



CAP S.A.

4Q24 Results

March 13, 2025



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1. Overview 4Q24
2. Highlights 4Q24
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5. Strategy 2030 progress
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1. Overview 4Q24



Key facts

- Consolidated Net Income of US\$ –426.9 million during 2024, impacted by a one-off restructuring provision for Huachipato mainly due to the suspension (US\$ -349.6 million)
- Huachipato’s steel production suspension progressed according to plan, halting losses and minimizing cash requirements, allowing the company to focus its resources in profitable initiatives
- Steel solutions impacted by the construction sector. However, the company is more optimistic about 2025, mainly due to better expectations in the modular segment



Market background

- 62% Fe CFR China iron ore price averaged US\$ 109.5/ton in 2024, below the US\$ 119.8/ton registered in 2023
- Despite better-than-expected macroeconomic performance in China, construction and real estate segment showed no improvement in 2024
- Chile's construction sector remains weak, with a contraction in IMACON during 2024, but with a positive outlook for investment in the construction and mining sectors for the coming years



Financial results

- One-off restructuring provision of US\$ 349.6m due to the steel production suspension in line with the market announcement in August 2024
- In the mining segment, consolidated EBITDA decreased by 41.6% in 2024 YoY, mainly due to lower shipments, lower prices and a negative MtM (US\$ -151 million)
- Steel solutions EBITDA decreased from US\$ 42.2 million in 2023 to US\$ 28.0 million in 2024, with a better performance at Cintac (+US\$7.6m), outweighed by lower EBITDA at Tasa (-US\$21.8m)



Way forward

- Resolve the contingency at Los Colorados mine (MLC) and recover iron ore production levels
- Establish a plan at Huachipato to achieve breakeven running rate in 2026
 - 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 4Q24



CAP Group acquired 10.2% stake in Aclara Resources

In line with its 2030 Strategy, CAP Group subscribed a US\$10.8m capital increase in Aclara Resources, obtaining 10.2% ownership. The investment will mainly finance Aclara's rare earths mining project in Brazil, Carina, and grants CAP the right to appoint a director to the Board of Aclara Resources. In addition, with this transaction, we indirectly increased CAP's ownership in Modulo Penco from 20% to 28.1%



CAP purchased the remaining 49% stake of Aguas CAP

CAP has reached an agreement with Mitsubishi Corporation to acquire its remaining 49% stake in Aguas CAP, securing full ownership of the company. This transaction is projected to contribute approximately US\$11m to US\$15m annually to CAP's financial results from 2025 onwards. The company also has expansion plans for the plant, aiming to increase water production from 400 l/s to 600 l/s, for which it already has environmental approval



CMP and Aguas CAP will operate with 100% renewable energy from 2026

Starting in 2026, CMP and Aguas CAP will operate entirely on 100% renewable energy, supplied by Atlas Renewable Energy and AES Andes. Under these agreements, Atlas will be able to supply up to 450 GWh annually by developing a solar project in the Atacama region. This initiative will ensure a continuous and reliable supply of clean energy, reinforcing CAP's commitment to sustainability

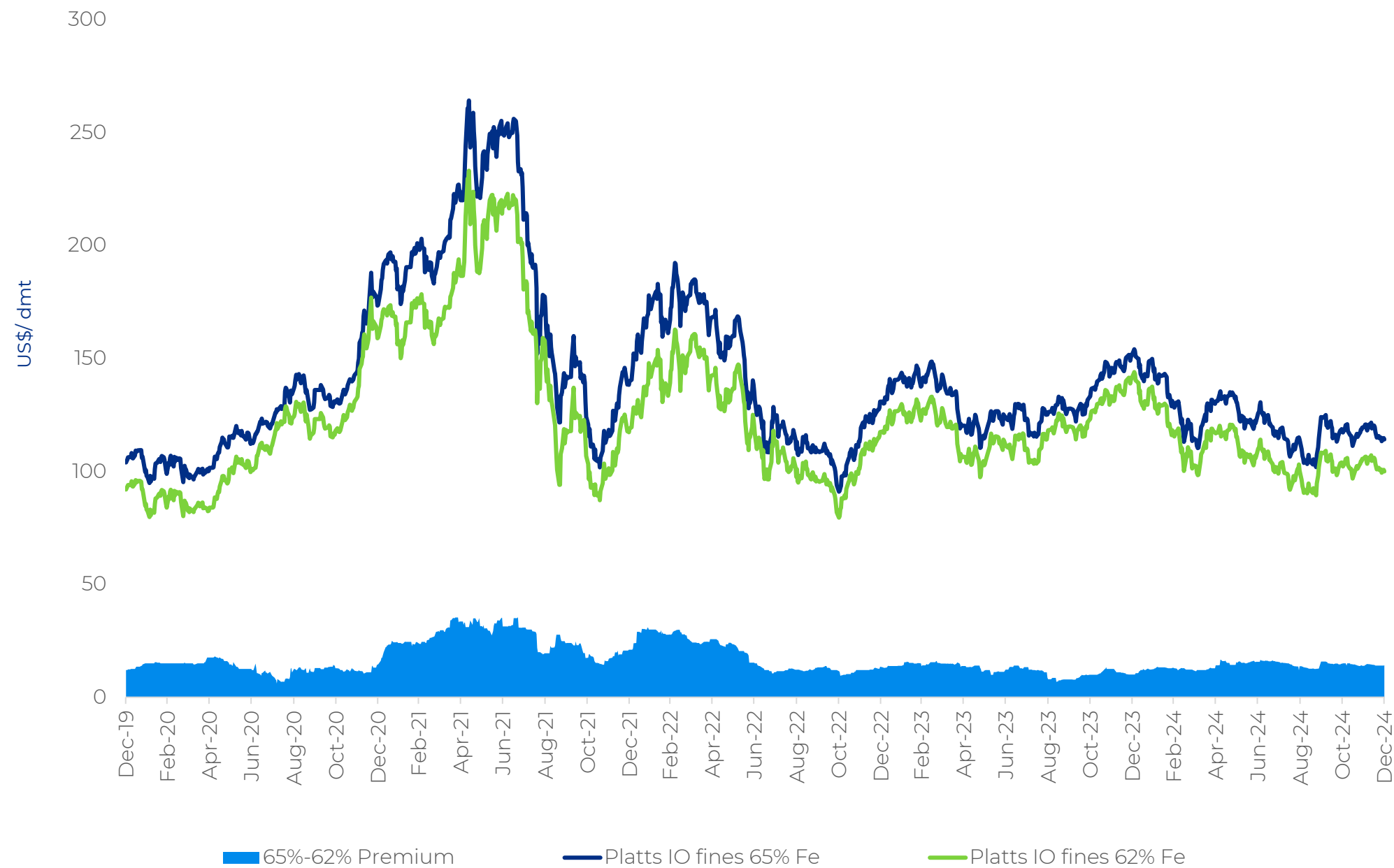
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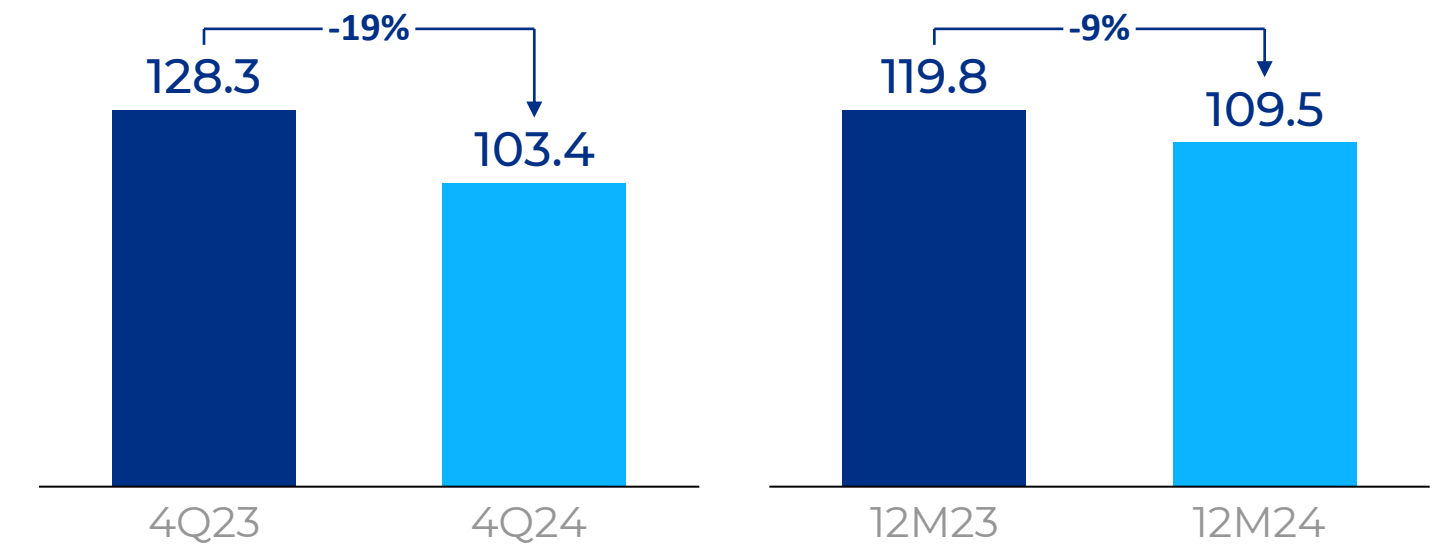


During the fourth quarter of the year, iron ore prices were lower than 4Q23

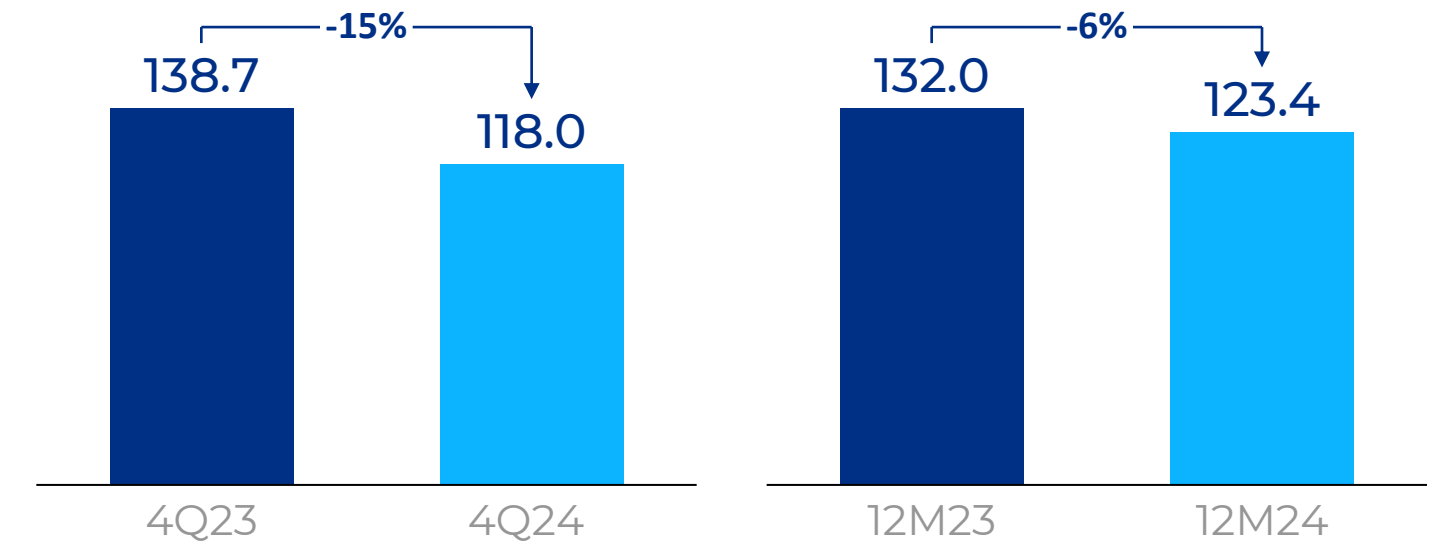
Iron ore price (CFR China)



