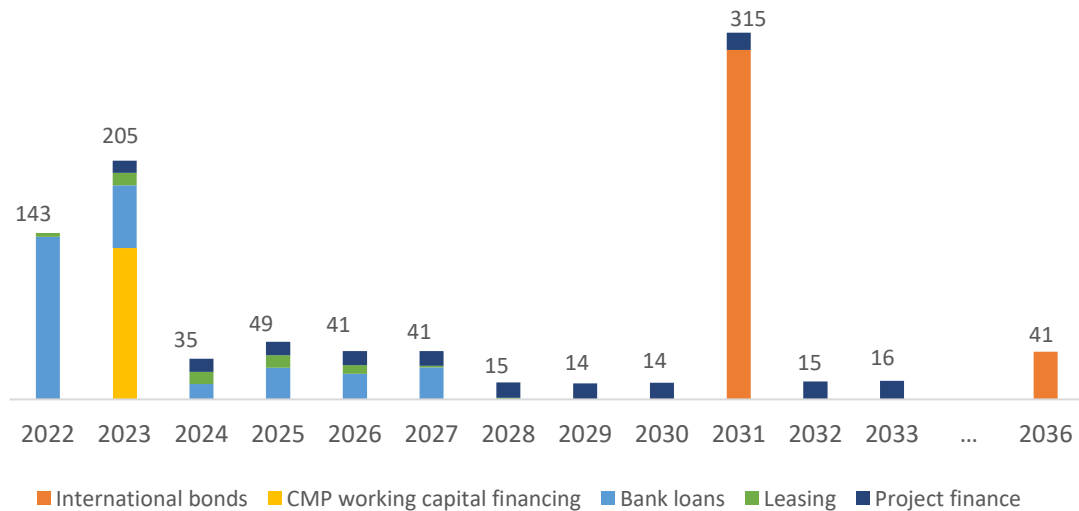
Evolution of net financial debt (US\$ million)



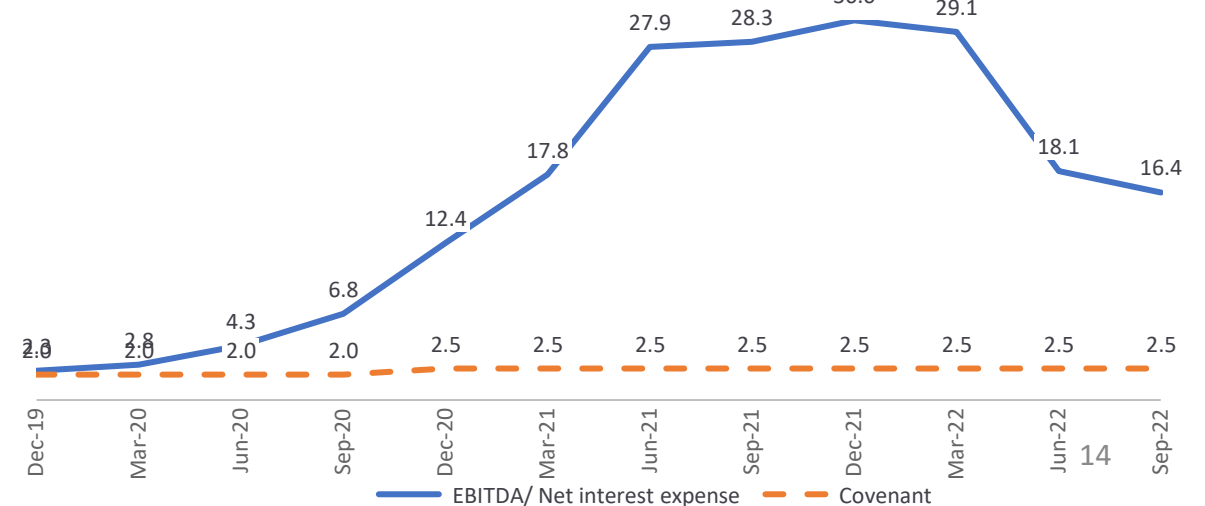
Net Financial Debt to EBITDA ratio (times)



