

CAP S.A.

1Q25 Results

May 15, 2025



Agenda

1. Overview 1Q25
2. Highlights 1Q25
3. Market context
4. Financial results
5. Strategy 2030 progress
6. Way Forward

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Key facts

- Consolidated losses reduced from US\$ -38.5 million in 1Q24 to US\$ -13.3 million in 1Q25. Remaining losses mainly explained by the mining and industrial segments
- CMP reported losses of US\$ -5.9 million in 1Q25 (vs net income of US\$ 5.6 million in 1Q24), impacted by the contingency at Los Colorados and lower market prices
- Losses of US\$ -19,8 million in 1Q25 recorded in the industrial segment (vs losses of US\$ -49,5 million in 1Q24), out of which US\$ -10,1 million correspond to Huachipato's intercompany financial expenses



Market background

- 62% Fe CFR China iron ore price averaged US\$ 103.6/ton in 1Q25, below the US\$ 123.6/ton registered in 1Q24
- Despite the volatility caused by the various tariff measures announced by the Trump administration, the average price of 62% Fe iron ore has mostly remained above US\$ 100/ton during 1Q25
- IMACON has stabilized since the end of 2024 after three years of decline, although it remains below historical levels. Mining and energy sectors, on the other hand, are showing stronger activity in Chile and Peru



Financial results

- Consolidated EBITDA in 1Q25 decreased 4.3% YoY from US\$ 112.8 million to US\$ 107.9 million, mainly explained by the mining segment that recorded lower shipments (-18.3% YoY) and realized prices (-12.9% YoY)
- EBITDA in the industrial segment, on the other hand, improved from US\$ -0.4 million in 1Q24 to US\$ +2.9 million in 1Q25, pushed by better performance at Cintac (+US\$ 3.2 million) and HTO (+US\$ 0.9 million), partially offset by a lower EBITDA at Tasa (-US\$0.8 million)
- Stable EBITDA in the infrastructure business (US\$ 14.1 million in 1Q25 vs US\$14.9 million in 1Q24)



Way forward

- Resolve the contingency at Los Colorados mine (MLC) and recover iron ore production levels
 - Geotechnical Review Board (GRB) will meet by the beginning of 3Q25 to recommend best way forward (phase 5 vs phase 6)
- Enabling growth:
 - Engineering studies for expansion at CMP, progressing towards achieving FEL2
 - Environmental permits for Aclara and securing offtake contracts
 - Closing new long-term contracts at Aguas CAP to enable desalination plant expansion
 - Develop Huachipato 2.0, with particular focus on the logistics and port businesses

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2. Highlights 1Q25



CAP closes 49% of Aguas CAP with a sustainable loan

During April CAP closed the acquisition of the 49% stake of Mitsubishi in Aguas CAP, leaving CAP with a 100% participation in this company. This transaction was fundamental to execute our strategy in water.

To finance the operation, we took a loan with Banco Itaú for US\$80m, which received the first “blue label” certification in Chile.

Blue certifications are awarded to projects that promote the protection of oceans and the responsible use of water.



CAP Group reveals its new identity with a future-focused vision

During its Annual General Meeting, CAP Group presented a new corporate identity that reflects its evolution and future vision, in line with its 2030 Strategy.

The redesign maintains the company's blue color to mark its 80-year history and introduces a new color representing its expansion into sectors like minerals and rare earths, which are crucial for decarbonization and a more sustainable world.



Huachipato 2.0 moving forward

We made significant progress in developing HTO's core pillars during the last quarter.

Logistic hub: Agreements were secured in limestone and coal to optimize port facilities usage and provide integrated storage services.

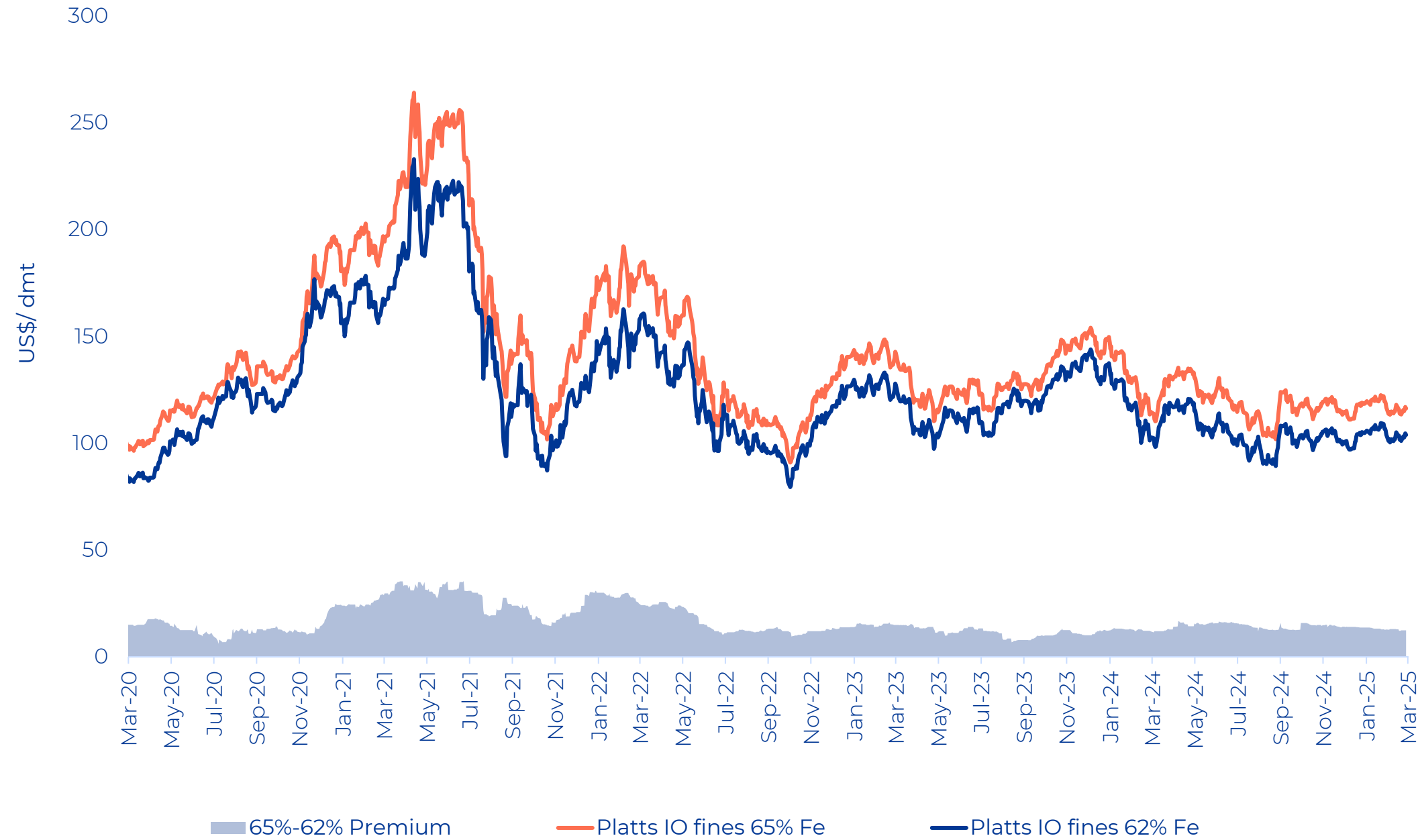
Industrial hub: An operational model for limestone extraction on Guarello Island was developed, allowing profitable collaborations with third parties. In addition, we completed conceptual and basic engineering studies for the REE Alloys pilot plant.

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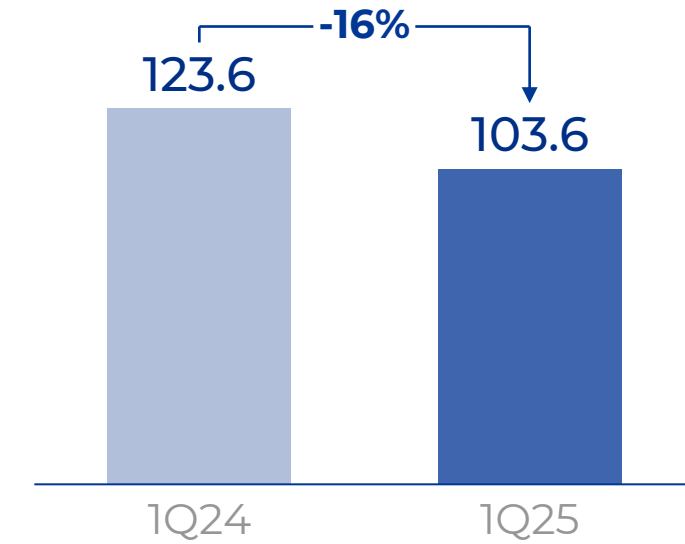
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Iron ore prices were ~15% lower in 1Q25 versus 1Q24

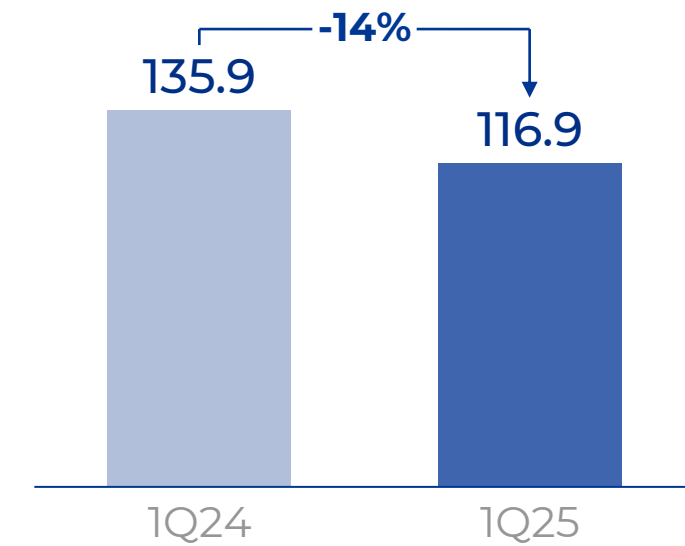
Iron ore price (CFR China)