Platts 62% Fe avg

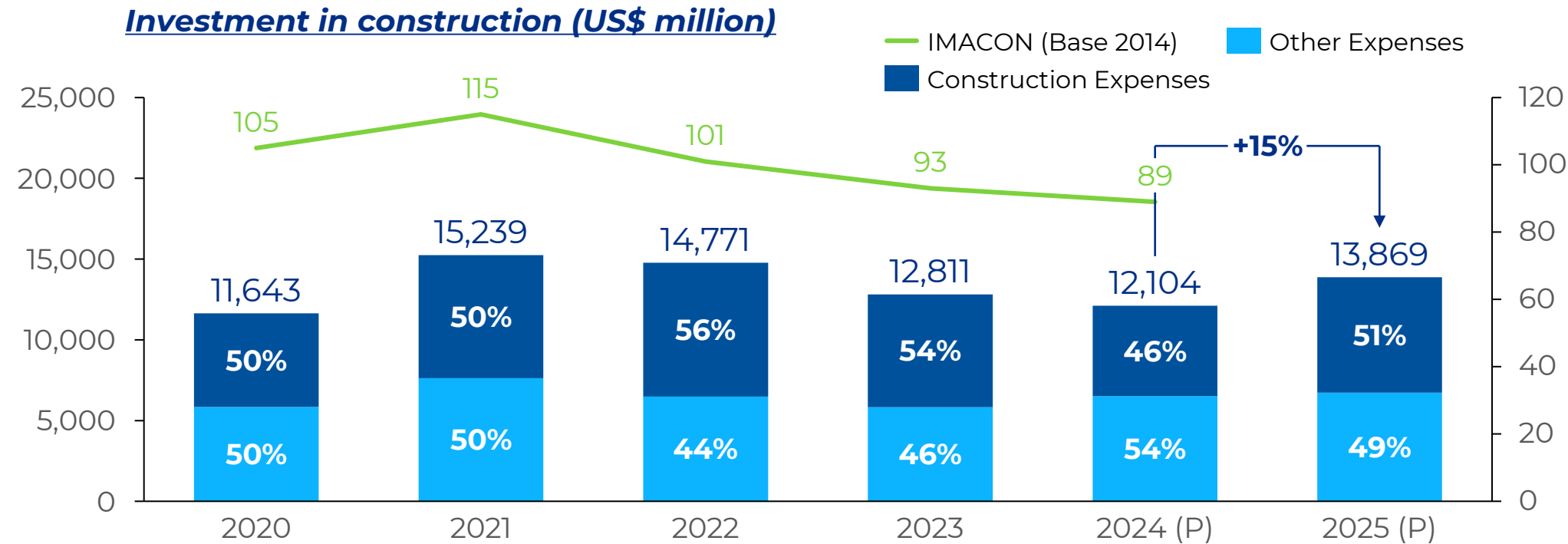


Platts 65% Fe avg



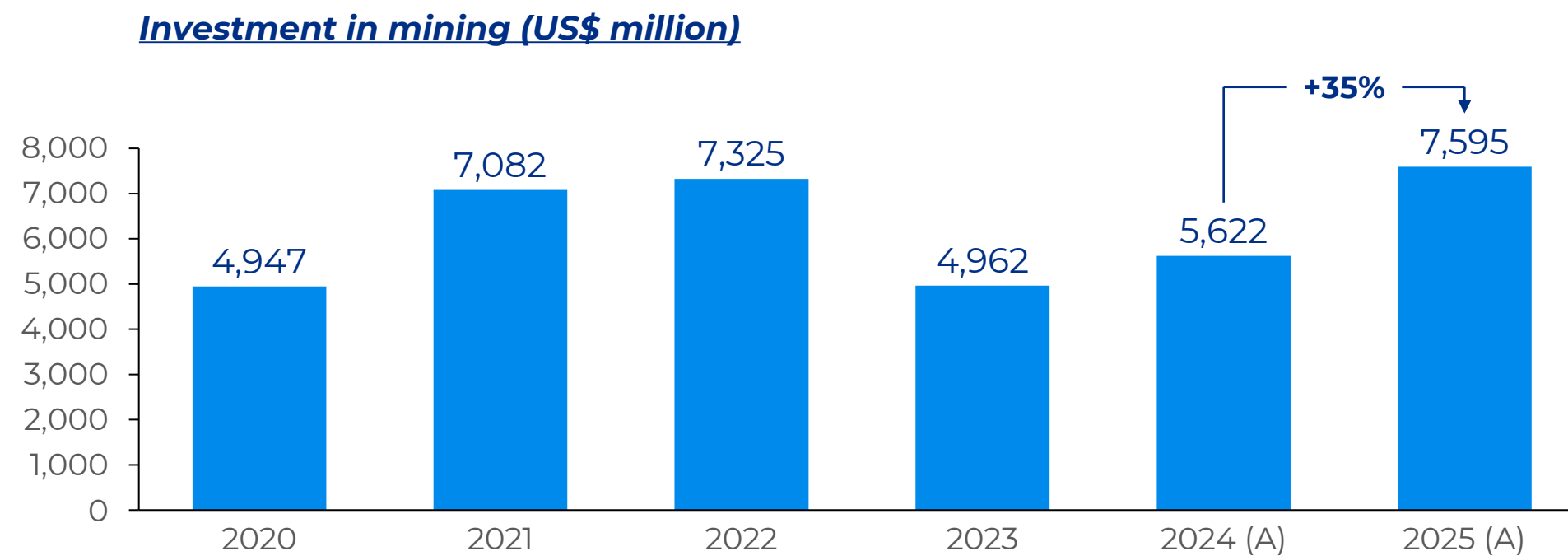
- Market consensus* shows a 62%Fe Iron ore price of 95 – 99 US\$/t for 2025

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



Source: MACH 67 - CChC based in CBC surveys.

- A slight recovery in investment in construction is projected for 2025, driven by mining
- More favorable copper price expectations would motivate the execution of mining projects



Source: CBC

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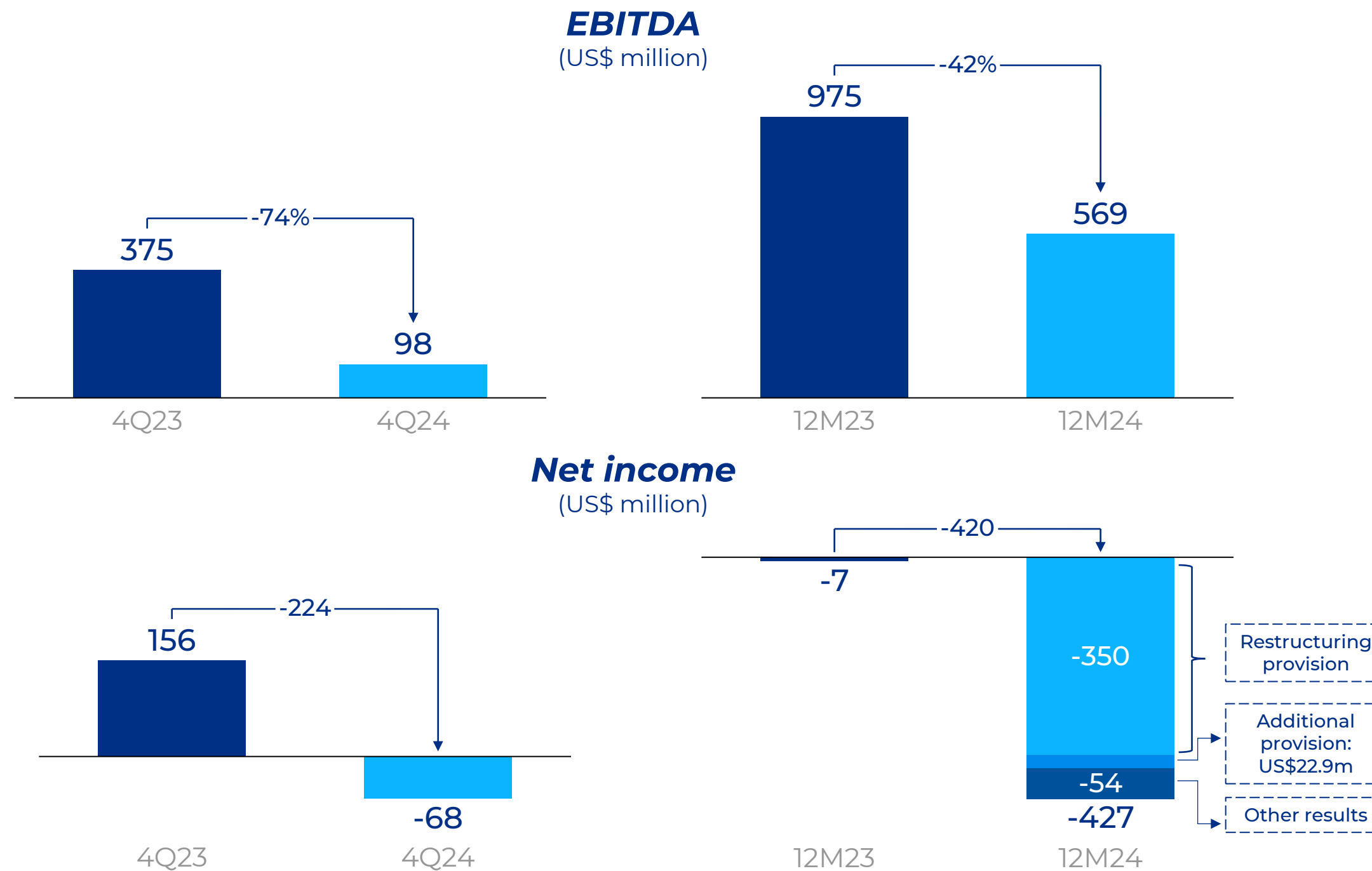
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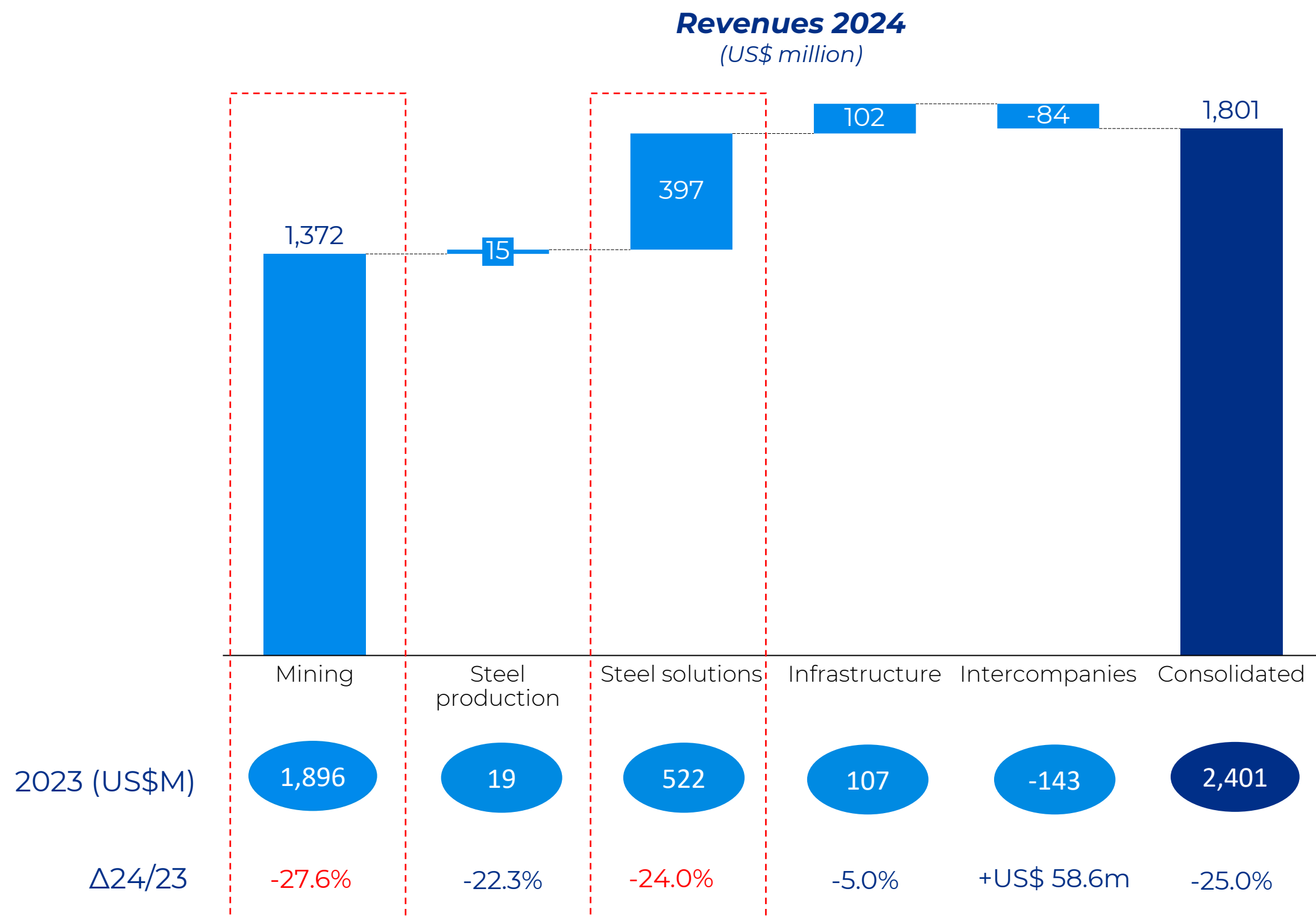
Consolidated EBITDA decreased by 42% in 2024 mainly due to mining, while net income was impacted by the CSH suspension provisions

Key highlights

- Lower EBITDA in the mining segment in 2024 (-44% YoY), due to the MtM effect (US\$ -151.1m), a 7.6% decrease in realized prices and 10% lower shipments, mainly explained by the contingency at Los Colorados mine
- Steel Solutions reported a lower EBITDA in 2024 compared with 2023 (-34% YoY), primarily explained by a lower EBITDA in TASA (US\$ 0,01m vs US\$ 21.8m in 2023) affected by Argentina's economy, translating into fewer shipments
- Consolidated net losses in 2024 mainly explained by the one-off restructuring provision of US\$ 350m, due to the steel production suspension