Financial debt maturity profile (US\$ millions)



EBITDA to Net Interest Expense ratio (times)



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Mining

Compañía Minera del Pacífico is the leading iron ore and pellets producer on the American Pacific coast, with operations in Atacama and Coquimbo regions, developing products with high iron content:

- Pellet Feed 66% to 69% Fe content
- Pellets 65% to 67% Fe content
- Sinter Feed 62% to 64% Fe content
- Lumps 60% to 64% Fe content

4th largest producer of high-grade iron ore in the World with 5% of total output

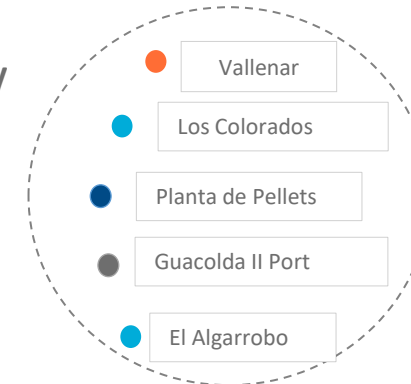
	3Q22	3Q21
Revenue	US\$343 million ↓ 3%	US\$352 million
EBITDA	US\$127 million ↓ 24%	US\$168 million
Net Income	US\$48 million ↓ 29%	US\$67 million

- 6% higher shipments, from 3.9 million tons in 3Q21 to 4.1 million tons in 3Q22
- 8% decrease in realized prices, from US\$90 per ton in 3Q21 to US\$83 per ton in 3Q22
- 3% increase in production, from 4.3 million tons in 3Q21 to 4.4 million tons in 2Q22