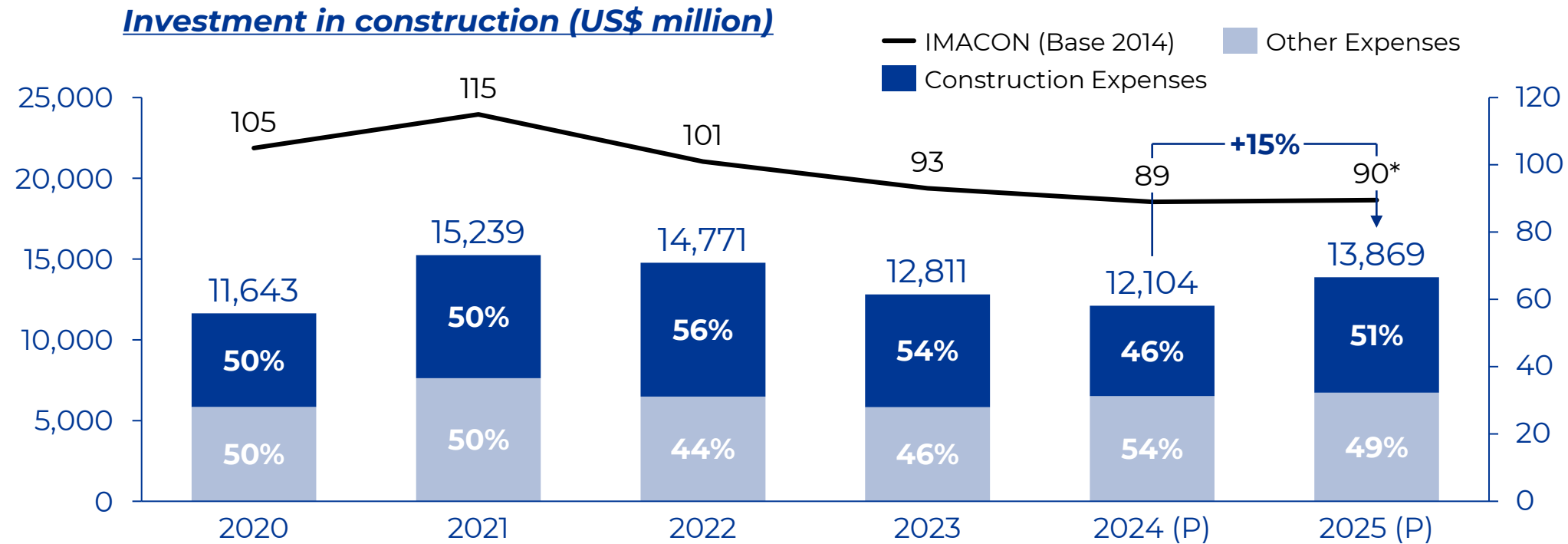
Platts 62% Fe avg



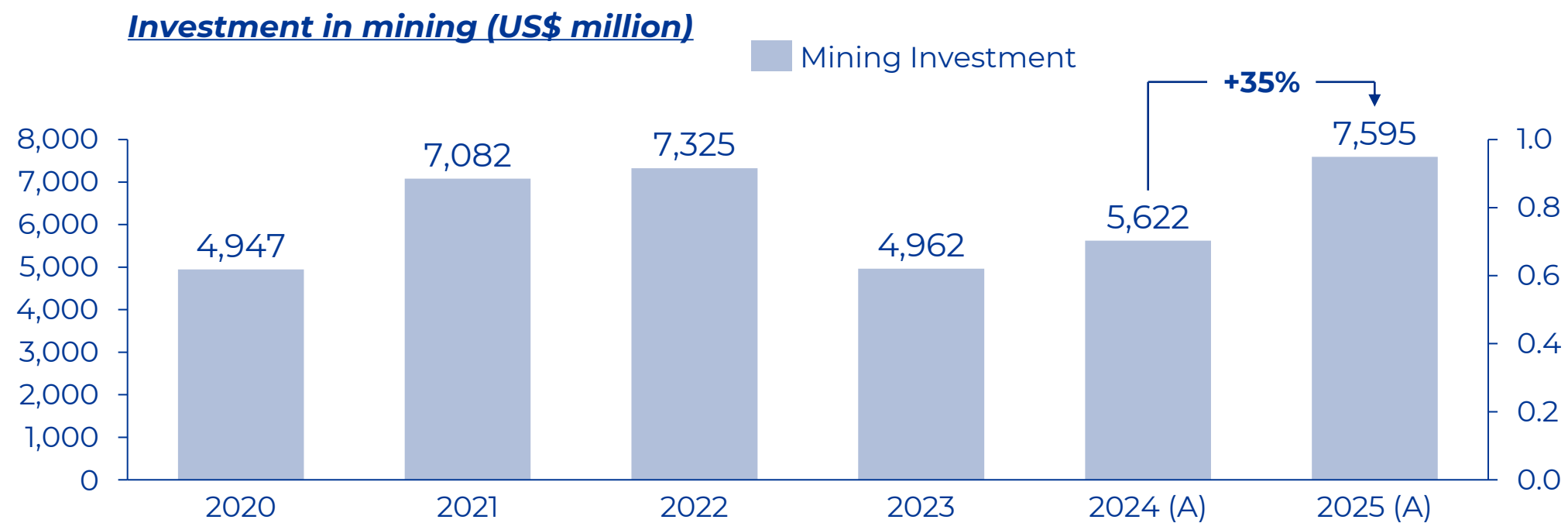
Platts 65% Fe avg



According to market estimates, investments in construction and mining should grow during 2025



- The IMACON index showed a slight improvement during 1Q25
- Promet recorded strong activity in 1Q25, driven by ongoing mining investment and demand for modular solutions



- In Argentina, steel demand still weak versus a normal year, although better than in 2024. Steel prices, on the other hand, are squeezed by lower import tariffs.

Note: (P) represents full-year projections | (A) is the cumulative total of projects up to Q4-2024

*Average IMACON up to February 2025

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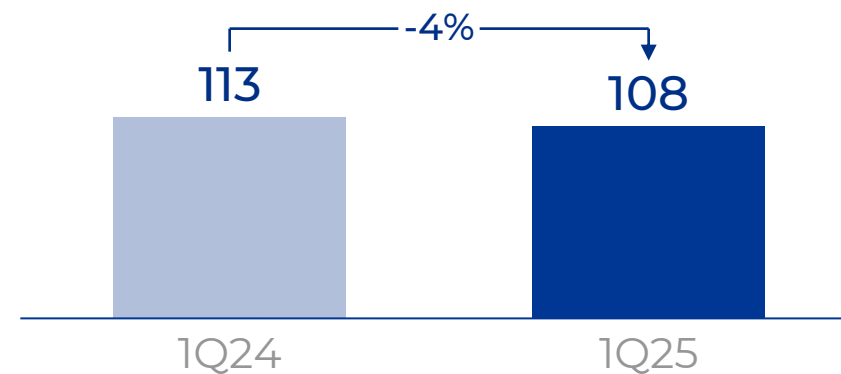
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Consolidated EBITDA slightly reduced in 1Q25 due to CMP, while NET INCOME improved due to Huachipato's suspension of steel operations

Key highlights

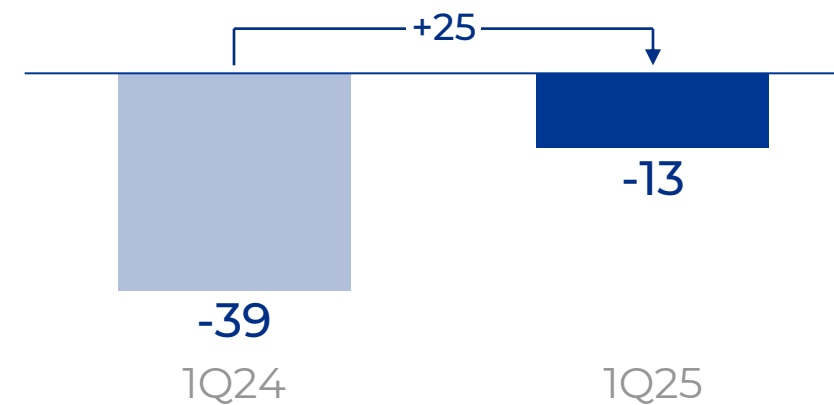
EBITDA 1Q25

(US\$ million)



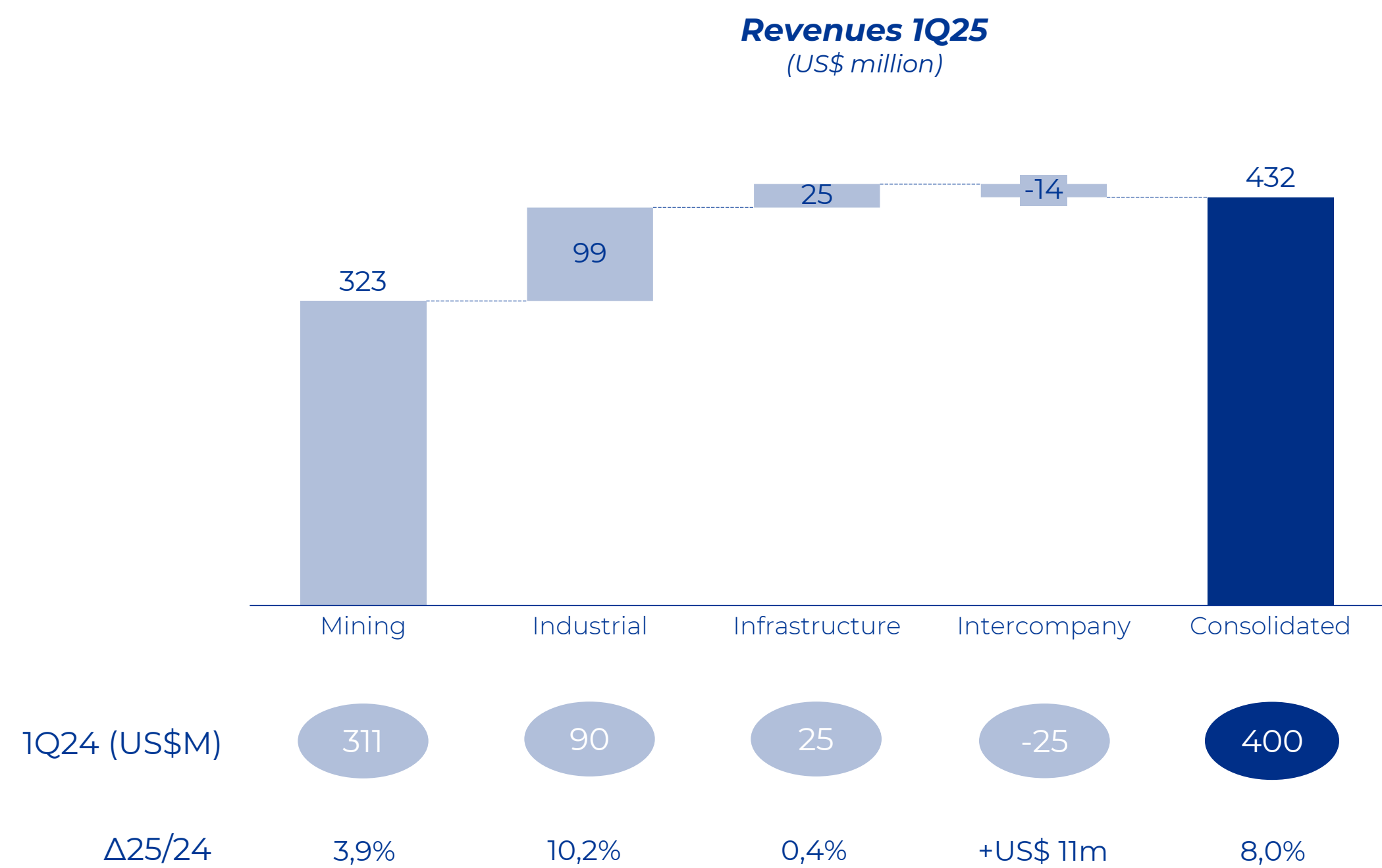
Net income 1Q25

(US\$ million)