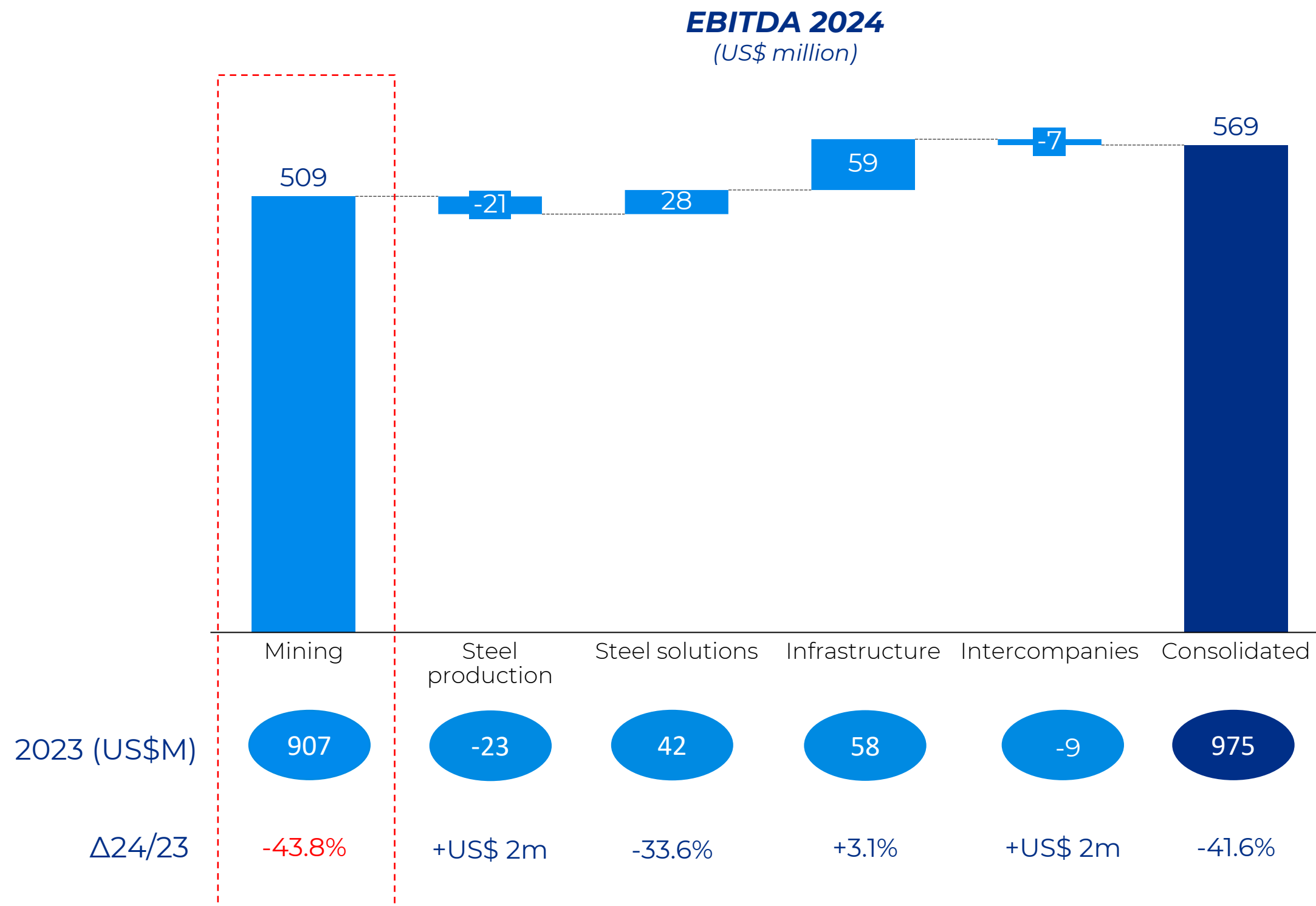
Lower consolidated revenues mainly driven by mining and steel solutions



Key highlights

- Mining:** 27.6% decrease in annual revenues mainly explained by a negative MtM in 2024 compared with 2023 (US\$ -151.1m vs US\$ 75.5m), and by lower shipments (-10% YoY) and iron ore prices (-7.6% YoY)
- Steel solutions:** 24.0% decrease in revenues, mostly explained by lower shipments (-11.6% YoY) and prices (-9.3% YoY) due to a weak construction sector in Chile and Peru, and the situation in Argentina
- Steel production:** sales reported as of December 2024 (and its comparative period in 2023) represent Huachipato's non-steel business, reducing its impact on consolidated revenues versus previous periods

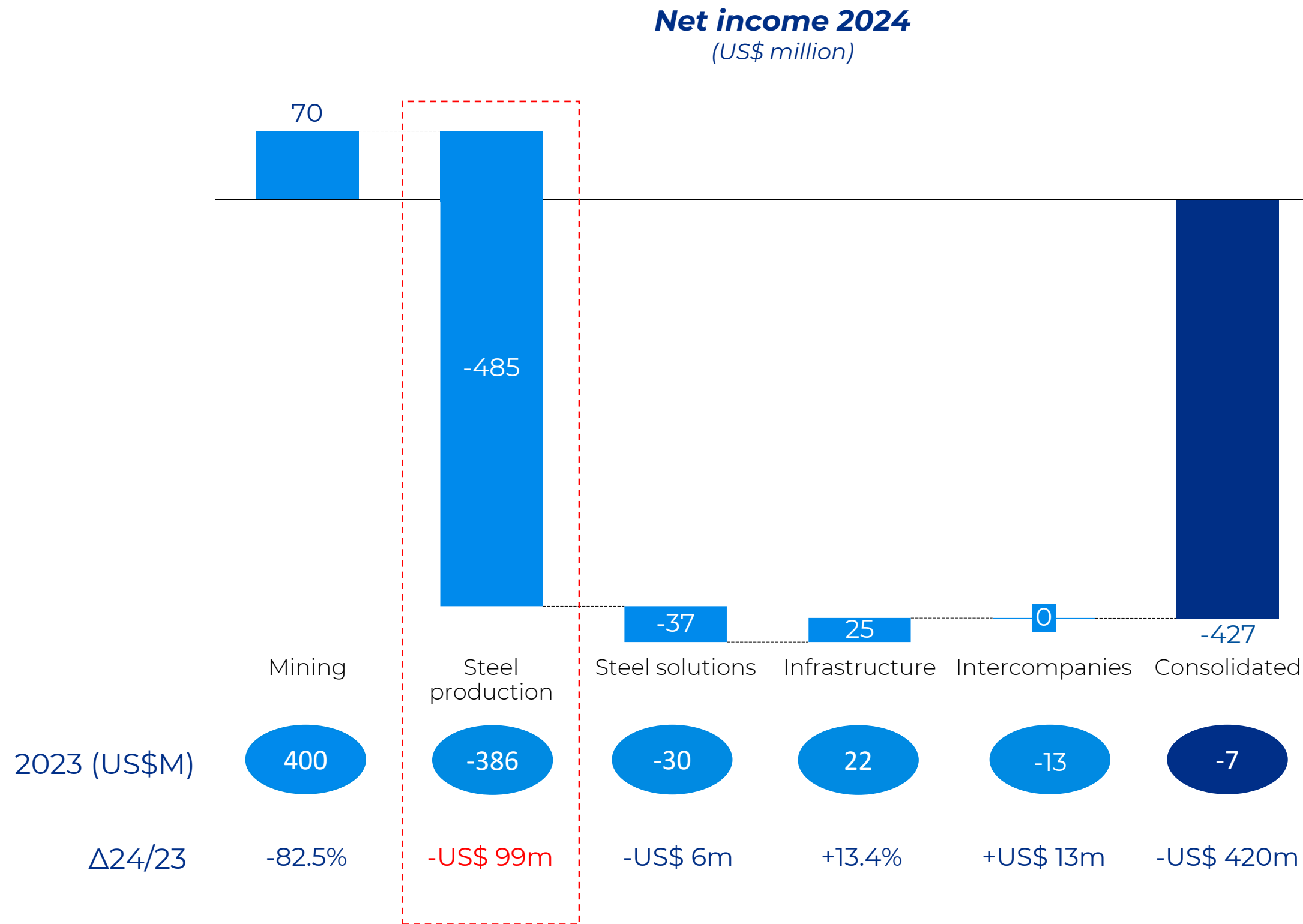
Consolidated EBITDA fell in 2024 mainly as a result of iron ore price trends and lower shipments



Key highlights

- Mining: lower EBITDA due to MtM effect, and a decrease in shipments and realized prices, despite lower unitary cash costs (US\$51.9/t in 2024 versus US\$54.2/t in 2023)*
- Steel solutions: lower revenues (-24.0% YoY) impacted by a decrease in shipments (-11.6% YoY) and prices (-9.3% YoY) due to the construction sector context and the Argentinian economy, respectively
- Infrastructure: stable EBITDA in 2024 mainly supported by Aguas CAP and Tecnocap

Bottom line in 2024 also heavily impacted by the one-off effect of the steel production business' suspension

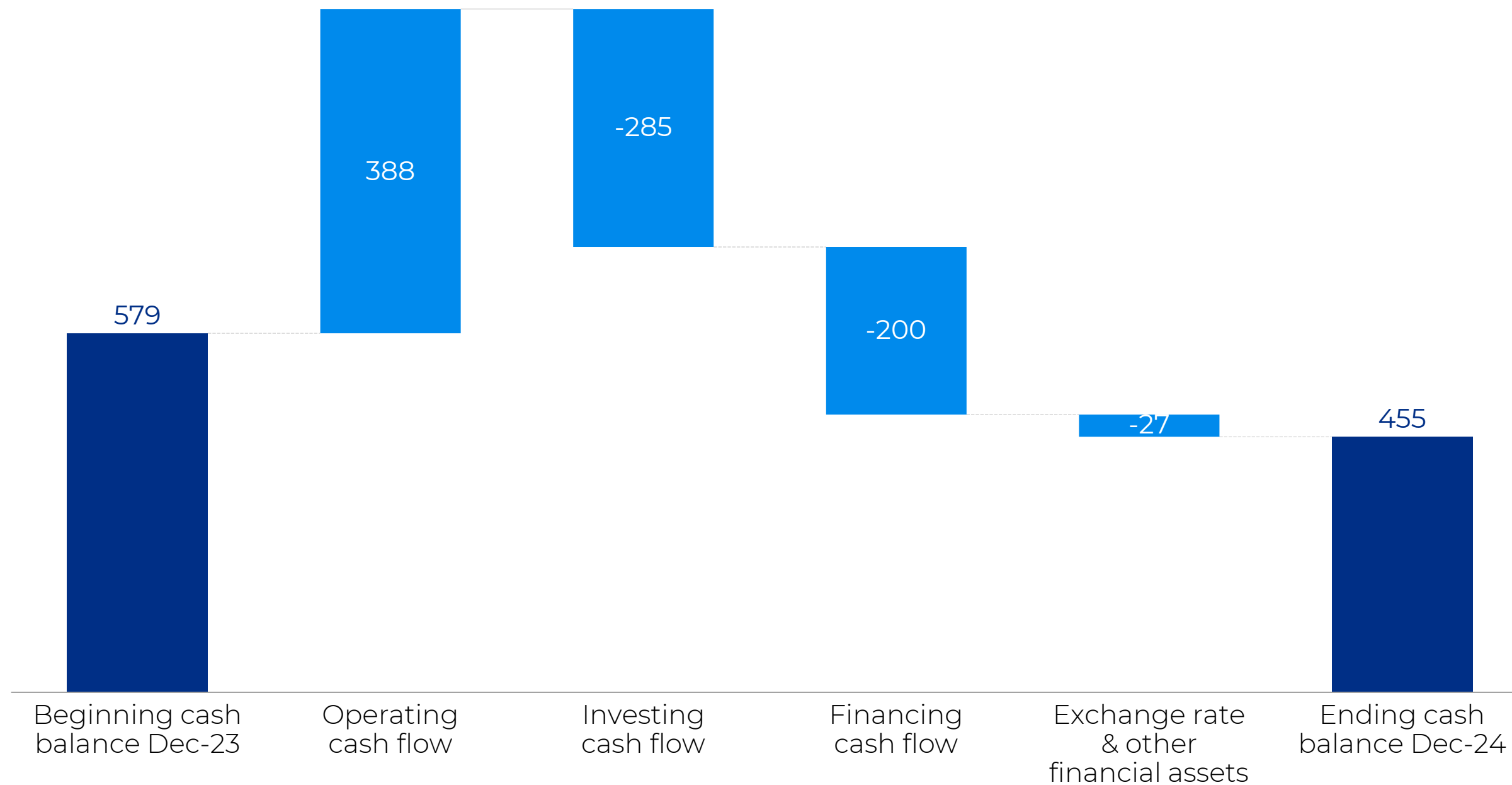


Key highlights

- Mining: lower results due to the aforementioned MtM impact, and a decrease in prices and shipments
- Steel production: losses mainly explained by one-off restructuring provision of US\$ 350m
- Steel solutions: Negative results due to a weak construction activity in Chile and Peru, and the situation of Argentina's economy