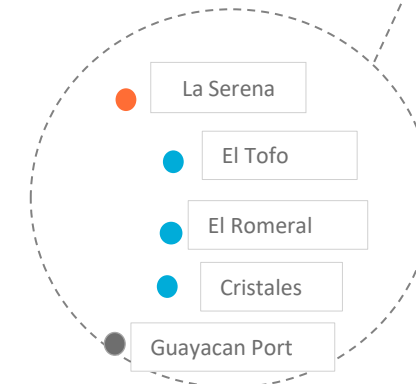
Copiapó Valley



Huasco Valley



Elqui Valley



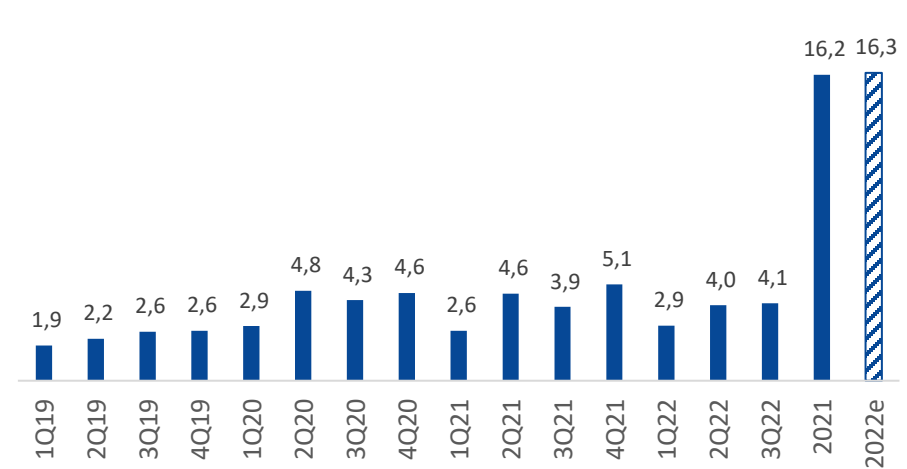
- City
- Mine
- Plant
- Port

Iron ore volumes and product mix

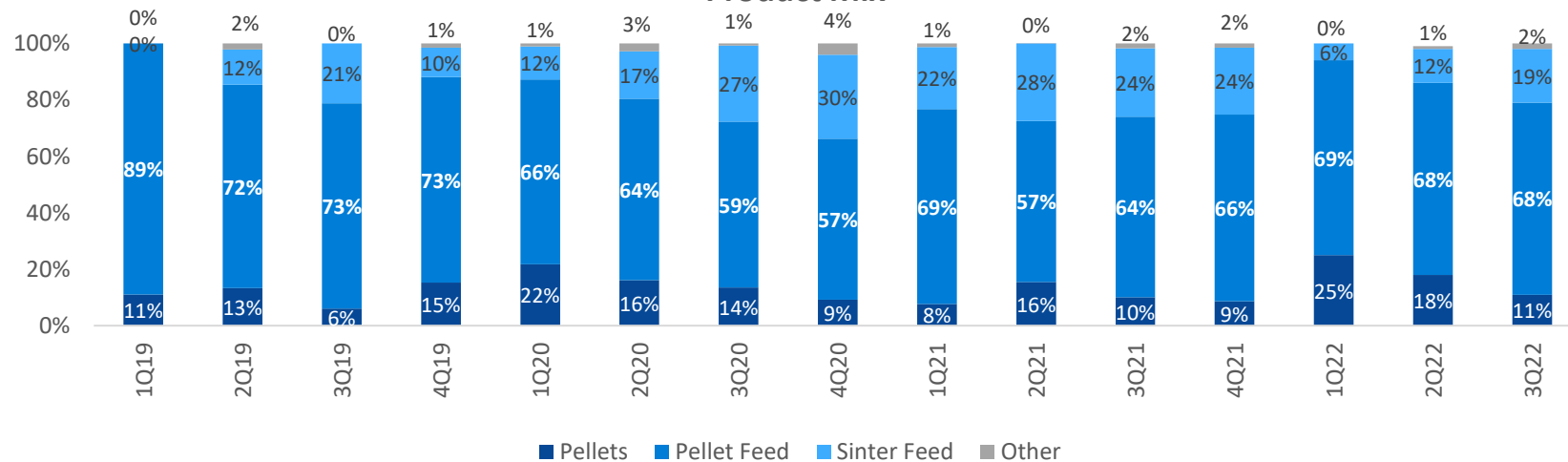
Production (million ton)



Shipments (million ton)