- Lower EBITDA in the **mining segment** in 1Q25 (-7.9% YoY), due to a 12.9% decrease in realized prices and 18.3% lower shipments mainly explained by the contingency at Los Colorados. This was partially offset by a lower MtM effect (US\$ -7.7m in 1Q25 vs US\$ -154.4m in 1Q24)
- The **industrial segment**¹ reported a higher EBITDA in 1Q25 compared to 1Q24 (+ US\$ 3.3 m YoY), primarily explained by a higher EBITDA in Cintac (+ US\$3.1m YoY due to better performance at its modular segment) and HTO (+ US\$0.9m YoY). This was partially offset by TASA (- US\$0.8m due to lower prices YoY)
- **Improvement in bottom** line mainly explained by the fact that there was no steel production at HTO during 1Q25

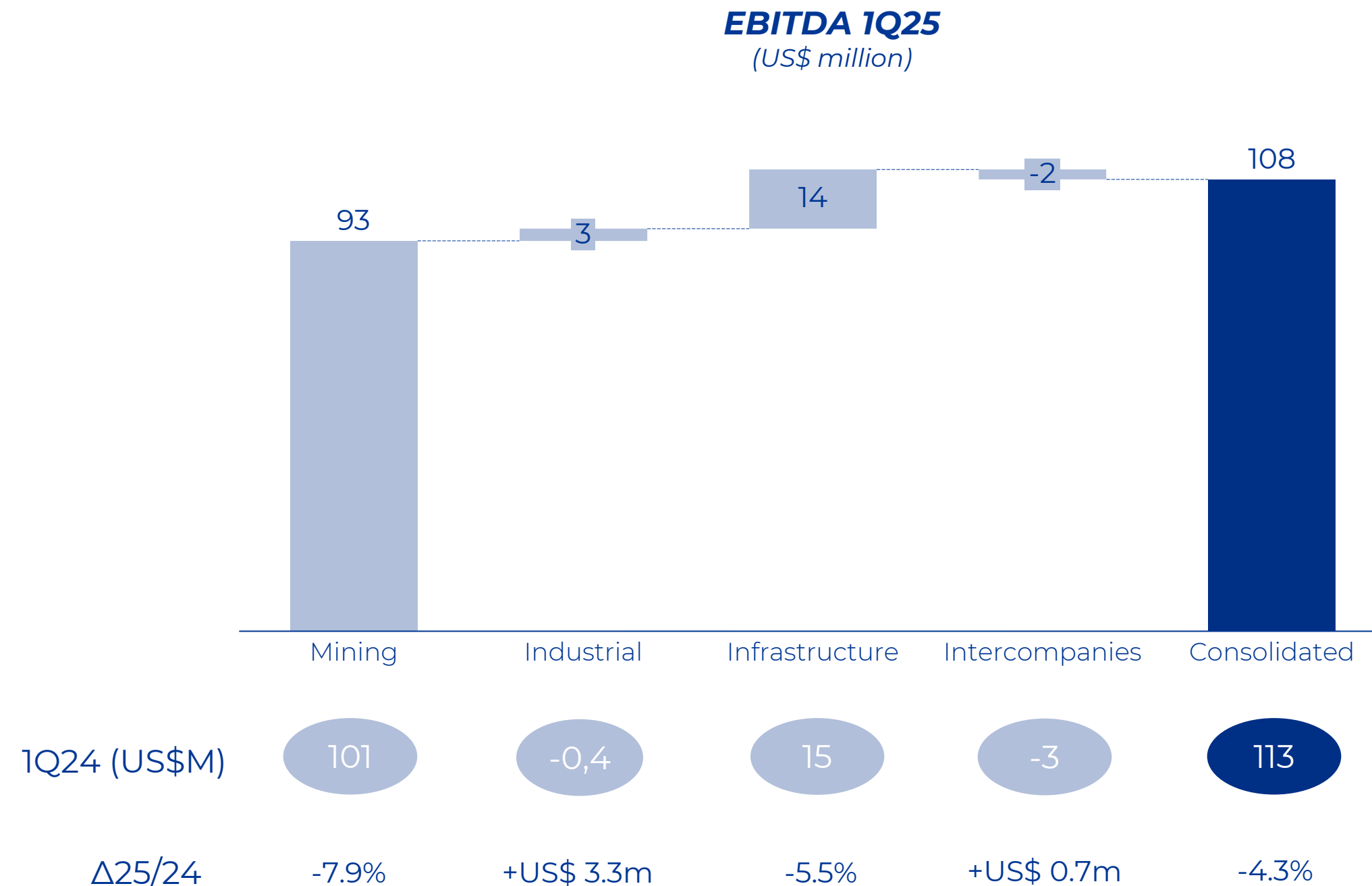
Consolidated REVENUES increased by 8% during 1Q25 YoY, boosted by the mining and industrial segments



Key highlights

- **Mining:** Despite lower shipments (-18.3%) and realized price (-12.9%), revenues increased in 3.9%, mainly due to MtM (1Q25: US\$ -7.7m vs 1Q24: US\$ -154,4m)
- **Industrial:** 10.2% increase in revenues, mainly explained by a 14.6% increase in shipments at Cintac and TASA, partially offset by lower unit prices
- **Infrastructure:** Sales remained stable compared to 1T24

Consolidated EBITDA decreased 4,3% during 1Q25 mainly explained by higher cash costs in the mining segment

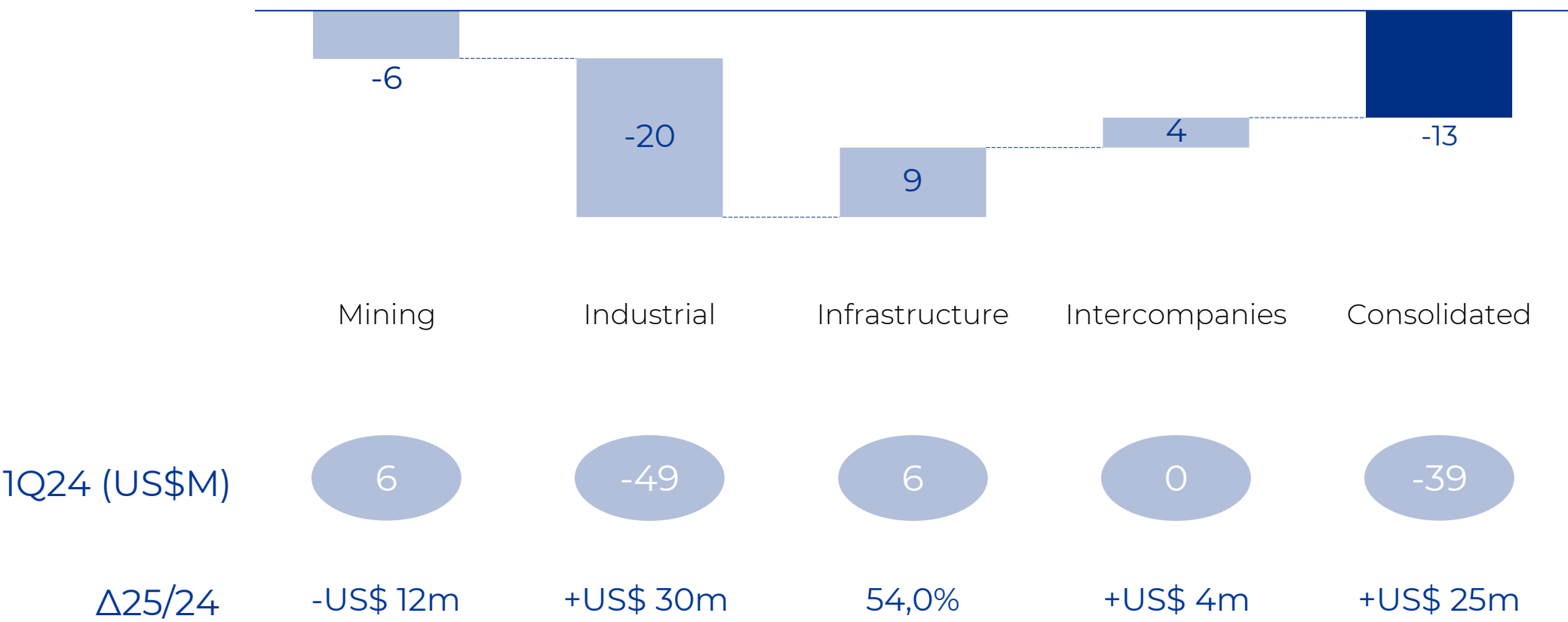


Key highlights

- **Mining:** Reduction in EBITDA mainly due to a higher cash cost (C1 of US\$56.6/t in 1Q25 versus US\$47.8 in 1Q24) driven by the contingency at MLC
- **Industrial:** Higher EBITDA mainly explained by Cintac (+US\$ 3.2m) as a result of improved gross margins and a lower SG&A
- **Infrastructure:** Lower EBITDA mostly due to AguasCAP (-US\$ 0.6m)

Consolidated NET INCOME in 1Q25 was US\$ -13M, significantly better than in 1Q24, mainly pushed by the industrial segment

Net income 1Q25
(US\$ million)