Consolidated cash position still strong as of December 2024

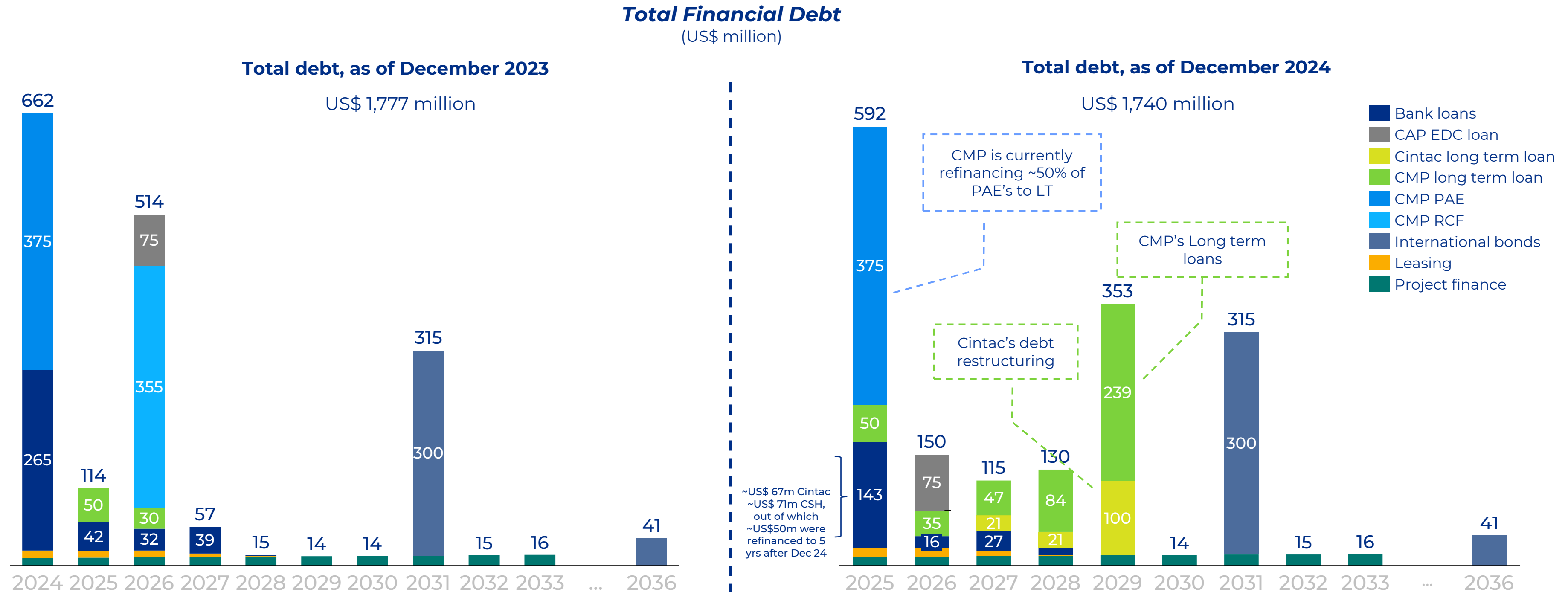
Consolidated Cash Balance Dec 24 VS Dec 23
(US\$ million)



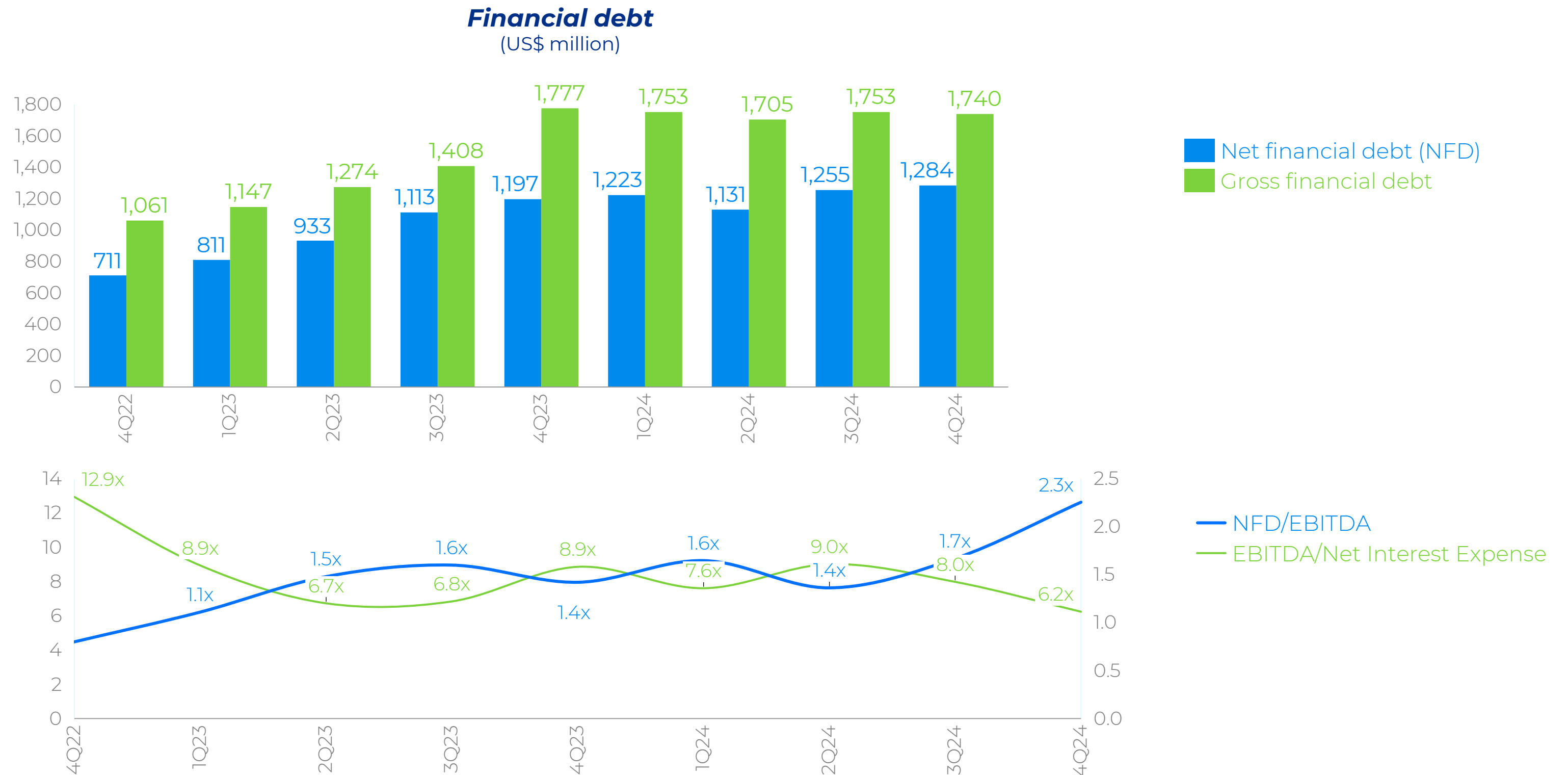
Key highlights

- Operating Cash Flow: Net cash flows from operations reached US\$ 226.5 million
- Investing Cash Flow: Consolidated CAPEX of US\$ 300.5 million (with CMP and CSH representing 96%)
- Financing Cash Flow: Debt repayments were compensated by new loans. Negative cash flow mainly explained by financial expenses

During 2024, Cintac and CMP restructured part of their debt to the long term, thereby reducing short term obligations