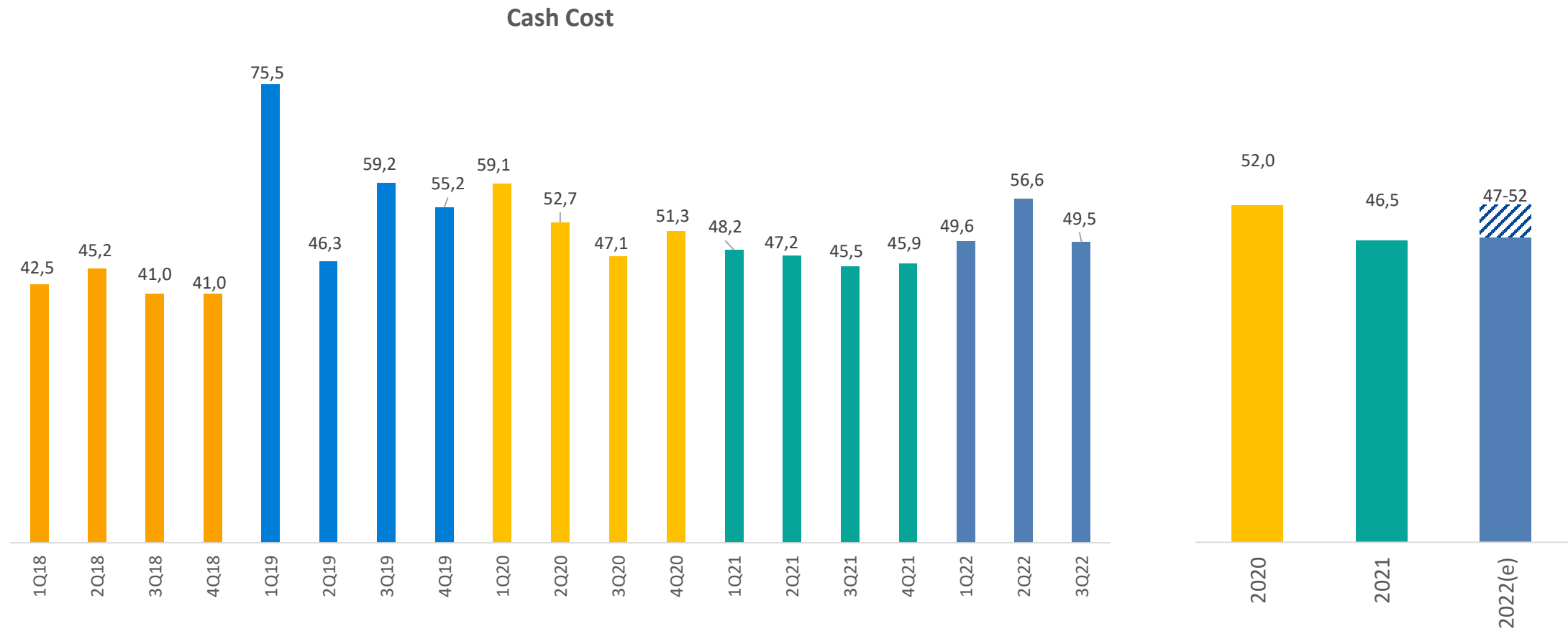
Product Mix



CMP cash cost* evolution (US/t (FOB))



CMP's cash cost under inflationary pressures that have especially affected the price of key inputs, and labor and services costs. Guidance for this year maintained in the range of US\$ 47 -52 / ton



* The cash cost shown in the chart above is calculated as the cost of sales without depreciation and amortization, based on tons shipped

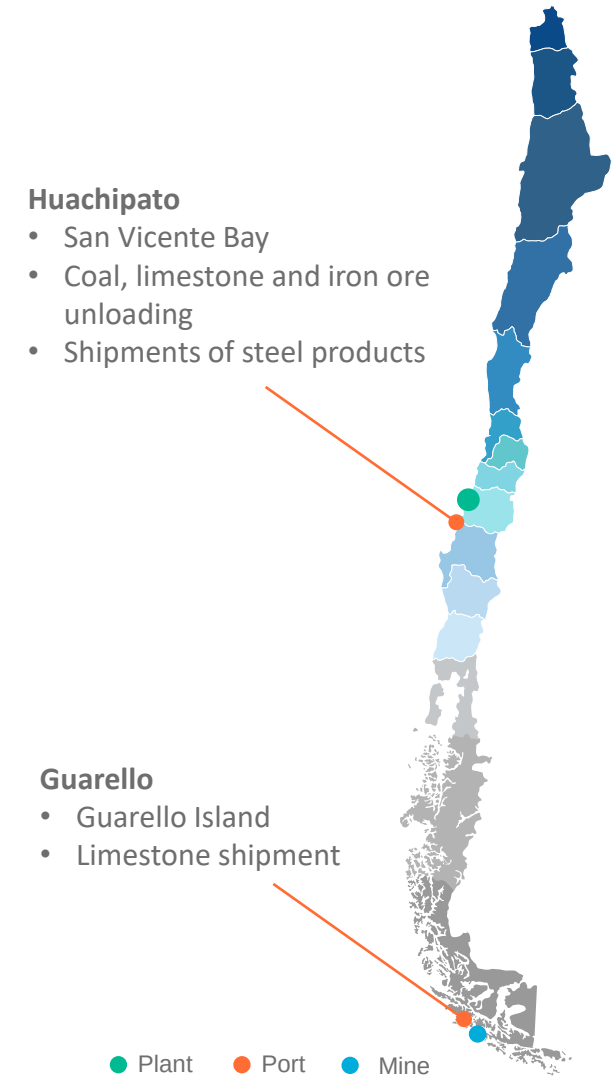
Steel Production

Compañía Siderúrgica Huachipato is the leading steel producer in Chile

- Supplies ~70% of the conventional grinding media consumed in the mining industry in Chile and Peru
- Manufactures long steel products:
 - Bars for mineral grinding media
 - Reinforcing bars for construction
 - Wire rod
 - Special steels
- Develops special steels to reduce steel consumption in the processes
 - High-strength steels for construction reduce up to 30% the consumption of this material in infrastructure projects, while also reducing their carbon footprint