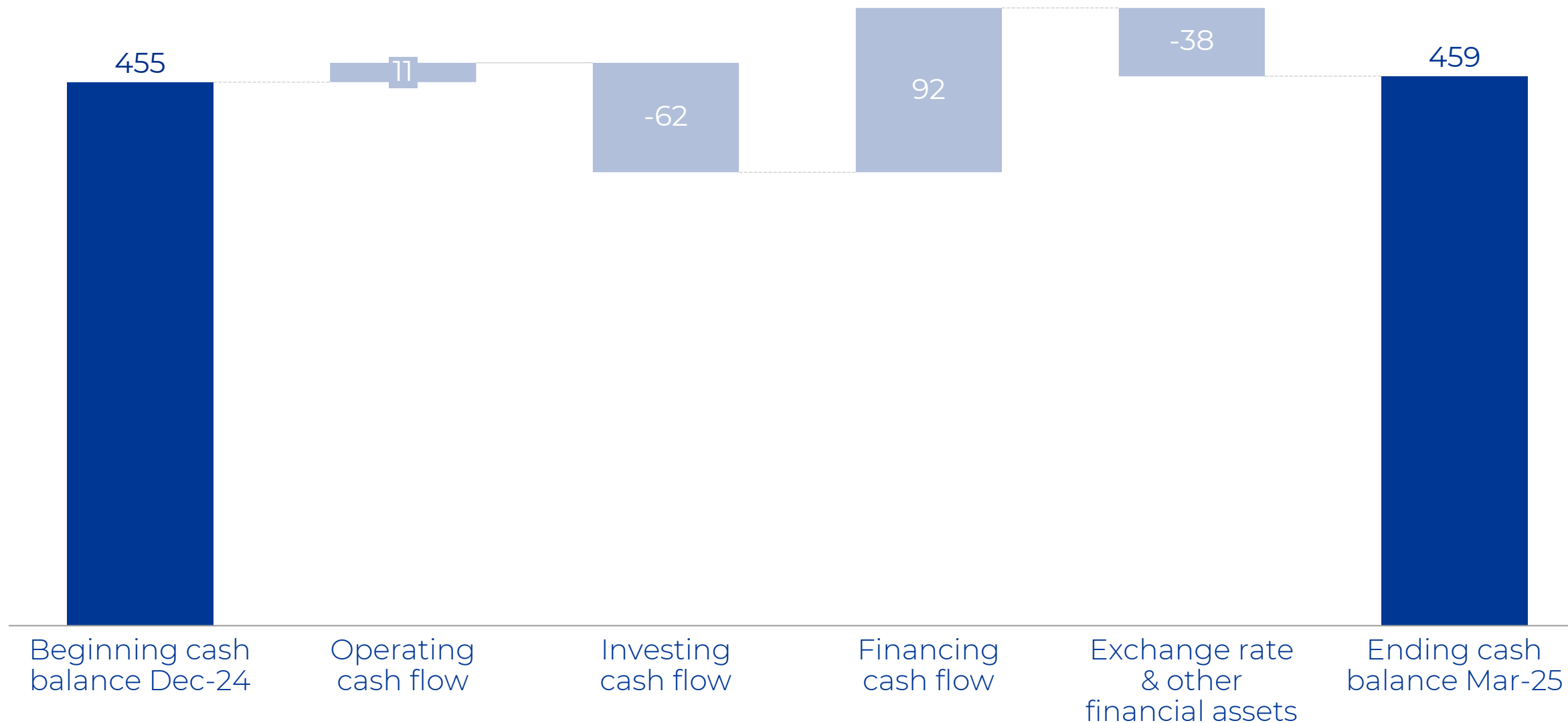


Key highlights

- Mining:** As mentioned above, net income was impacted by MLC contingency
- Industrial:** Losses were mostly explained by Huachipato’s intercompany expenses (US\$ -10.1m) and Cintac’s results of US\$ -4.9m. Worth noting that Cintac’s performance was much better than in 1Q24, where it showed losses of US\$ -8,8m
- Infrastructure:** Higher profit due to non operational income at Puerto Las Losas

Consolidated cash position remains at strong levels as of March 2025

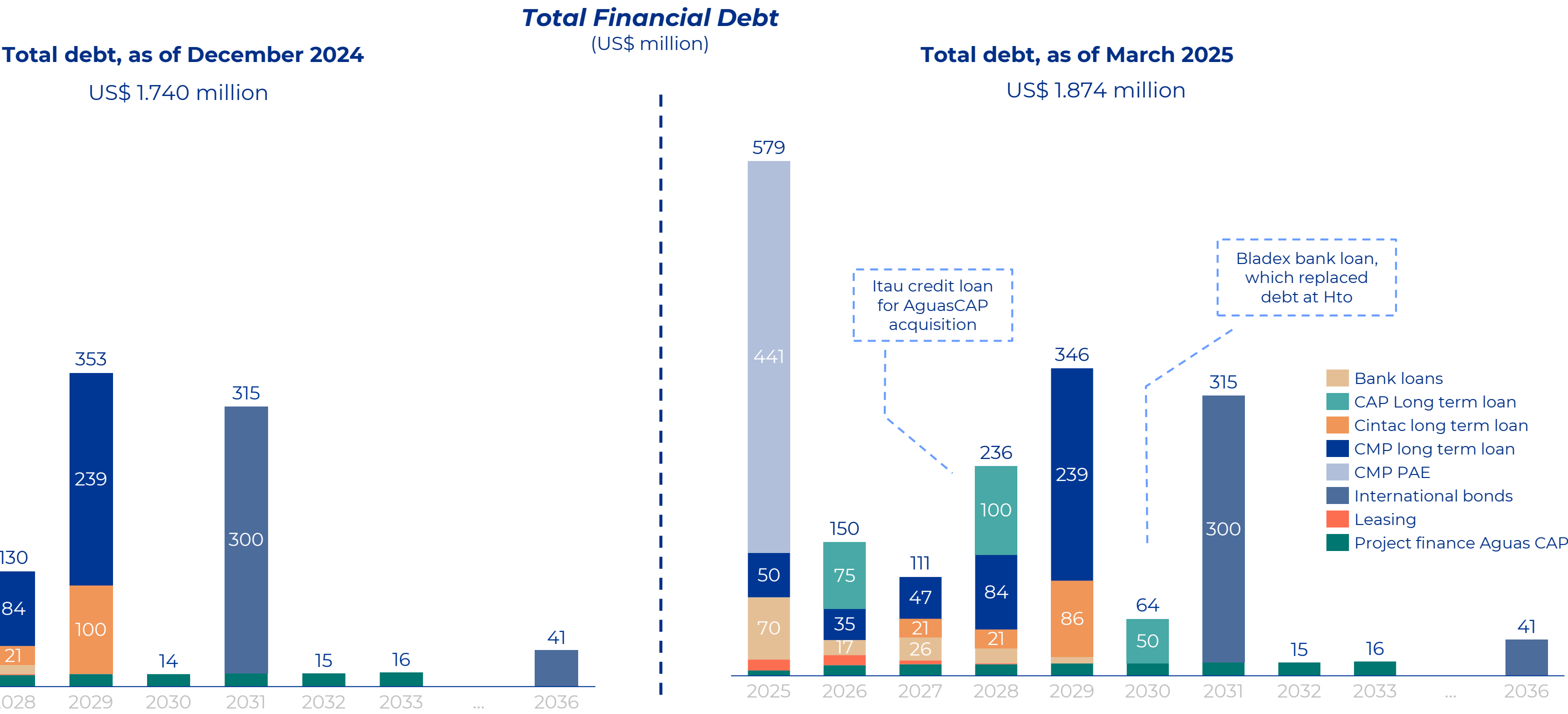
Consolidated Cash Balance Mar 25 vs Dec 24
(US\$ million)



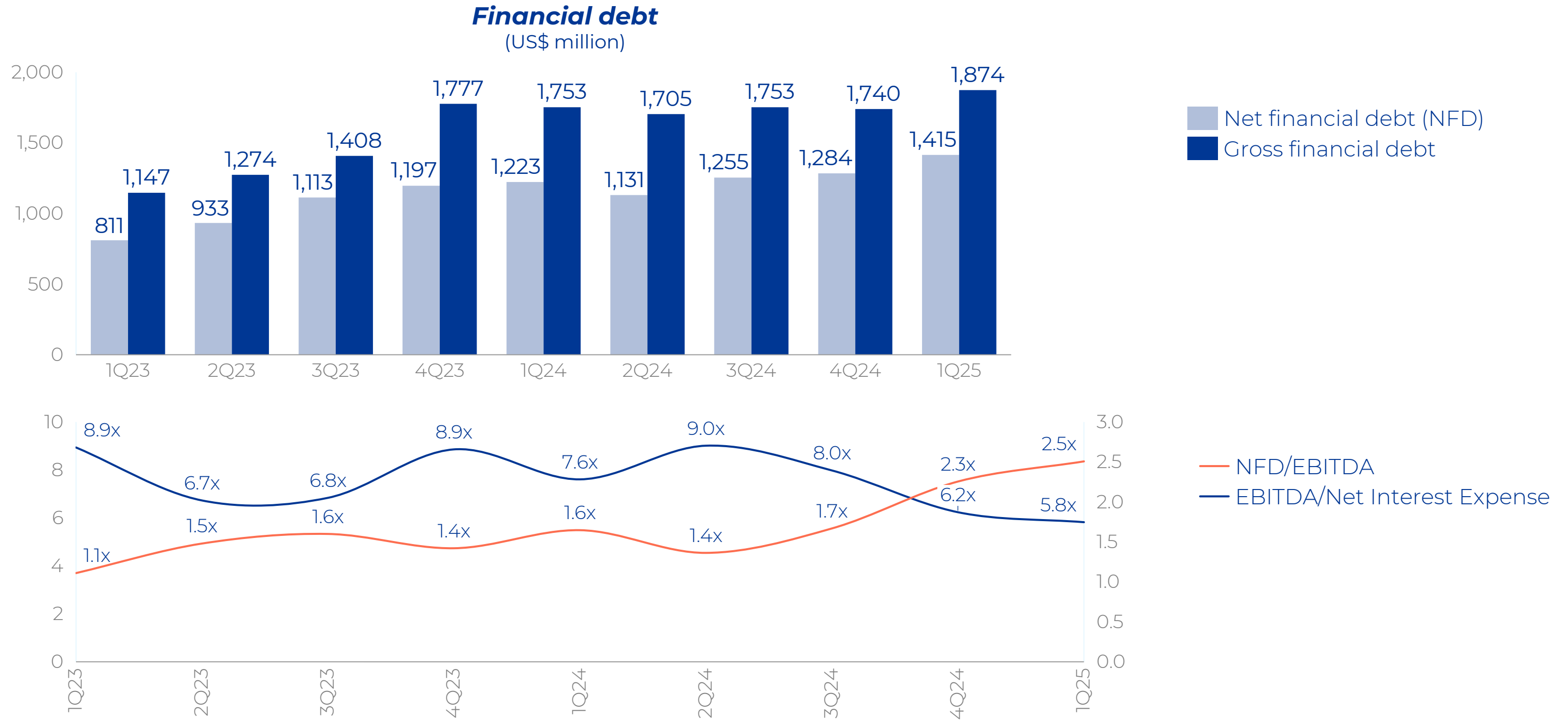
Key highlights

- **Operating Cash Flow:** Receipts from goods and services (US\$ 383m) partially offset by payments to suppliers (US\$ 302m) and to employees (US\$ 68m)
- **Investing Cash Flow:** Consolidated CAPEX of US\$ 80.8m (93% at CMP) and acquisitions of non- controlling interests (US\$ 23m), partially offset by other inflows of cash (US\$ 37m) and interest received (US\$ 3m)
- **Financing Cash Flow:** New debt (US\$ 673m) surpassed repayment of borrowings (US\$ 548m) and interests paid (US\$ 28m)