Leverage ratios remain at healthy levels

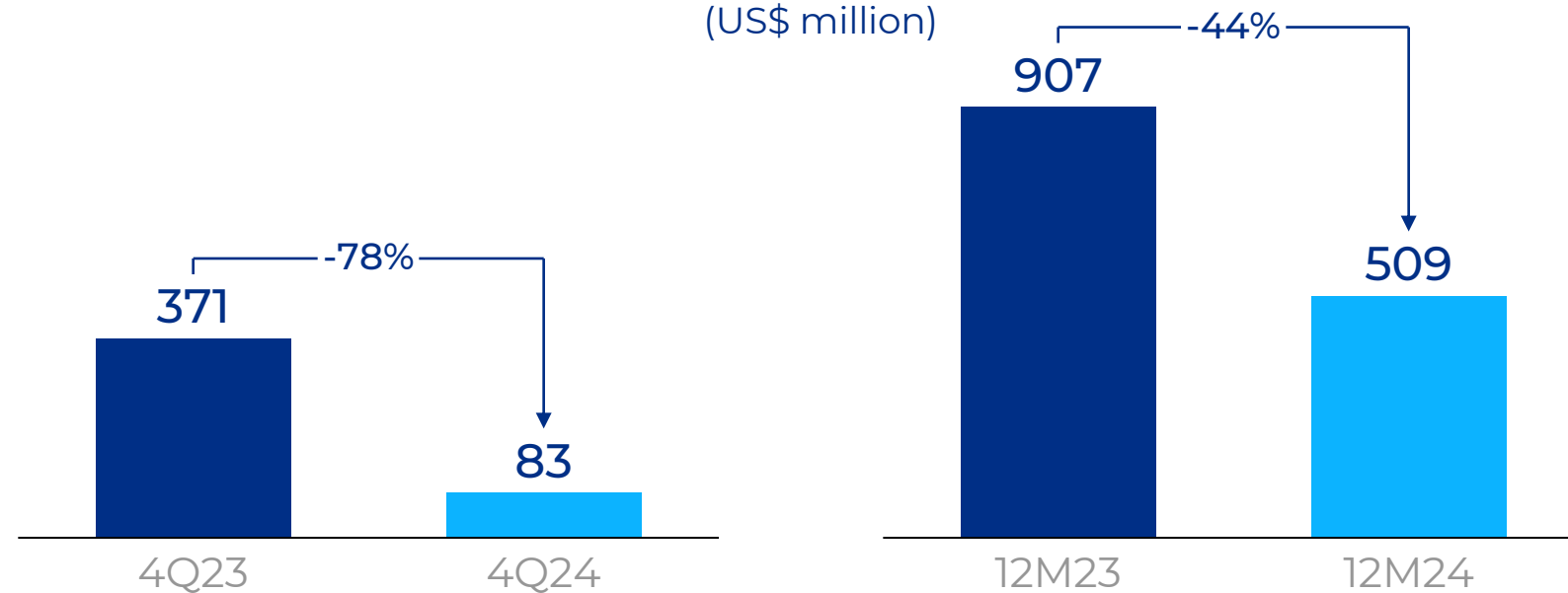


4. Financial results

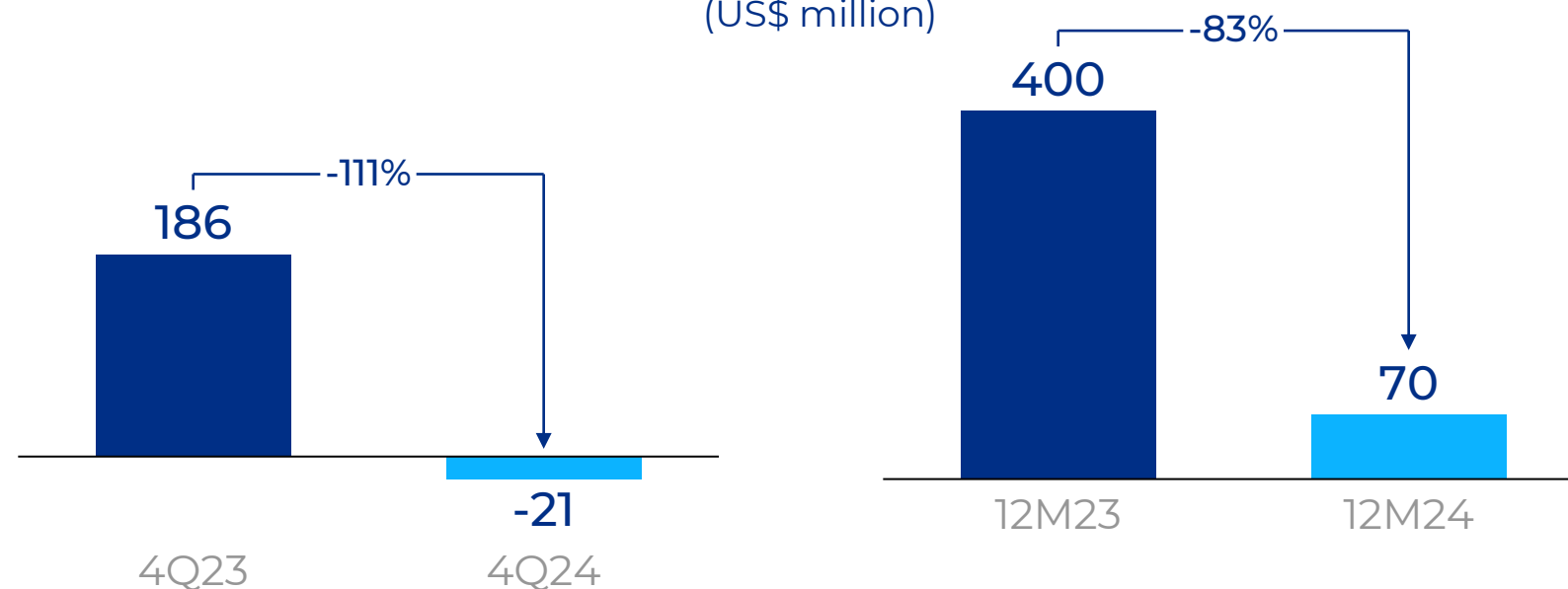
Mining business

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

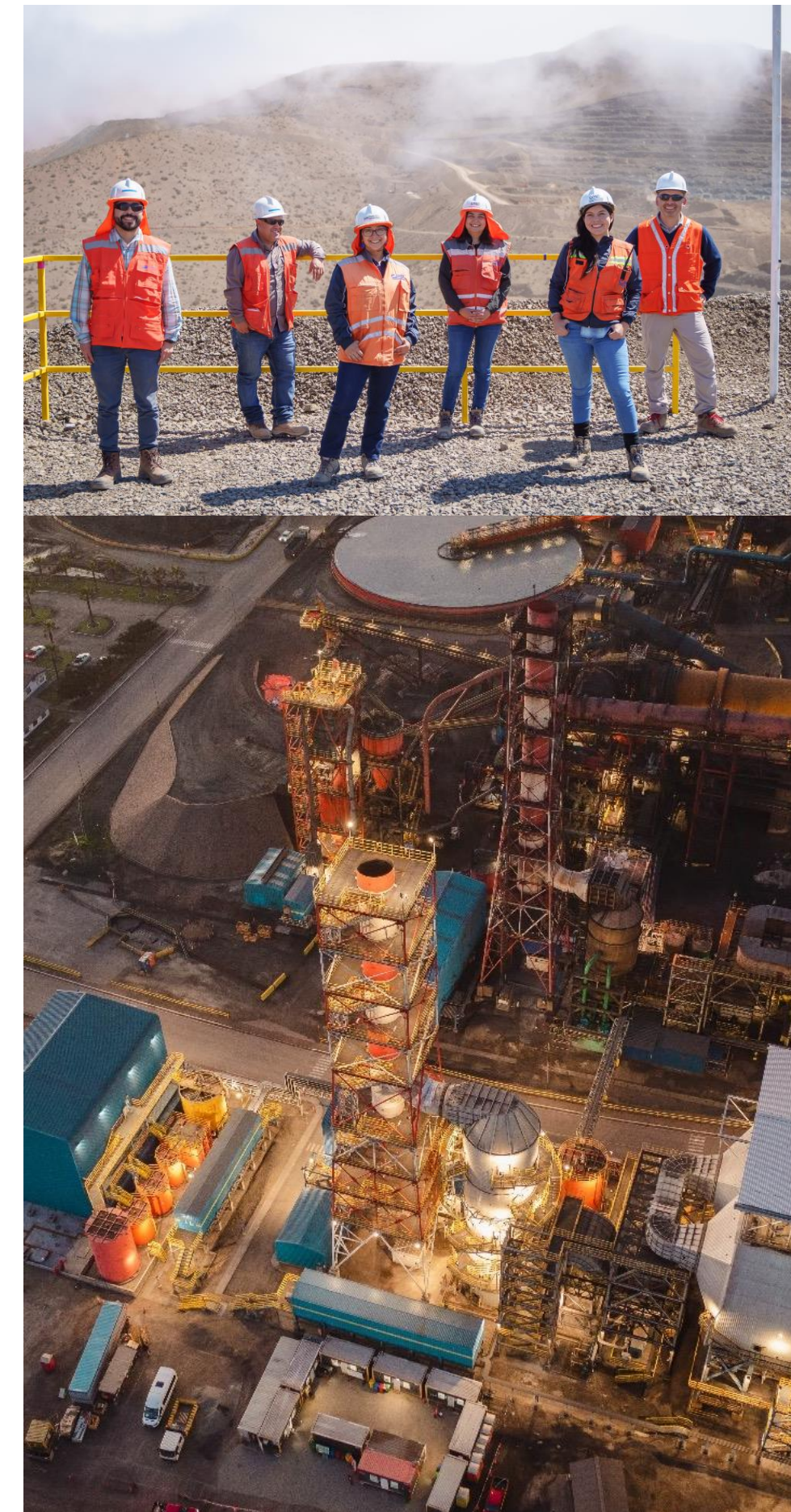
EBITDA (US\$ million)



Net income (US\$ million)

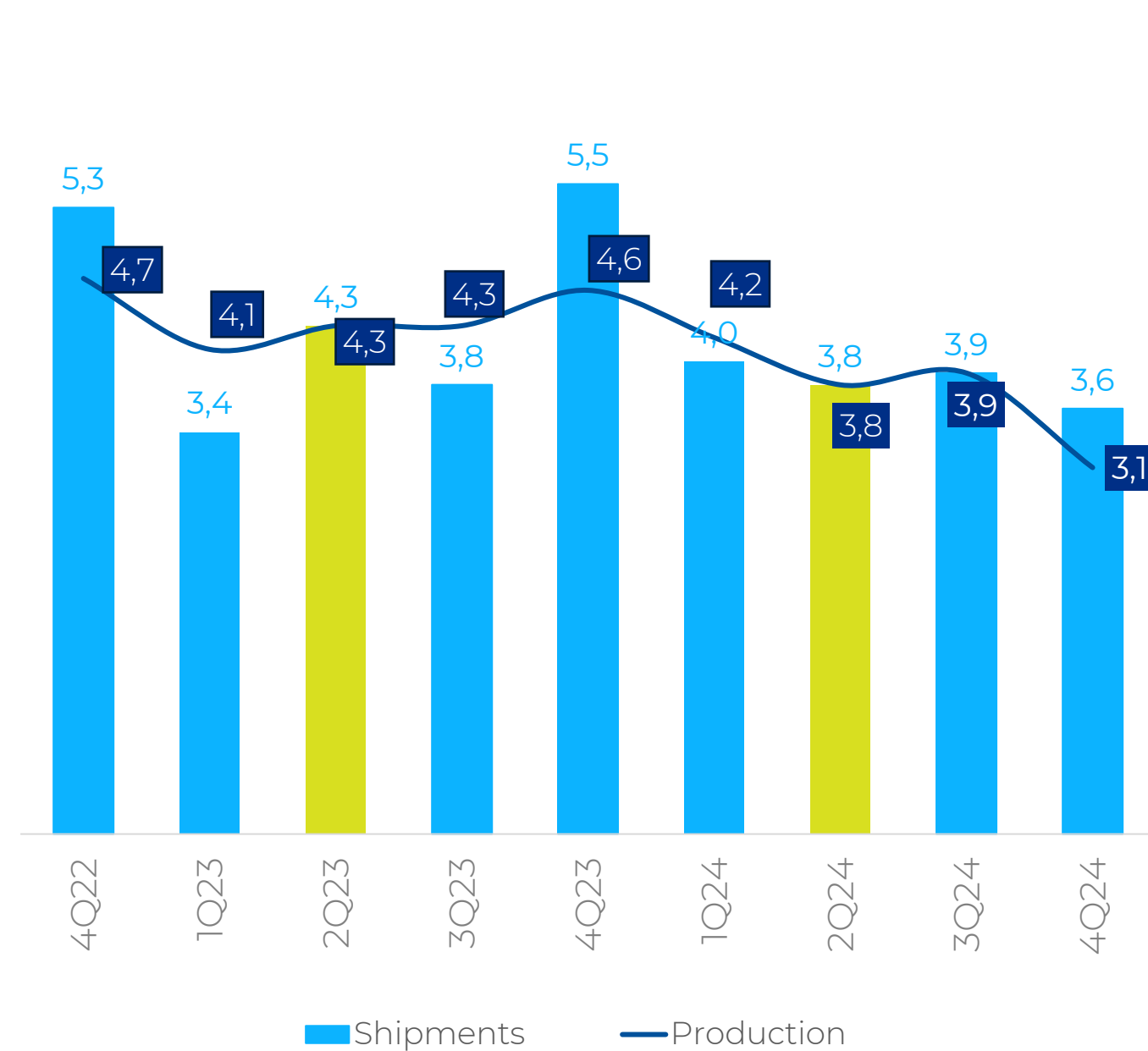


- **10.0% decrease in shipments**, from 17.0 million tons in 2023 to 15.3 million tons in 2024 due to the operational contingency at MLC
- **7.6% decline in realized prices**, from US\$106 per ton in 2023 to US\$97.9 per ton in 2024
- **Cash cost (C1)** remained stable in year-over-year terms (-1.2%), but increased by 23.3% in 4Q24 compared to 4Q23, mainly because of MLC contingency
- During 2024, **MtM effect** accumulated a net impact of US\$ -151.1 million (vs US\$ -75.5 million in 2023)

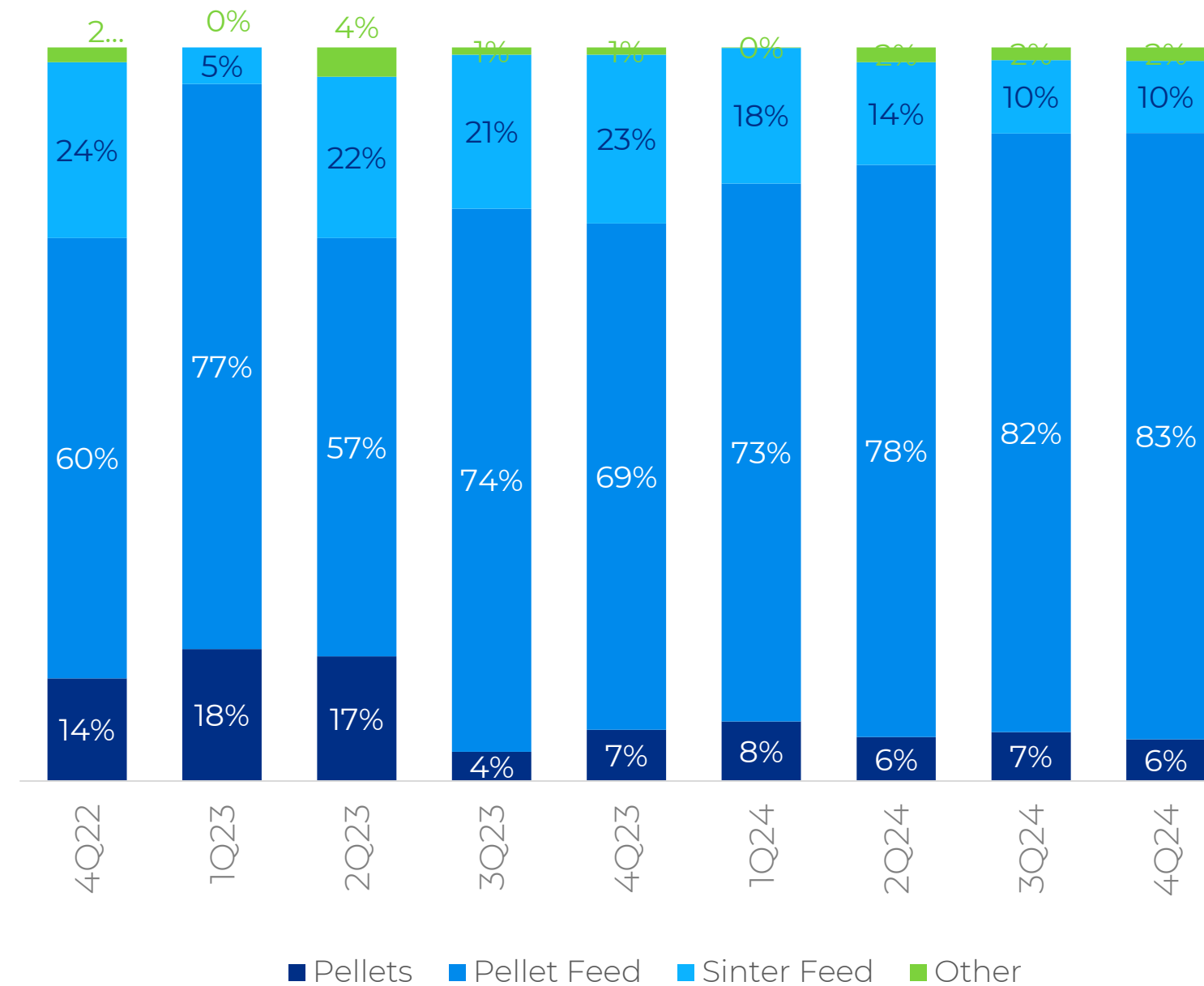


CMP's production was hit by LC contingency, while product mix was affected by pellet plant maintenance and market conditions

Shipments and production
(million ton)



Product Mix (shipments)



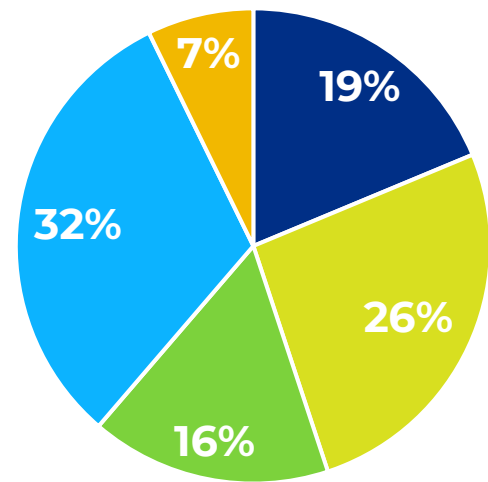
Lower Pellet production:

- Less attractive spot pellet premiums
- Reduction in shipments due to CSH indefinite suspension