	3Q22	3Q21
Revenue	US\$159 million ↓ 18%	US\$192 million
EBITDA	US\$-44 million ↓ US\$58 million	US\$14 million
Net Income	US\$-42 million ↓ US\$46 million	US\$4 million

- Dispatches decreased 19%, from 189 thousand metric tons in 3Q21 to 154 thousand metric tons in 3Q22
- 2,4% increase in realized prices, from US\$972 per ton in 3Q21 to US\$995 per ton in 3Q22
- 3Q22 includes a net realizable value adjustment on inventories of US\$29 million, which directly affected the company's cost of sales



Steel production update

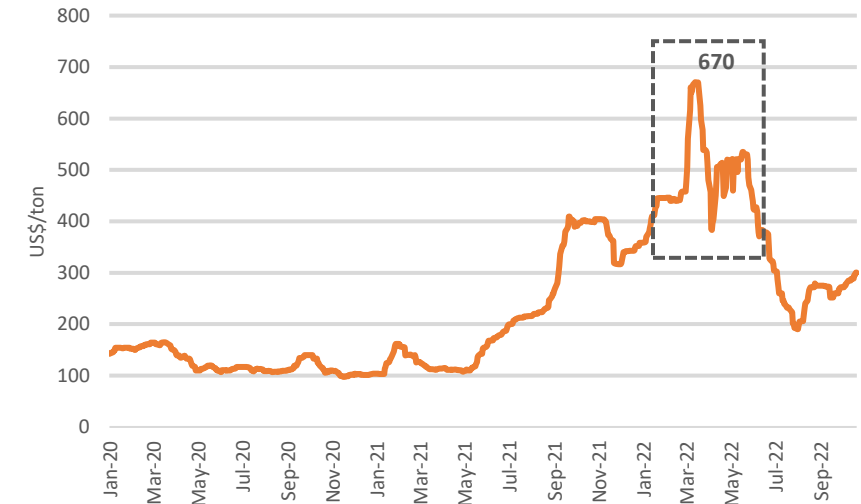


In 2022, CSH has faced significant internal and external challenges, which have impacted its financial performance.

Main causes of lower performance in 2022

BF operational problem in 1Q22	Loss of production in periods with good margins
	Overstock of coke due to the decrease in steel production, which slowed down the turnover of coal inventory
Customer base	Lower production prevented the company from supplying strategic customers, who had to rely on imports
	In the process of recovering this demand
Raw materials inventories	Oversupply of coal in the first part of the year, to prevent the risk of shortages due to the rains in Australia
	The price of coal peaks at the beginning of 2Q22 as a result of the war in Ukraine, and then falls drastically, but coal inventories remained at high prices
Demand	Decrease in rebar demand due to a sharp contraction in Chile's construction sector