During 1Q25 we continued to improve our debt profile and duration



Gross financial debt increased to US\$1.874m during 1Q25, mainly explained by PAEs at CMP and the loan to finance the acquisition of Aguas CAP



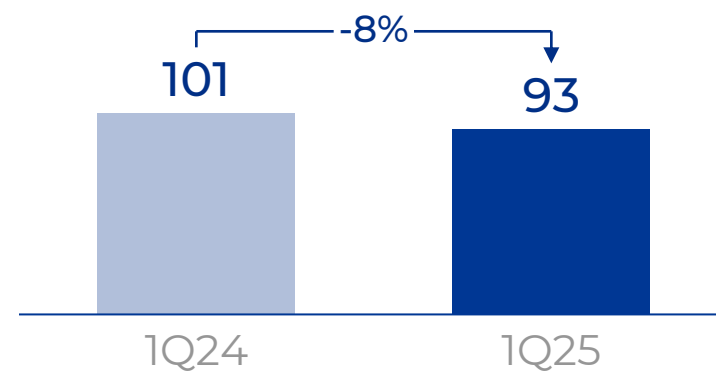
4. Financial results

Mining business

Compañía Minera del Pacífico (CMP) is the leading iron ore and pellets producer on the American Pacific coast, with operations in the Atacama and Coquimbo regions in Chile

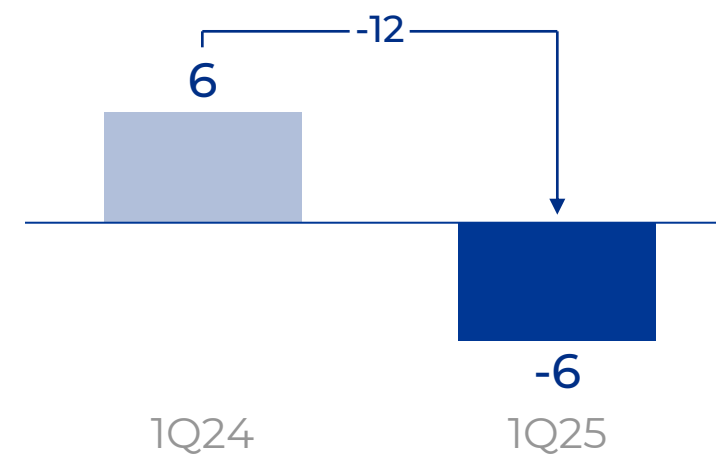
EBITDA

(US\$ million)

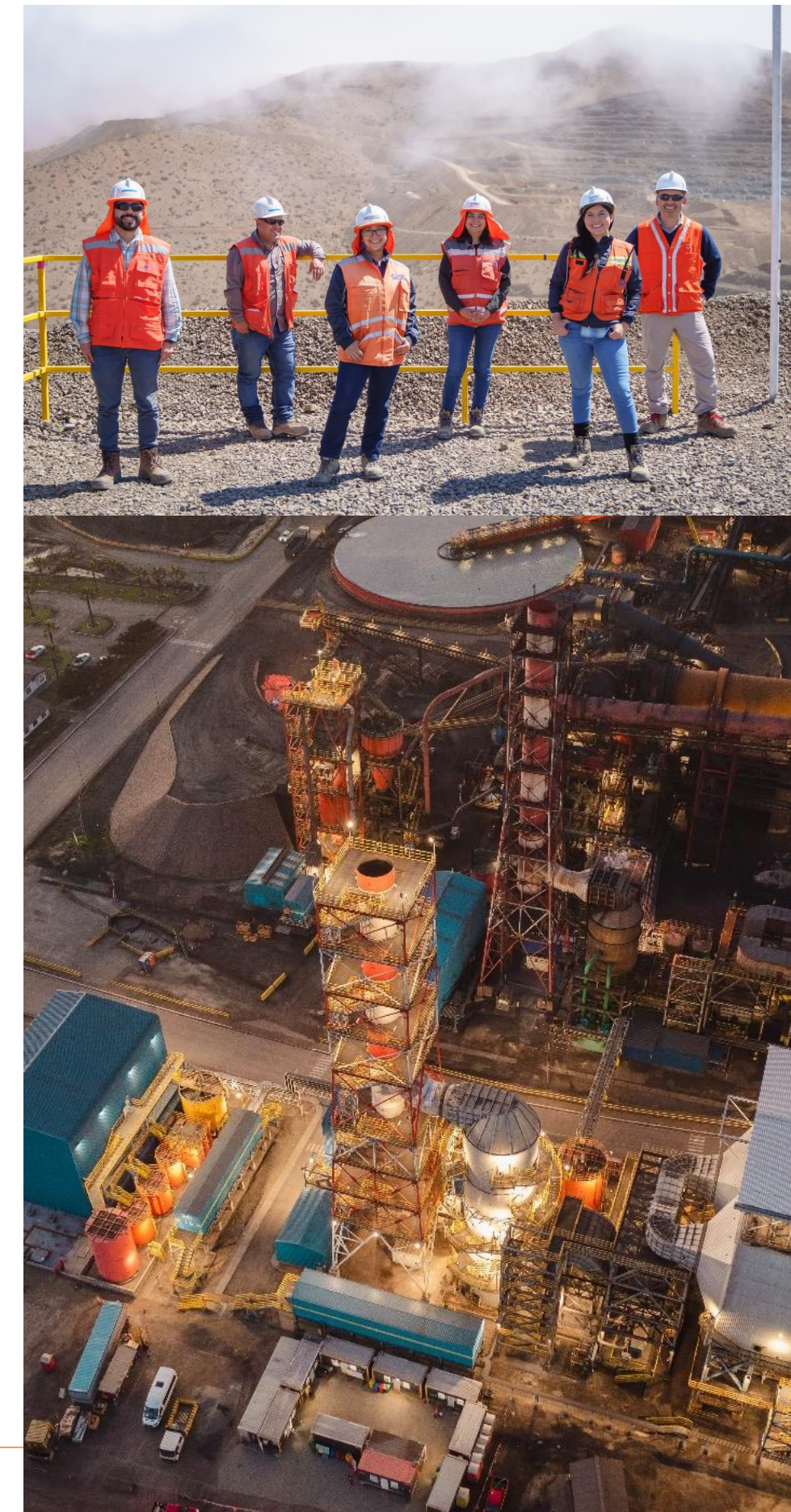


Net income

(US\$ million)



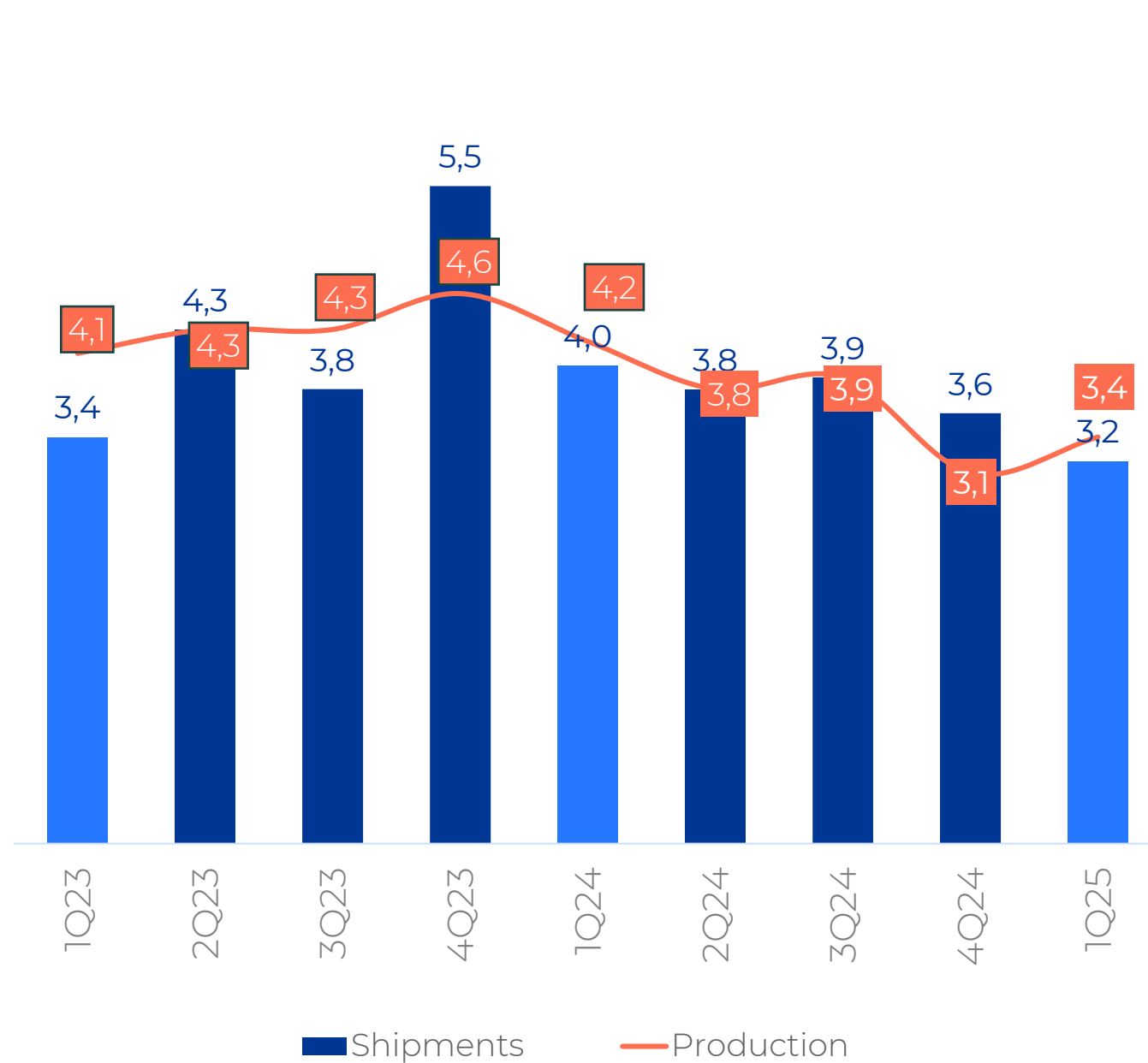
- **18.3% decline in shipments**, from 4.0 million tons in 1Q24 to 3.2 million tons in 1Q25, mainly explained by the operational contingency at MLC
- **12.9% decrease in realized prices**, from US\$115.4 per ton in 1Q24 to US\$100.8 per ton in 1Q25
- **Cash cost (C1)** registered a 18.6% increase, from US\$ 47.8 per ton in 1Q24, compared to US\$ 56.6 per ton in 1Q25, mainly due a 33% production decrease in Valle del Huasco that impacted fixed costs dilution