4. Financial results – Mining business

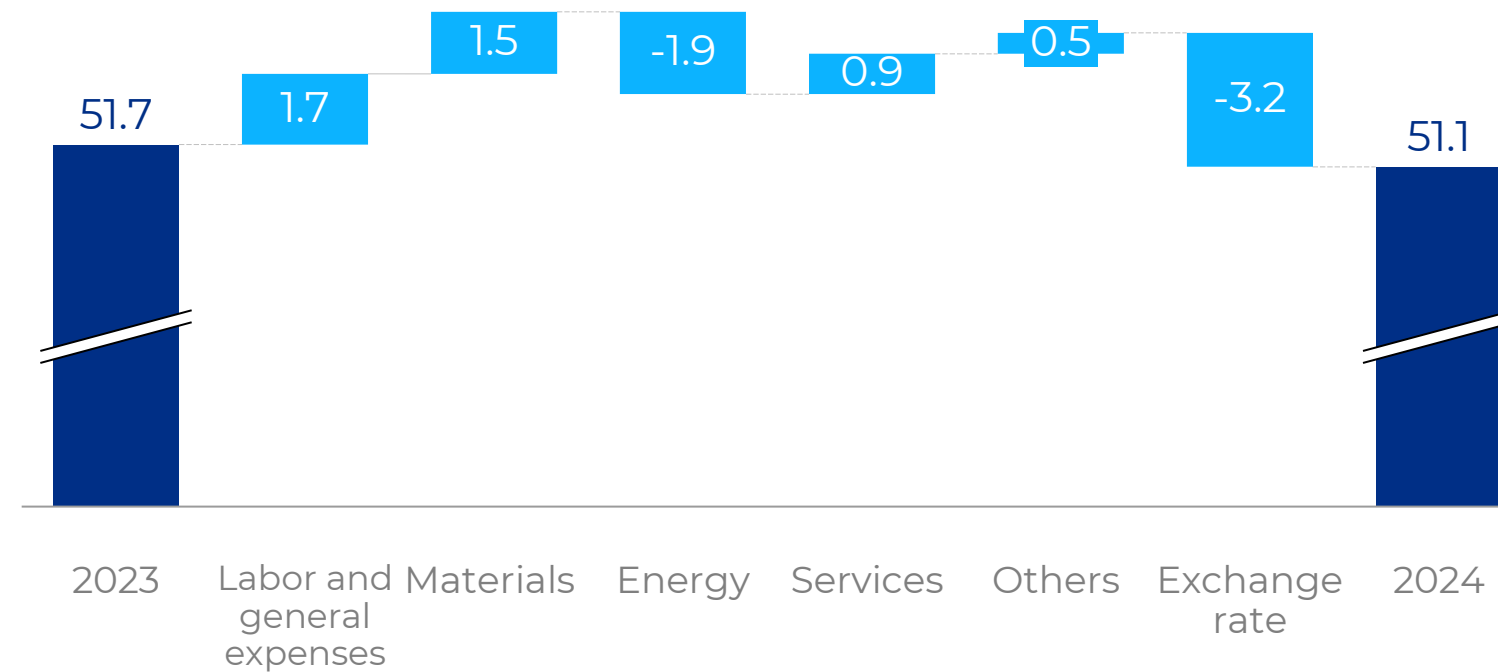
CMP cash cost variation 2023 vs 2024

Cash Cost Distribution 2024

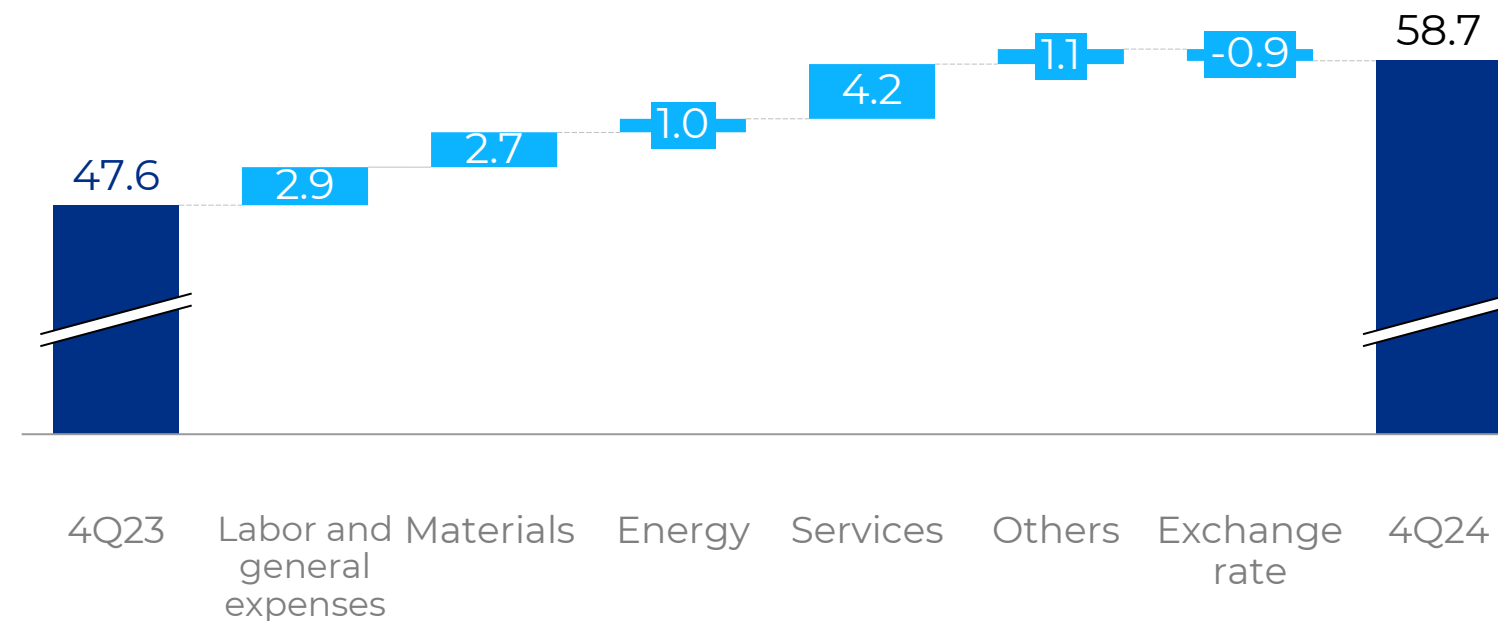


- Labor & General Expenses
- Materials
- Energy
- Services
- Others

C1 Cash cost YoY 2024 (US\$/t)



C1 Cash cost 4Q23-24 (US\$/t)



Key highlights 2024

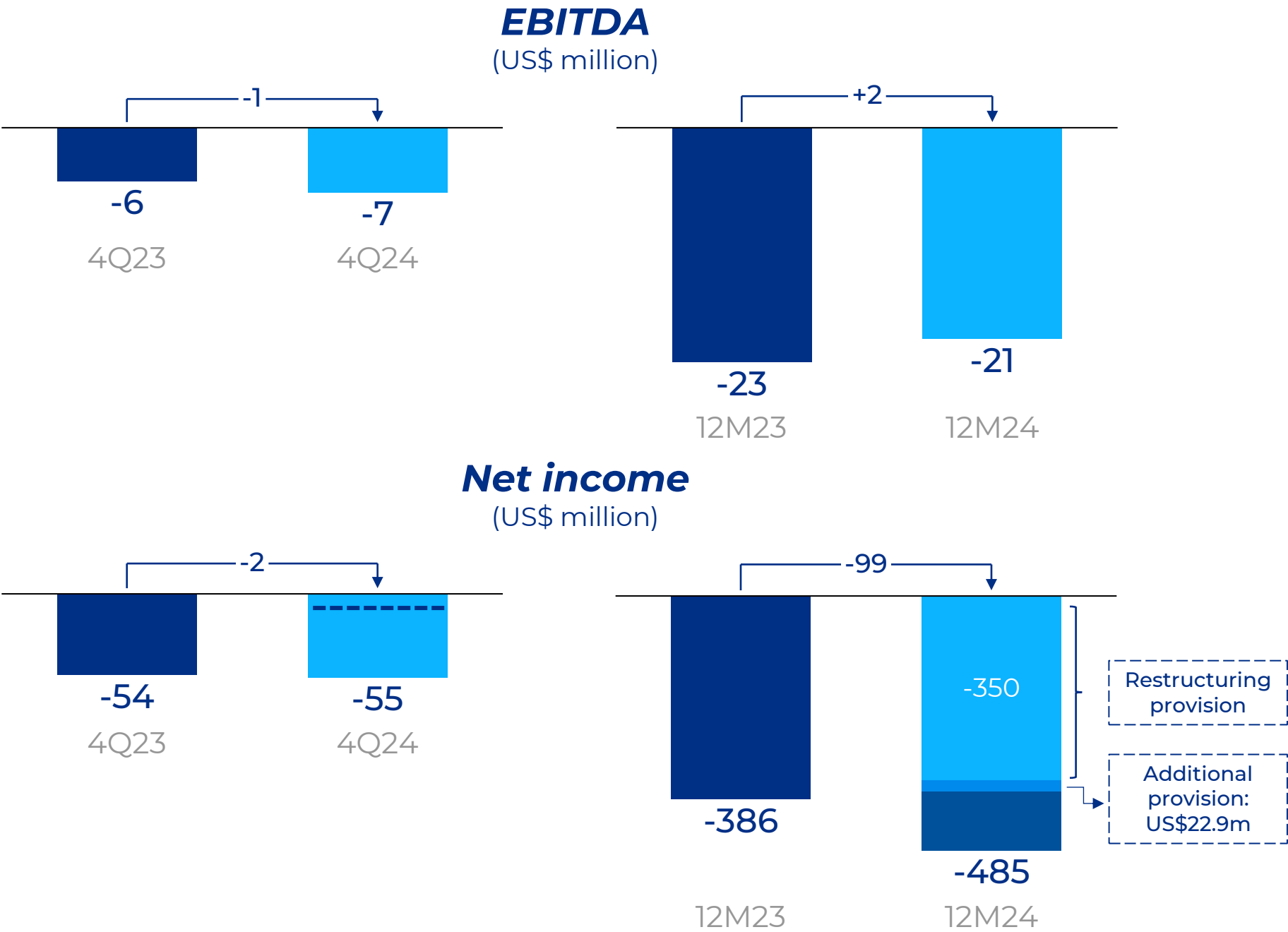
- Lower energy costs due to a reduction in coal tariff
- Chilean peso depreciation, from an average of 839.1/US\$ in 2023 to 943.6/US\$ in 2024

Key Highlights 4Q24

- Higher unit costs in 4Q24 due to lower production impacted by the contingency at MLC (3.1 million tons in 2024 versus 4.6 million tons in 2023)

4. Financial results

Huachipato



Key highlights

- Operating results related to non-steel production activities**, which include the commercialization of limestone and caustic soda, as well as logistic services
- Recognition of US\$ 349.6 million restructuring provision** related to the indefinite suspension