HCC Peak Downs Region FOB Australia

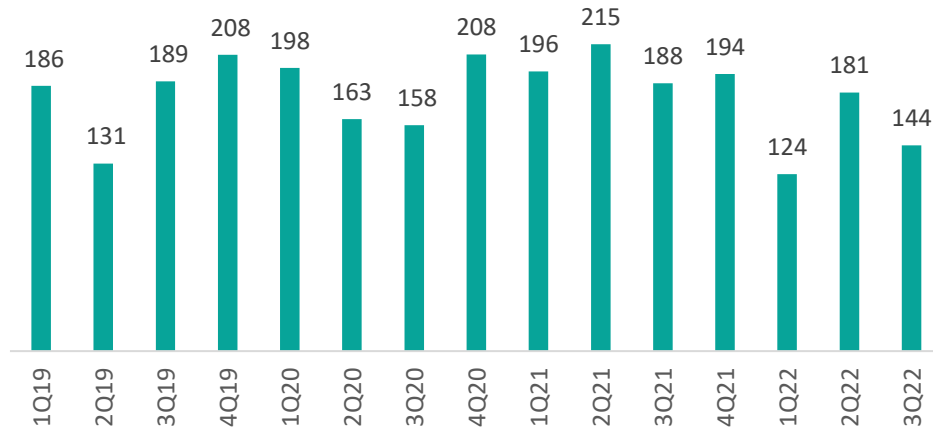


Improvement plans at CSH

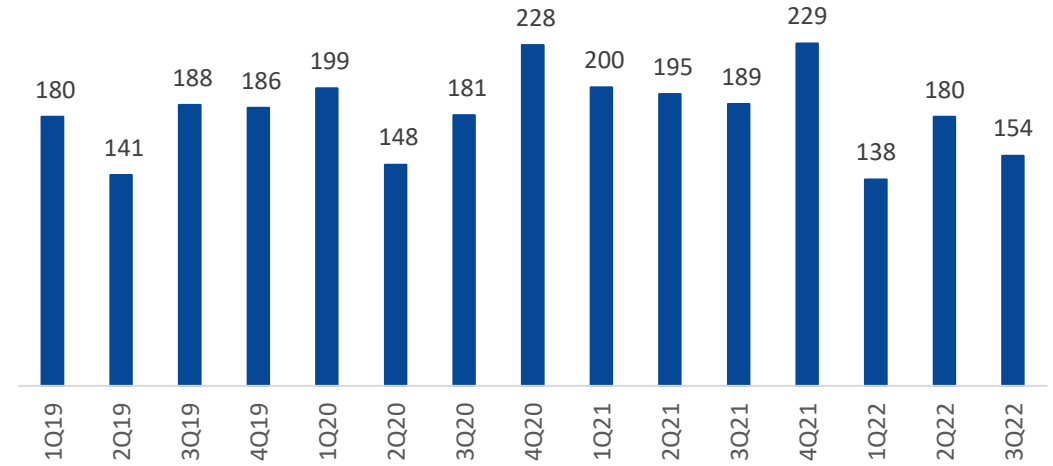
BF reliability and operational efficiency	Supply chain strategy review	Cost reduction program / Procurement	Market diversification
•Implement digitalization to monitor BF •Bell les top charging system	•Increase flexibility in raw materials contracts to avoid overstocking	•Cost reduction initiatives via efficiencies and digitalization •Efficiencies in procurement processes	•Reduce demand risk through greater diversification of markets

Steel volumes and product mix

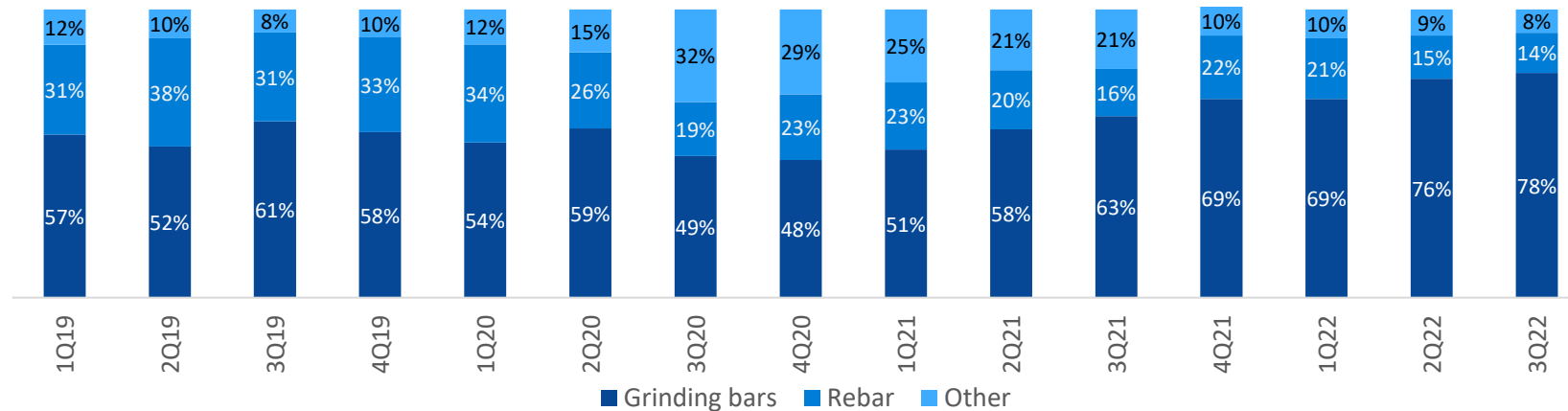
Production (thousand tons)