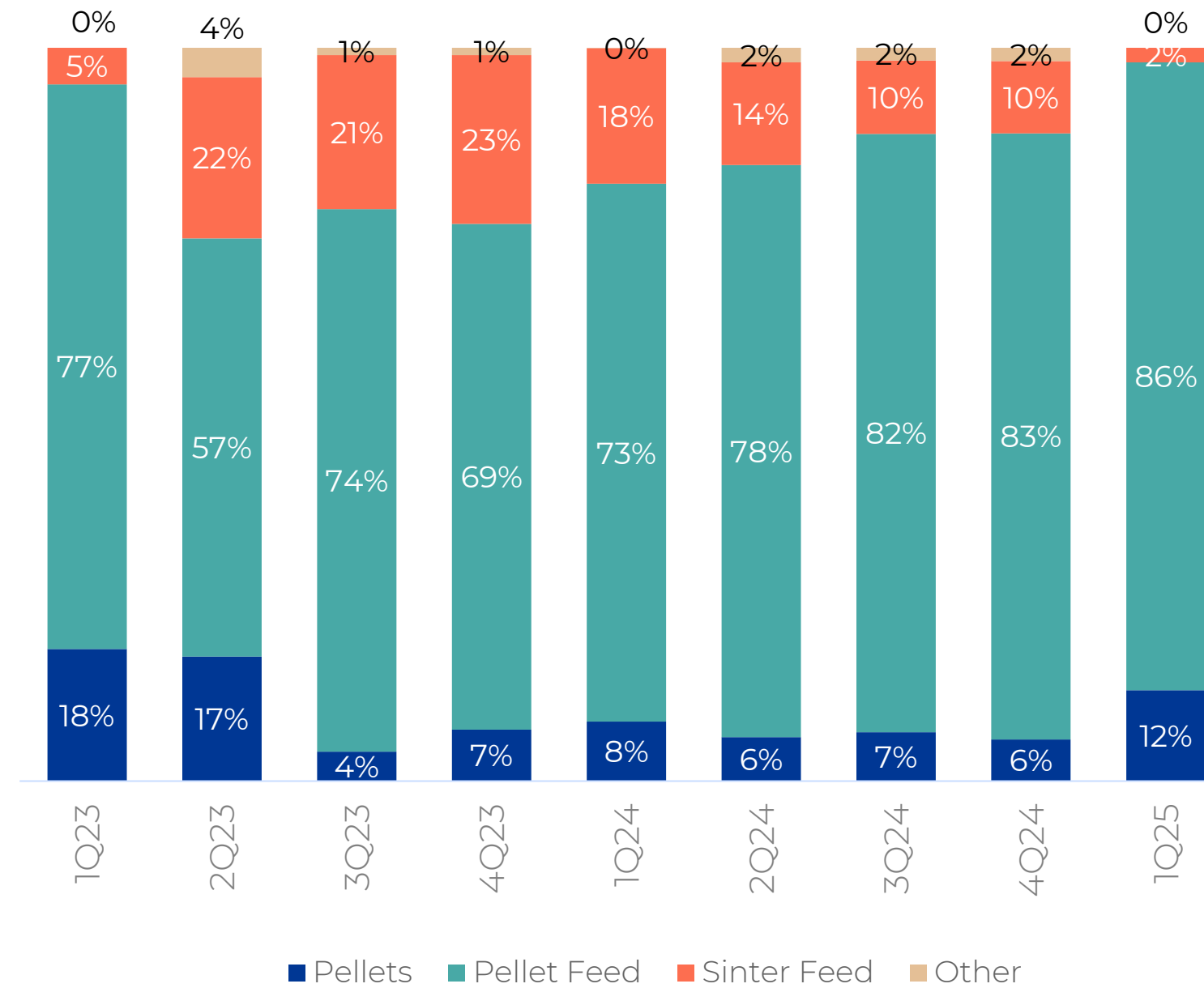
4. Financial results

CMP's production was impacted by MLC's contingency

Shipments and production
(million ton)



Product Mix (shipments)

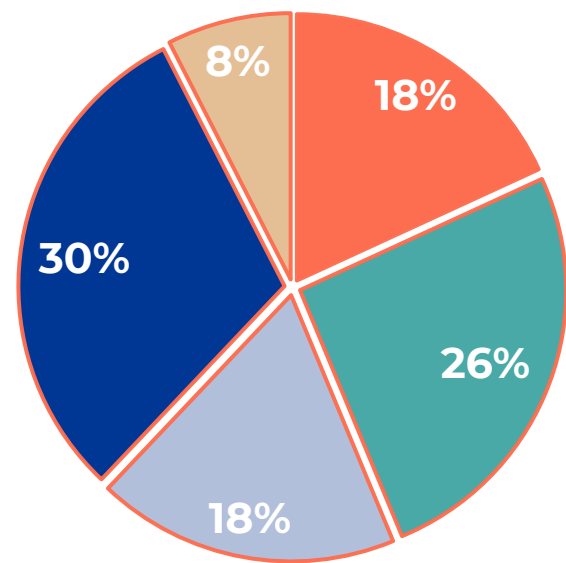


- Higher pellet mix due to spot sales to Japan at a good margin
- Not clear whether this will continue during the rest of the year