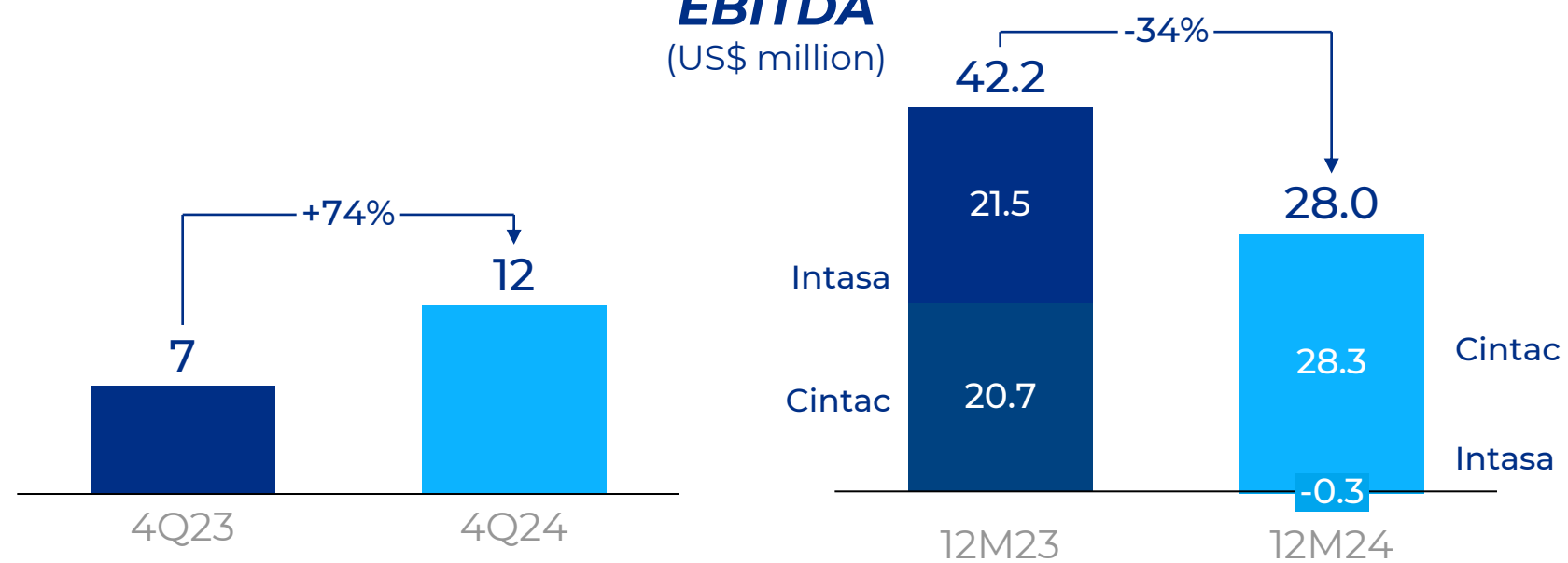


4. Financial results

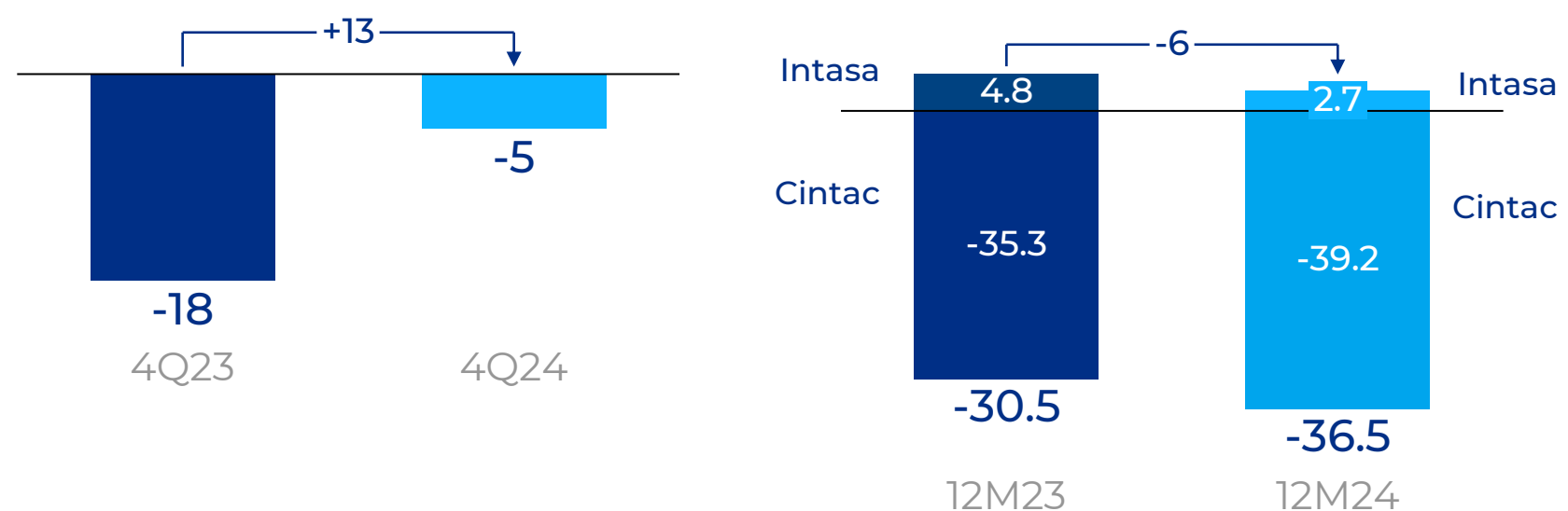
Steel solutions business

With presence in Chile, Peru and Argentina, the Steel solutions business is formed by Cintac, Promet, Calaminon, Tupemesa, Agrow and Tubos Argentinos (TASA).

EBITDA (US\$ million)



Net income (US\$ million)



Key highlights

• Lower volumes and revenues:

- Volumes: 6.5% YoY decrease in industrial segment in Cintac and 36.1% YoY decrease in TASA
- Revenues: 16.0% YoY reduction in Cintac, and 53.2% YoY reduction in TASA

• Cost reduction:

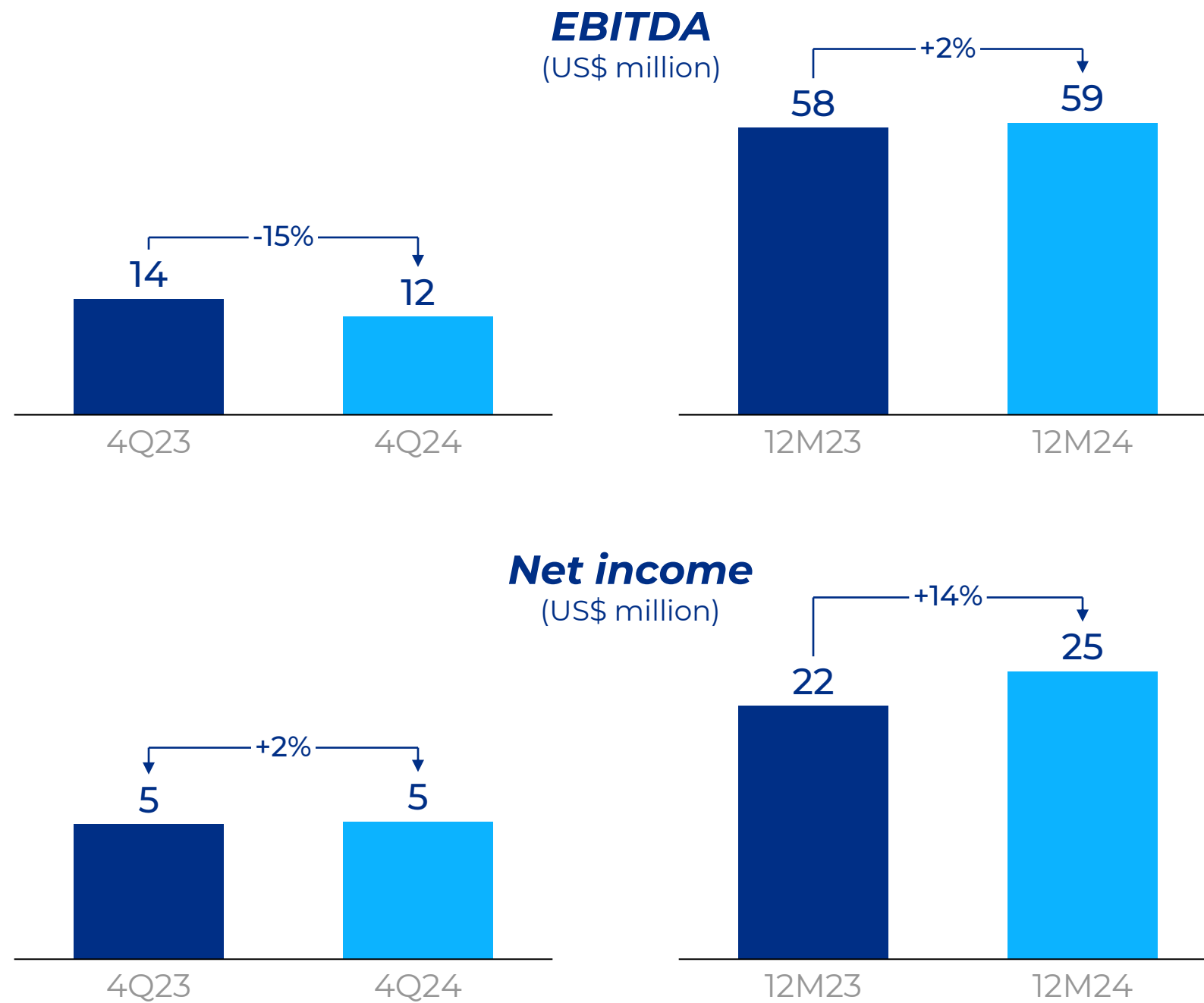
- 18.8% YoY decrease in costs in Cintac, due to lower sales but also reflecting the plan to manage costs and achieve operational excellence
- 41.5% YoY cost reduction in TASA, mainly due to lower sales



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 7.9 million cubic meters of desalinated water in 2024, whilst in 2023 they produced 7.6 million cubic meters
- **Tecnocap** reported a power transmission of 248 GWh during 2024 compared to 253 GWh reported in 2023





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Our subsidiaries are aligned with CAP Group's strategy

CAP GROUP 2030 STRATEGY

To be a leading provider of decarbonization materials through an integrated portfolio of businesses, developing innovative and sustainable solutions

MINING



High quality iron ore products

Decarbonize the steel industry



Clean heavy Rare Earths and alloys

With a circular mineral harvesting production process

INDUSTRIAL



To add value to the manufacturing of permanent magnets



Development of Green Steel, through the direct reduction of green iron and hydrogen



Efficient solutions for modular construction

Industrialization of construction

INFRASTRUCTURE



Ensuring access to critical infrastructure
Sustainable water, energy and port services

We are moving forward in our Strategy 2030 with concrete milestones



» New agreement signed to **operate on 100% renewable energy** by 2026



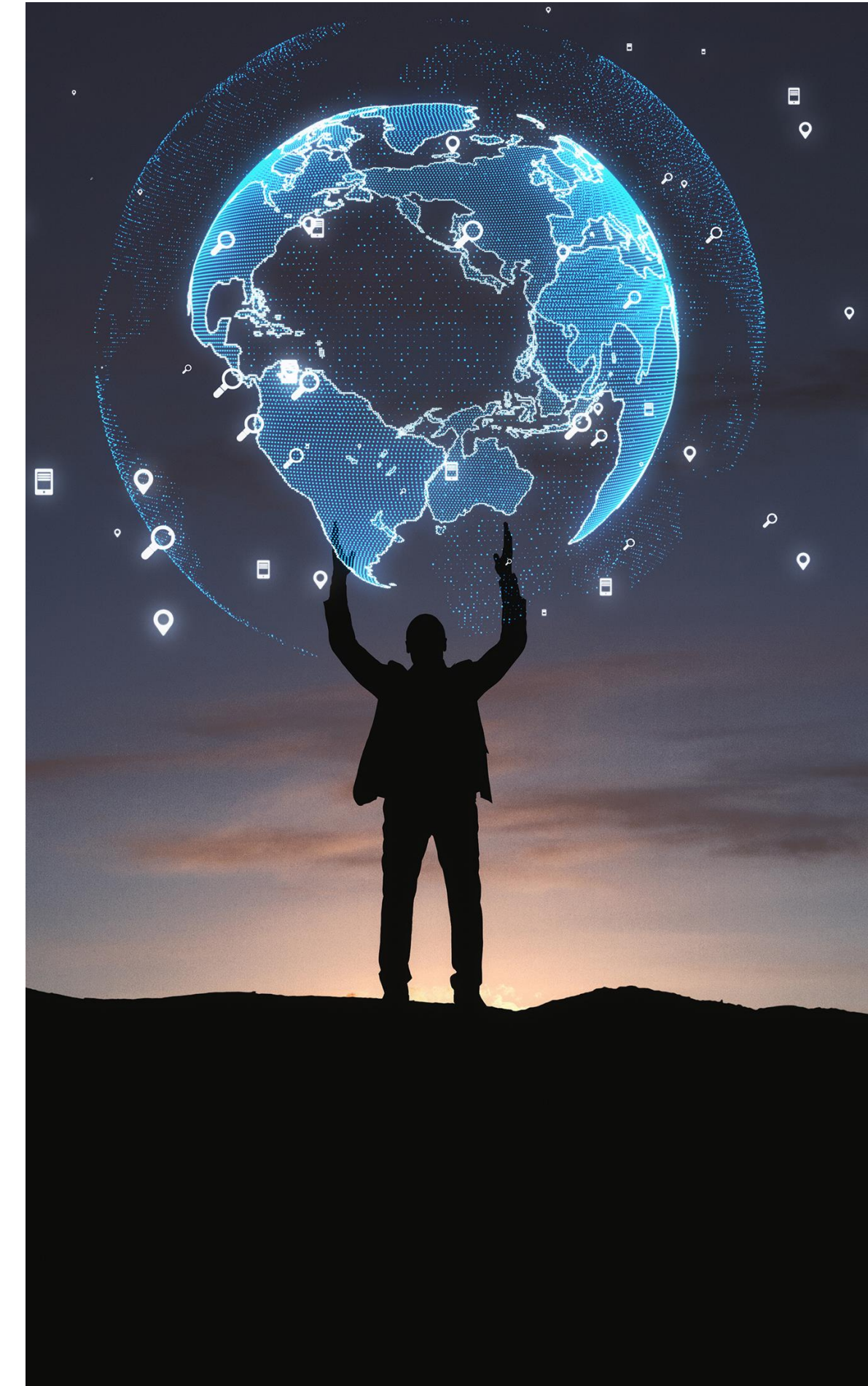
» Progressing in **Huachipato 2.0** for the medium and long term



» **Acquisition of AguasCAP** for the remaining stake, to reach 100% ownership



» CAP partially executed its option to enter in **Aclara Resources (TSX)** by **acquiring a 10.2%**



We entered into an agreement to acquire the remaining 49% of Aguas CAP's ownership