Shipments (thousand tons)



CSH Product Mix



Steel Processing Group (SPG) is composed of the following companies in Chile, Peru and Argentina: Cintac, Promet, Calaminon, Tupemesa, Sehover, Agrow and Tubos Argentinos (TASA).

SPG promotes the development of the construction and metal-mechanic sectors in Chile, Peru and Argentina through different products and innovative solutions:

	3Q22	3Q21
Revenue	US\$126 million ↓ 25%	US\$168 million
EBITDA	US\$5 million ↓ 84%	US\$29 million
Net Income	US\$-15 million ↓ US\$31 million	US\$16 million

- 22% of lower volumes, from 90 thousand metric tons in 3Q21 to 70 thousand metric tons in 3Q22
- 5% lower prices for steel products, from US\$1,435 per ton in 3Q21 to US\$1,370 per ton in 3Q22



METALCON® construction system



Structures for solar panels



Modular construction



Infrastructure for roads

Cintac's results in 3Q22 reflected several impacts that were translated into a lower financial performance, deviating from previous years (considering that the results for 2021 were exceptional, mainly due to pandemic-related factors).

Main causes of lower performance in 2022

Demand	Decrease in demand due to sharp contraction in Chile's construction sector
Raw material inventories	High levels of steel inventories to avoid risk of stock-outs, as was the case in 2021
Context in Peru	Reduction of public spending in Peru, particularly affecting Calaminon
Refocusing the strategy	Costs for divestment process in subsidiaries that are no longer part of the company's core business

Cintac's short-term tasks

Organization	Business	Cash and indebtedness	CAPEX
•Simplifying the company structure	•Develop products and services around the core business	•Control working capital •Focus on debt reduction	•Postponement of expendable investments

The infrastructure segment includes port, water and energy assets that provide services to our mining and steel businesses, as well as other customers located in the area of operation. It is currently comprised of:

	3Q22	3Q21
Revenue	US\$26 million ↑ 6%	US\$24 million
EBITDA	US\$15.3 million ↑ 1%	US\$15.1 million
Net Income	US\$6.2 million ↑ 8%	US\$5.7 million



Desalination Plant: Cleanairtech



Power transmission line: Tecnocap



Port: Puerto Las Losas

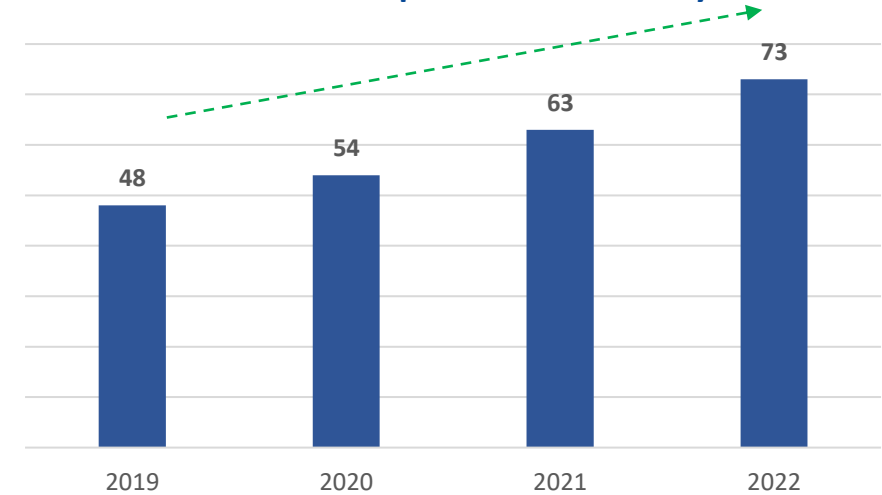
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Dow Jones Sustainability Index 2022