4. Financial results – Mining business

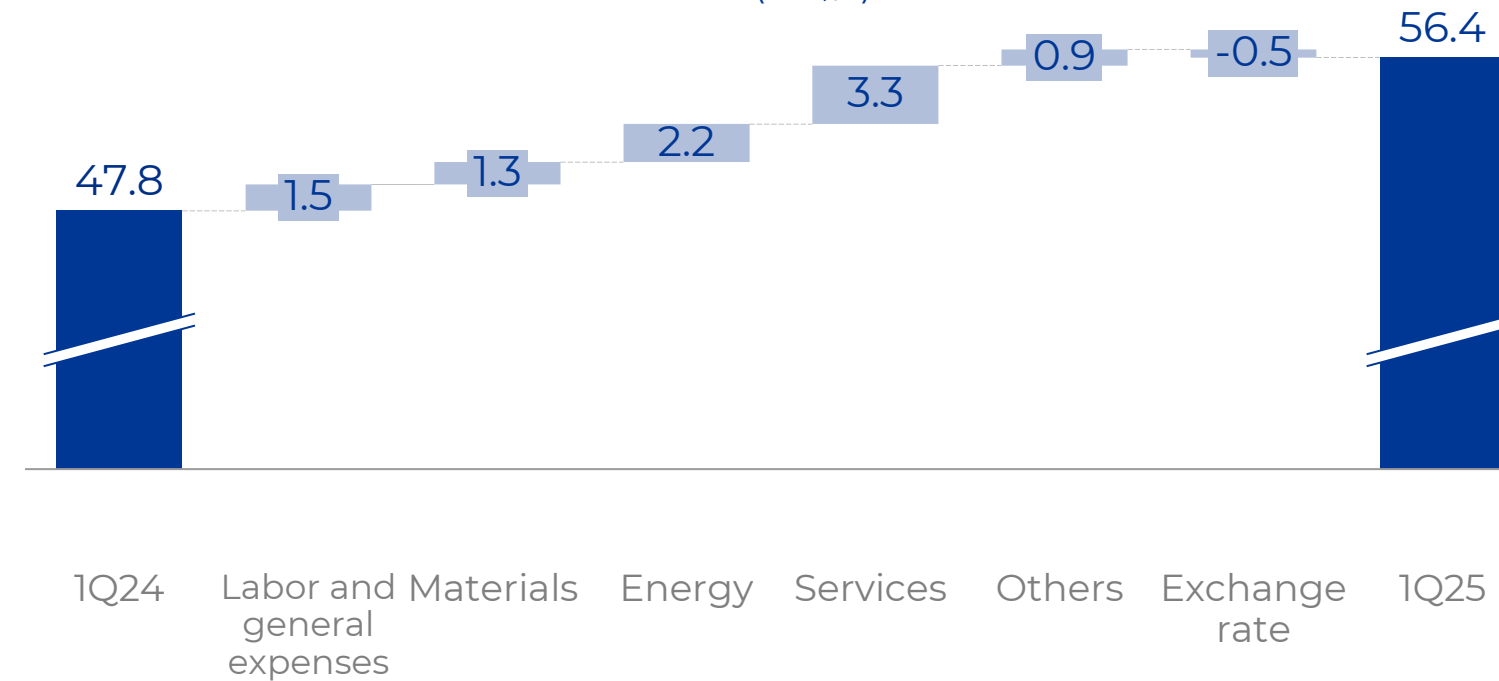
CMP cash cost variation

Cash Cost Distribution 1Q25



- Labor & General Expenses
- Materials
- Energy
- Services
- Others

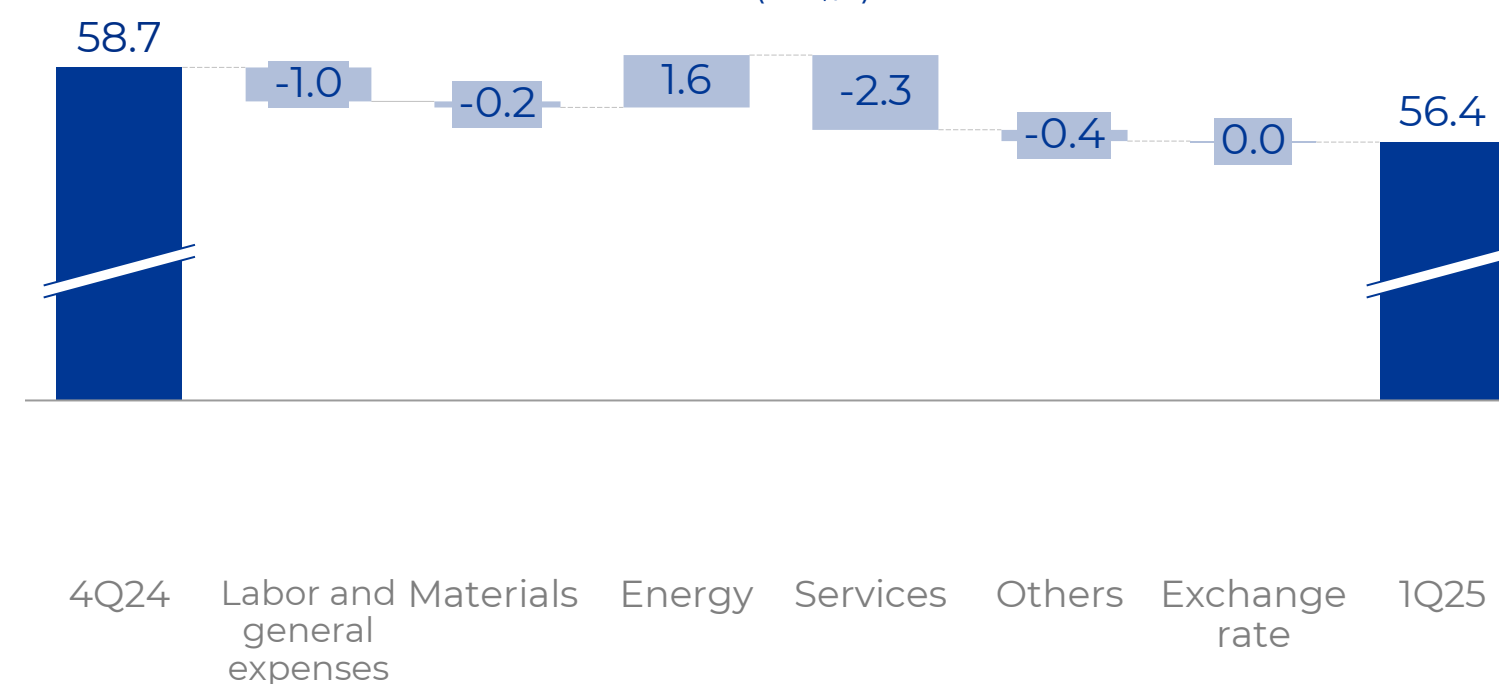
C1 Cash cost 1Q24-25
(US\$/t)



Key highlights

- Higher unit costs due to lower production
- Slight increase in electric energy tariff
- Services also adjusted by 5% of inflation

C1 Cash cost QoQ 1Q25
(US\$/t)



Key Highlights 4Q24

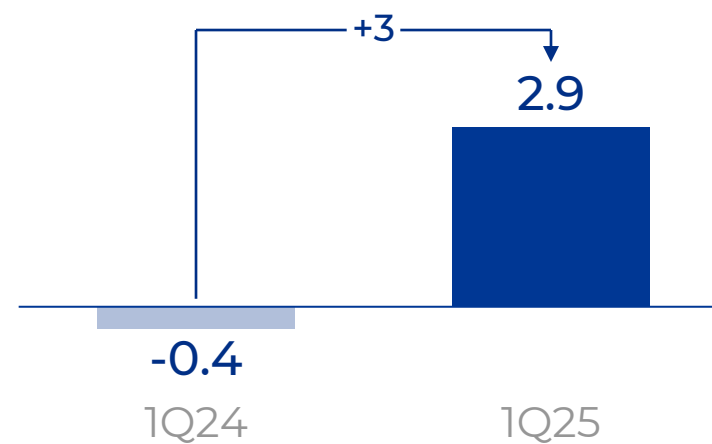
- Reduction in service expenses (~US\$ 1.2m) compared to 4Q24, mostly due to cost reduction initiatives and lower material movement

4. Financial results

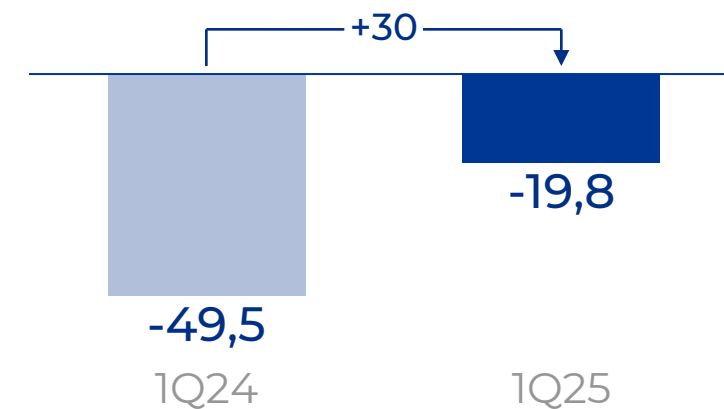
Industrial business

With presence in Chile, Peru and Argentina, the Industrial business comprises the Cintac Group, Tubos Argentinos (TASA), and the ongoing operations at Huachipato

EBITDA
(US\$ million)



Net income
(US\$ million)



* 1Q24 includes Huachipato's loss from discontinued operations (US\$ -30.4m)

Key highlights

- Volumes increased by 7.3% in Cintac (from 47.1kt in 1Q24 to 50.6kt in 1Q25), and by 74.4% in Tasa (from 5.7kt in 1Q24 to 10.0kt in 1Q25)
- Cintac's gross margin improved from 11.8% to 13.7%, and SG&A decreased to US\$ 8.1m in 1Q25 vs US\$ 9.8m in 1Q24
- TASA's gross margins per ton decreased by 47% YoY due to lower local steel prices affected by steel prices due to lower import tariffs
- HTO remaining business showed positive gross margin during 1Q25

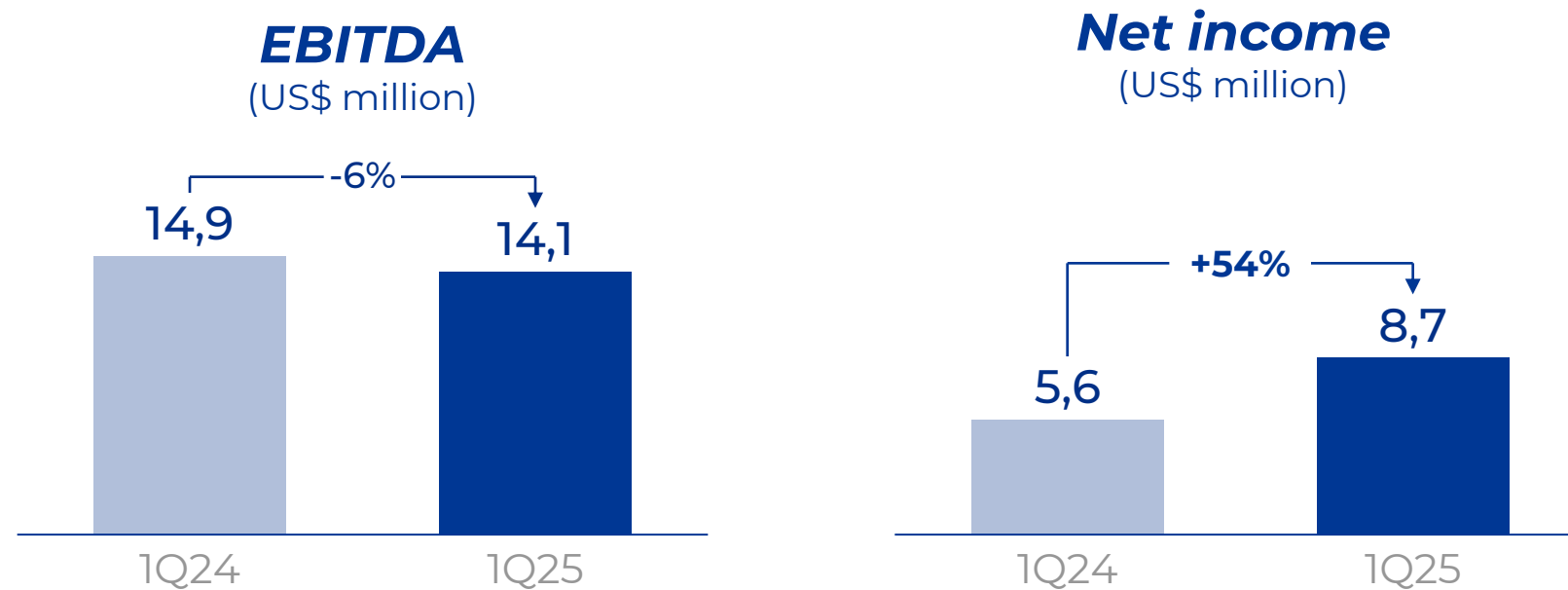


4. Financial results

Infrastructure business

Includes port, water and energy assets that provide services to our mining and steel businesses and other customers located in the area of operation.

Key highlights



- **Cleanairtech** produced 2.0 million cubic meters of desalinated water in 1Q25, while in 1Q24 produced 2.2 million cubic meters
- **Tecnocap** reported a power transmission of 64.6 GWh during 1Q25 compared to 67.8 GWh reported in 1Q24
- **PLL** reported a non operational income of US\$3M (non recurring)



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CAP Group alignment

Our subsidiaries are aligned with CAP Group’s strategy



CAP Group 2030 Strategy

To be a leader in the global market for decarbonization materials through an integrated business portfolio and the development of innovative and sustainable solutions

MINERÍA		INDUSTRIAL	
 UNA EMPRESA DEL GRUPO CAP High-quality iron for decarbonizing the steel industry	 Heavy rare earth elements based on a sustainable process	 Rare earth alloys enabling permanent magnet production  SIDERÚRGICA UNA EMPRESA DEL GRUPO CAP Shaping the future of Huachipato through four strategic HUBs	 Crecimiento & Desarrollo Value-added constructive and industrialized solutions
INFRASTRUCTURE			
 Aguas CAP	 PUERTO LAS LOSAS S.A.		Ensure access to critical infrastructure Sustainable water, energy, and port services

CMP

MLC has continued progressing in the mineral surveys and studies required by the Board of Experts (BoE) to define a course of action

- During 1Q25 the **mining surveys and studies** requested by the Board of Experts at Los Colorados have continued according to plan
- **During June, the BoE will meet to review** the preliminary results of the surveys and studies, and based on this will recommend a course of action
 - A potential recommendation could be to get additional information
- In the meantime, we have continued **exploiting Phase 6** according to plan
- As announced in our last meeting, we expect **production to improve during the second half of the year**, driven by several key developments:
 - Authorization of the new Pleito Plant, which will expand our operational capacity
 - Optimization of the Mill at the CNN Plant, aimed at increasing processing efficiency and output
 - Increased pre-concentrate production at MLC, supporting higher throughput and feed stability
 - Procurement of mineral from third parties, which will supplement our feed and mitigate potential supply constraints