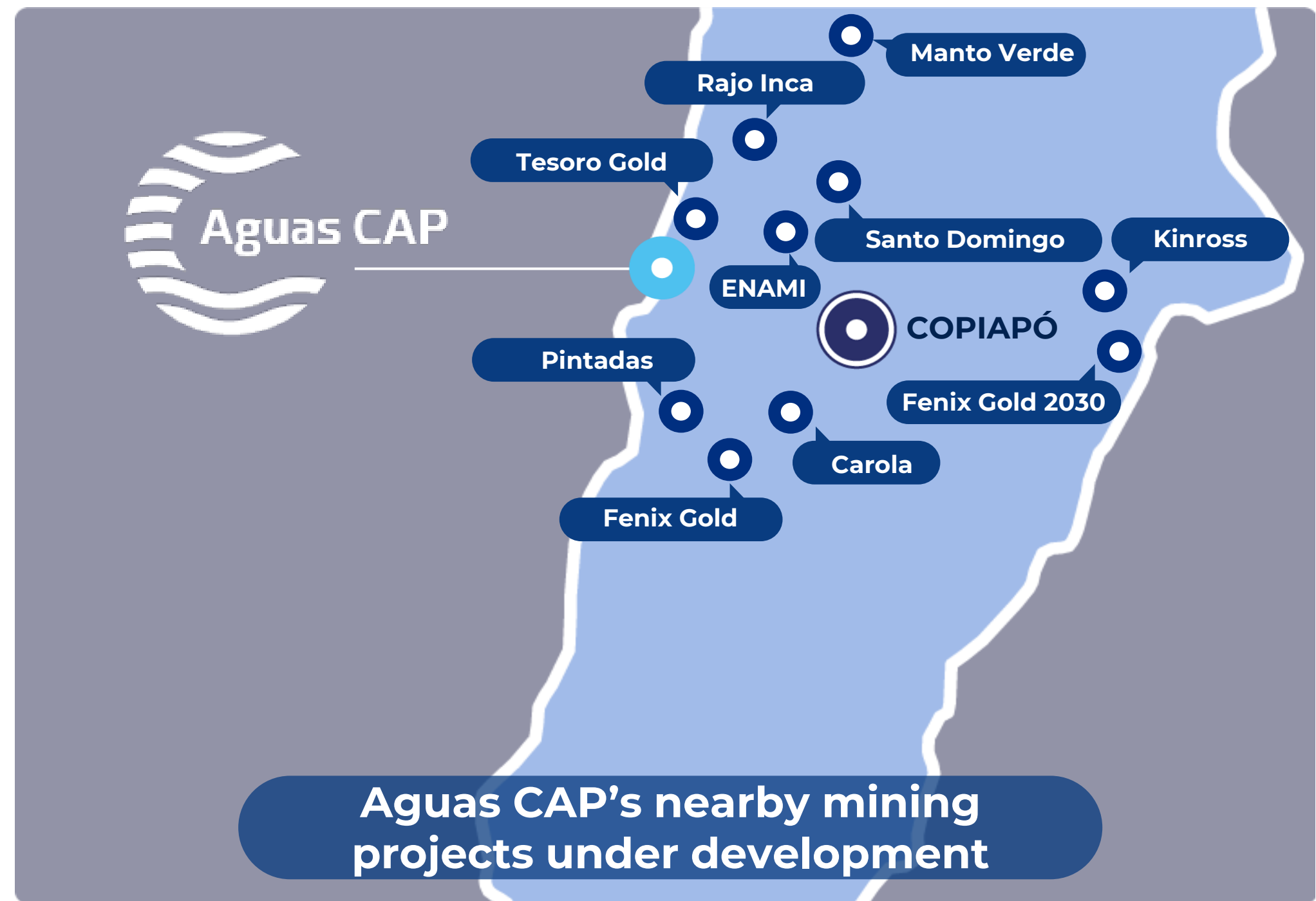
The agreed price amounts to
US\$79.5 million

This will impact CAP's net income by
US\$ 11 - 15 million annually

There is **no effect on CAP's EBITDA**, as
Aguas CAP was already consolidated

In terms of **cash, CAP will receive 100%**
of Aguas CAP's dividends

Potential of **production increase** from
400l/s to 600l/s



During February 2025, CAP subscribed US\$ 10.8m capital increase in Aclara Resources in exchange for 10.18% ownership

- With this transaction, Grupo CAP seals its entry into the development of the Carina project in Brazil and a rare earths separation plant in the United States. It also indirectly increases its stake in the Penco module, Chile's first rare earth deposit, located in the Biobío region
- CAP retains the option to increase its stake in the Canadian holding up to 19.9%
- Modulo Carina, located in Goias (Brazil), has resources of ~ 1,9kton approximately, compared to Modulo Penco (~290t)
- Upon approval of the respective permits and securing potential off-takers, both Modulo Penco and Carina are expected to be in production by 2028
- The potential HREE Market Share through Modulo Penco and Carina is about ~ 12% by 2030



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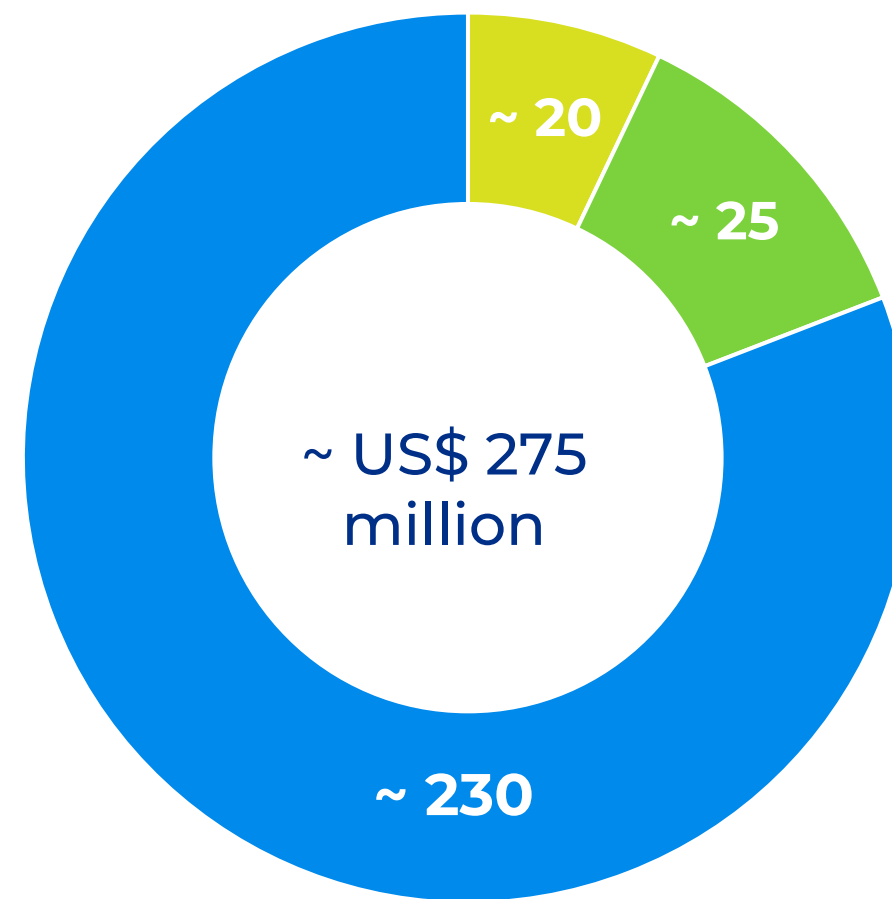


6. CAPEX

Guidance 2025

Consolidated CAPEX is projected to reach ~ US\$ 275 million in 2025

By segment



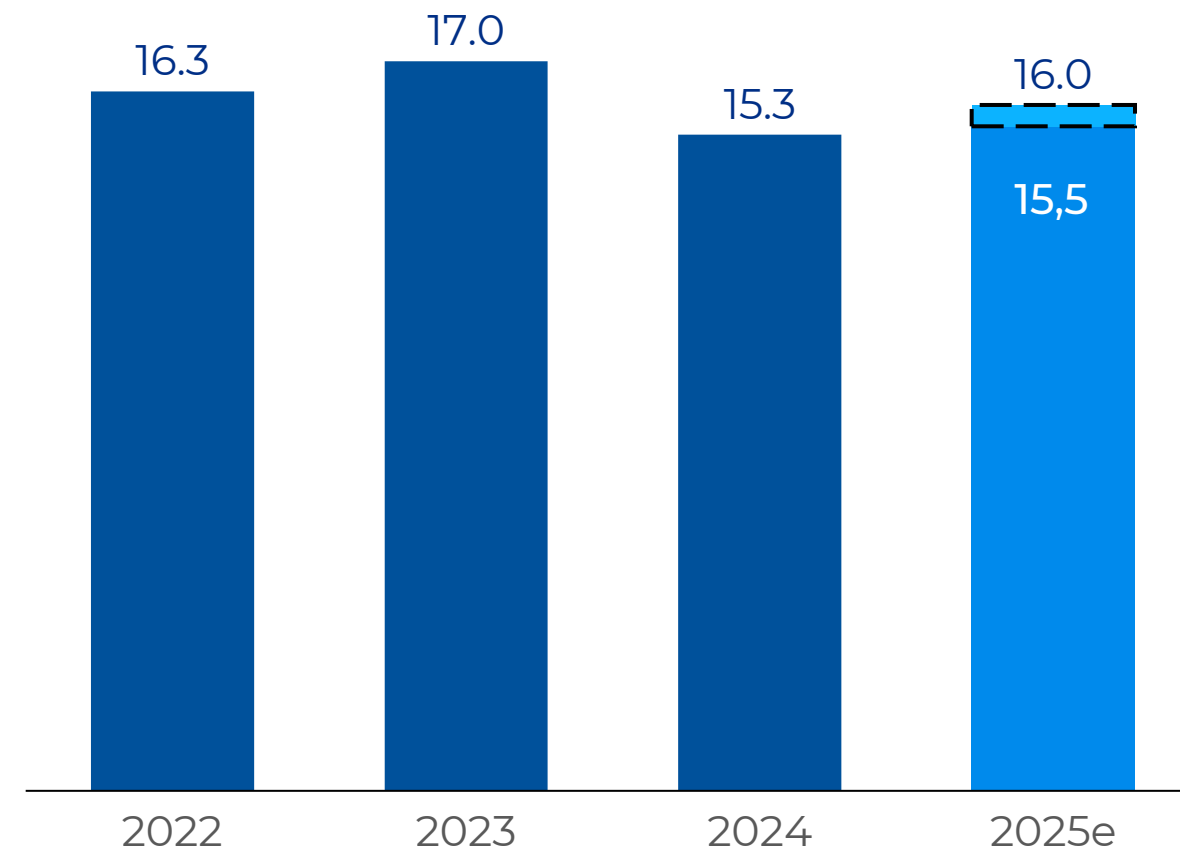
■ Infrastructure ■ Industrial ■ Mining (1) ~ = +/-10%

6. Shipments and cash cost

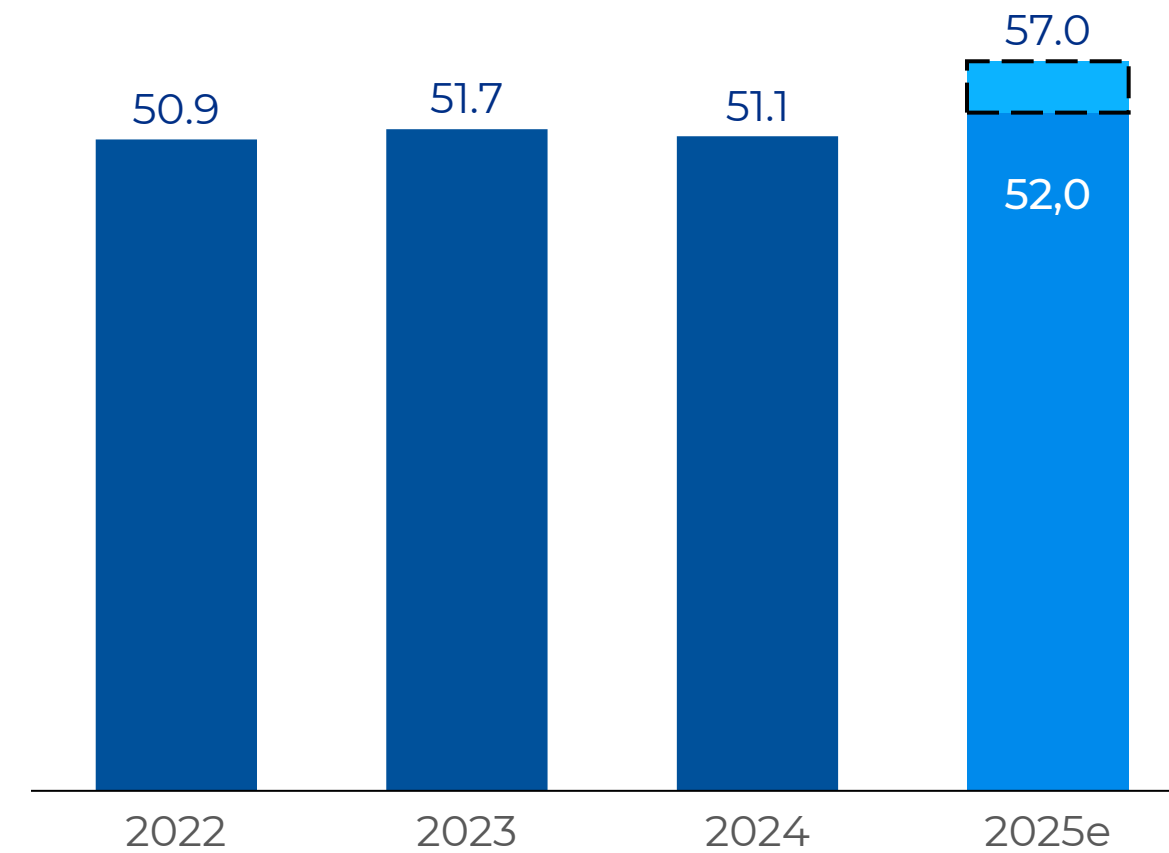
Guidance 2025

Both shipments and cash cost include the Los Colorados mine contingency impact

Shipments Projection (Mt)



Production cash cost US\$/ton





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Way forward



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



Establish a plan at Huachipato to **achieve breakeven running rate** in 2026



Enabling growth in the CAP Group

- Engineering studies for expansion at CMP, progressing towards achieving FEL2
- Environmental permits for Aclara and securing offtake contracts
- Focus on closing new long-term contracts at Aguas CAP to enable desalination plant expansion
- Develop the 4 hubs at Huachipato 2.0



CAP S.A.

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