- S&P published its preliminary results for the DJSI 2022, and **CAP moved up from 63 to 73 points in the sustainable management assessment**
- CAP now registers **4 years of consecutive improvements**, as a result of the efforts and progress in sustainability that have been conducted within the Group
- CAP's position within the global steel industry is not yet definitive, as not all evaluations for our peers have been completed (the final information will be released on December 9th)

DJSI – CAP Group score in the las 4 years



Workshops aimed at strengthening our climate strategy and ESG culture

- Survey of physical risks related to climate change (Aguas CAP, PLL and Tecnocap)
- Identification and evaluation of Carbon Footprint mitigation measures (Cintac)



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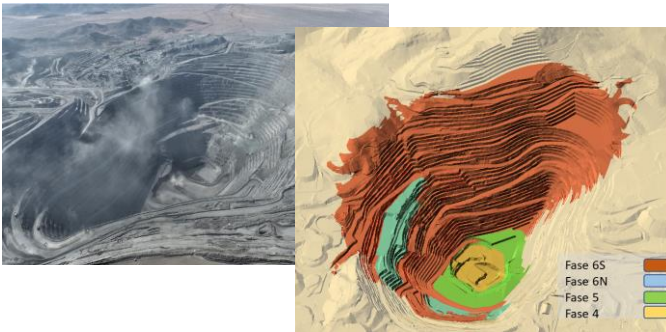
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Major short and medium-term strategic projects

Phase 6 MLC Etapapa Sur

CAPEX ~US\$ 285 million between 2022-2025

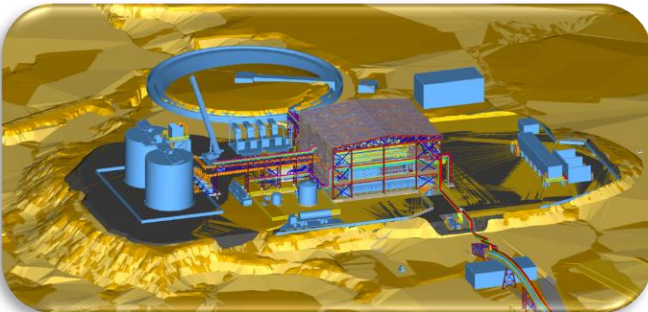
Includes the removal of more than 215 Mt of material to maintain Huasco Valley production until 2032 (8Mt)



Solution filtered tailings deposit in Huasco Valley

CAPEX ~US\$ 180 million between 2022-2024

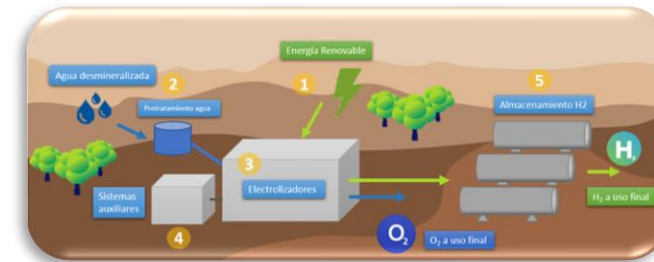
Will allow the termination of tailing discharge to the sea



Hydrogen Pilot Plant for iron ore direct reduction and production of “green steel” using Huachipato’s facilities

Enables production of 1,500 tons of hydrogen per year CAPEX ~US\$ 25 million

Operation by 2025



New line for manufacturing steel for SAG balls

Incorporation ~170,000 ton/ year

Capex ~US\$ 100 million

Possible commissioning in 2026





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SIDERÚRGICA
HUACHIPATO
UNA EMPRESA DEL GRUPO CAP



PLL
PUERTO LAS LOSAS S.A.