ACLARA

We are moving forward in the Environmental Permit (EIA) process

**Progress so far**

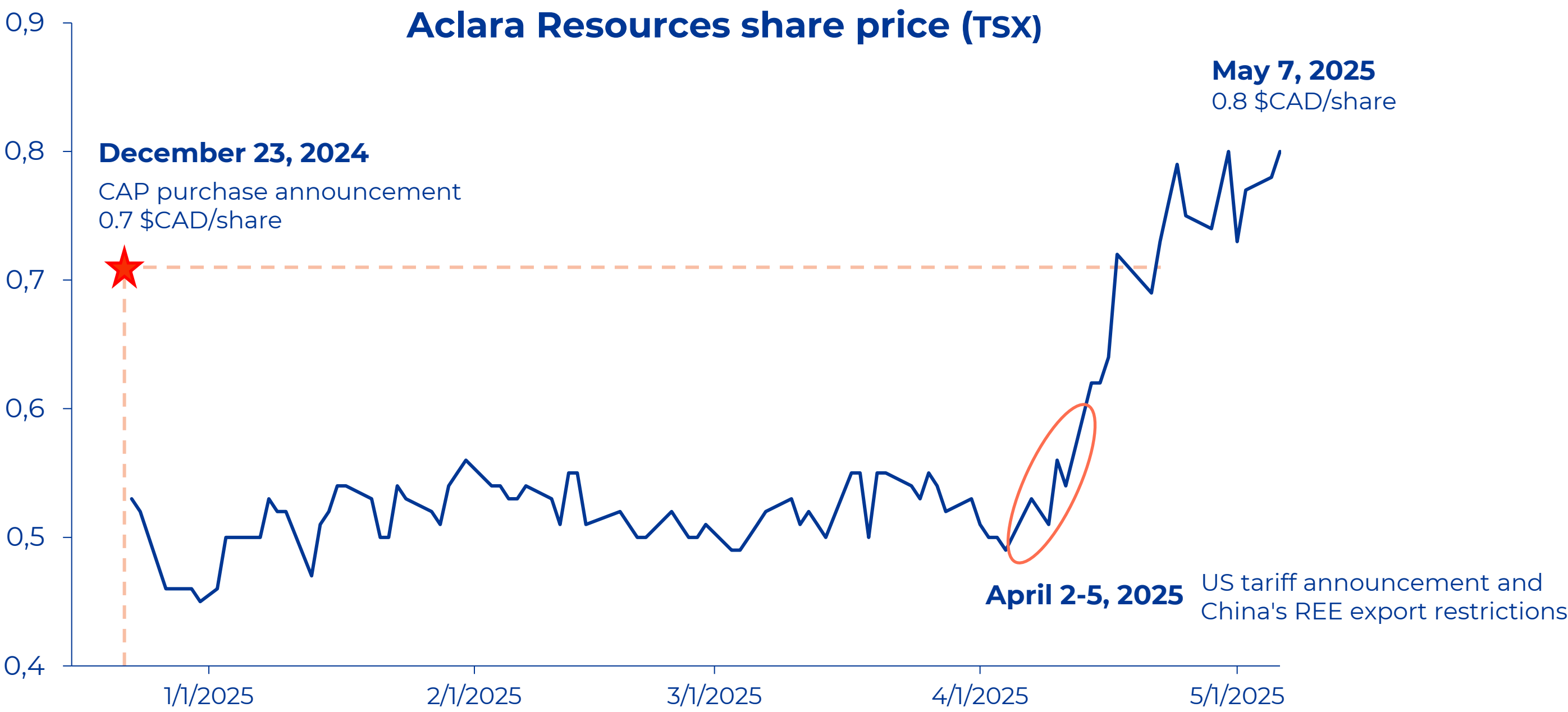
- PAC initiated in June 2024. Received more than 1300 observations from the community
- Indigenous consultation initiated in 2024. Still in progress
- ICSARA 1 received and responded
- ICSARA 2 to be received within the next days, although key questions already known

**Next Steps**

- Prepare answers to ICSARA 2
 - Approval from Seremi Transportes y Telecomunicaciones, Seremi MOP, Subsecretaria de Pesca and Seremi Minvu
 - Minor observations from Monumentos Nacionales, Seremi de Energía and Dirección de Vialidad
 - Observations from SAG, Conaf, DGA, Sernageomin, Seremi Agricultura and Sernatur
- Continue PAC process
- Continue Indigenous Consultation process

ACLARA

The price of rare earths outside China is rising significantly, and the market is reflecting this in Aclara's valuation



Disprosium forwards in Europe triple during April

TRADE WAR

Rare-earth prices triple to new records on China export curbs

Trade war with US squeezes supply of key materials for EVs and more



China is the world's leading producer of such heavy rare-earth metals as dysprosium. © Reuters

SHUGO YAMADA
May 3, 2025 00:41 JST

TOKYO — Prices of rare-earth metals have reached record highs in the weeks since China clamped down on exports of the key materials used in electric vehicles, wind turbines and other items amid a tit-for-tat trade war with the U.S.

The price of dysprosium in Europe — the benchmark for the material outside China — tripled from the start of April to \$850 per kilogram as of Thursday, according to Argus Media. Terbium increased to \$3,000 per kilogram from \$965.

Both logged the largest monthly rises and the highest prices in data going back to May 2015.

The Chinese government on April 4 announced [restrictions on exports of seven rare-earth metals](#), including terbium and dysprosium -- a move widely seen as [retaliation against the "reciprocal" tariffs](#) announced by U.S. President Donald Trump.

Chinese exports of rare-earth metals are believed to have been halted immediately afterward, according to Argus.

Rare-earth metals are sometimes called "industrial vitamins," since they can improve the functionality of the materials they are added

to in even small amounts. They are critical to manufacturing such advanced products as EVs, wind turbine motors and aircraft.

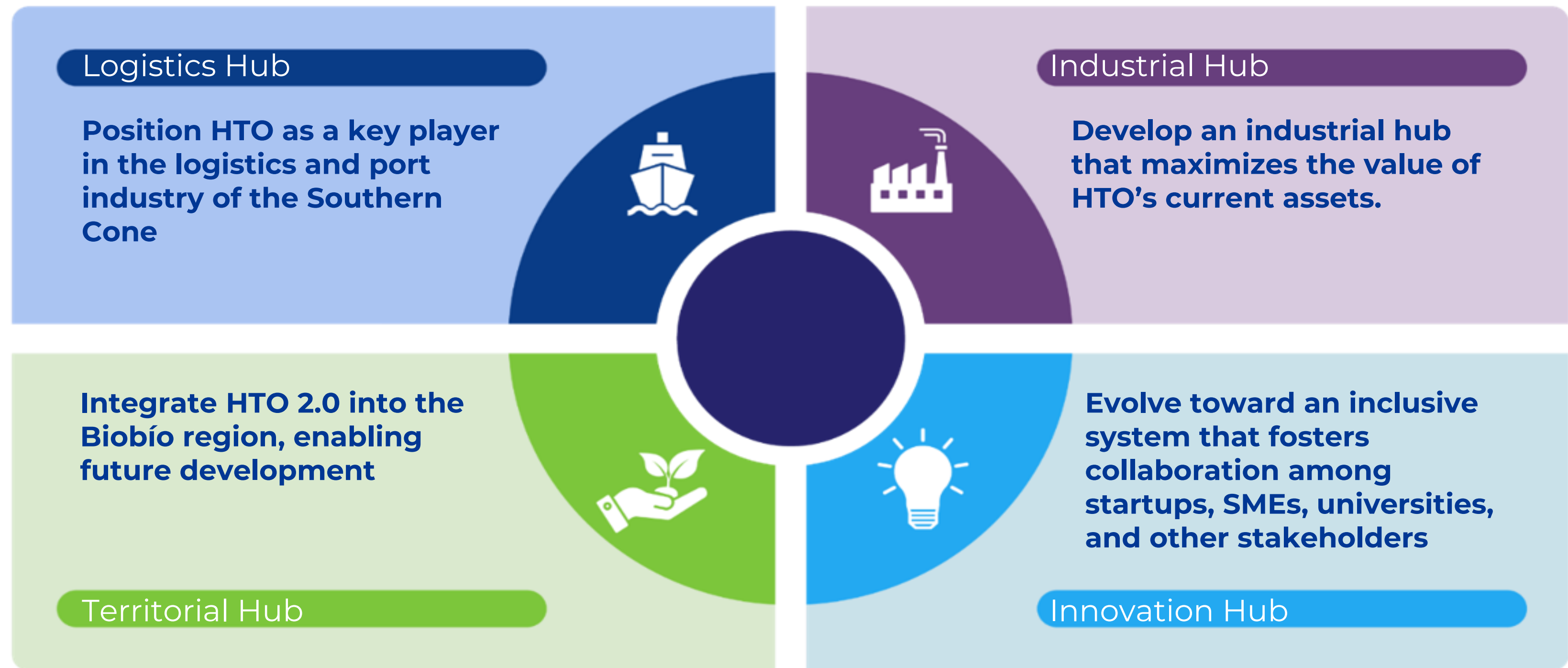
The seven elements affected by China's curbs are classified as medium and heavy rare earths. They are less commonly available than light rare earths, and China is responsible for the majority of their global supply.

"It's difficult to replace the restricted rare earths with materials produced in other countries," said Takahiro Sato of Mizuho Bank's Industry Research Department.

The rising prices of heavy rare earths directly affect the cost of motors used in EVs and other products. "Protracted supply constraints could make EV production impossible as a whole," said Toru Okabe, a professor in the Institute of Industrial Science at the University of Tokyo.

The scarcity of rare earths has factored into U.S. ties with Ukraine as well, with Trump expressing interest in Ukrainian resources. The countries this week signed an agreement to jointly develop energy and mineral resources in Ukraine.

In Huachipato 2.0, we are working along four lines of action



During the last quarter we made relevant progress in the development of these Hubs

Logistics

- We secured agreements in **limestone** and **coal** to **maximize port facilities utilization and offer integrated storage services**
- Looking ahead, we expect to increase bulk cargo volumes and therefore increase utilization of our existing infrastructure

Industrial

- **We developed** an operational model for limestone extraction on Guarello Island, enabling profitable businesses with third parties
- We completed conceptual and basic engineering studies for the **REE Alloys pilot plant**. The project aims to supply heavy rare earth alloys for the production of permanent magnets, supporting the growth of the global electromobility industry

Innovation

- We are collaborating with **entrepreneurs, public institutions, and universities** to design a self-sustaining innovation hub
- This initiative seeks to **create a thriving entrepreneurial ecosystem** with long-term financial independence and impact.

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Way forward



Resolve the contingency at Los Colorados mine and **recover production levels**



Enabling growth in the CAP Group

- Engineering studies for expansion at CMP, progressing towards achieving FEL2
 - Environmental permits for Aclara and securing offtake contracts
 - Closing new long-term contracts at Aguas CAP to enable desalination plant expansion
 - Develop Huachipato 2.0, with particular focus on the logistics and port businesses
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