



LITHIUM, A STRATEGIC METAL

INVESTMENT IDEA :
21 november 2022

STRUCTURATION : PHOENIX, AUTOCALL MEMORY

OVERVIEW :

Maturity:

- **3 YEARS**

Exposure:

- **WORST OF**

Underlying's:

- **ALBERMARLE CORP (ALB US)**
- **SOCIEDAD QUIMICA Y MINERA
DE CHILE (SQM US)**
- **IMERYS (NK FP)**

Autocall Trigger: **100%**

Observations: **QUARTERLY**

Coupon Barrier: **60%**

Memory Coupon: **19.5% P.A**

European Barrier: **60%**

If you think this is the right time to **invest in Lithium industry**,
We have structured a product to **take advantage of the sharp rise
of lithium price**.

Indeed, the **legislation of countries for the ecological transition
will increase the demand for electric cars**.

Secondly, the **production of lithium is limited**, and the **demand is
increasing**.



WHY NOW ?

1) Lithium is a strategic metal for the ecological transition and the COP 27.

In fact, in **2035 European legislation** will **prohibit to sale new thermal vehicles in the EU**, this will greatly **increase the demand for electric vehicles**.

Because of the **composition of their batteries**, **electric vehicles cannot do without lithium**.

2) An abundant metal but a still limited production.

Lithium is an **abundant metal on earth with nearly 22,000,000 tons** of proven reserves for a **production is 100,000 tons in 2021**.

However, despite **numerous mining projects**, the **international agency (IEA) expects an increase in production** that should be **multiplied by 40 by 2040**, This had the **effect of increasing the price of lithium from 6,000 USD per ton to 70,000 USD in 1 year (2021)**.

According to Yves Jégourel, co-director of Cyclope (raw materials observatory):

"It is the mineral resource {Lithium} whose consumption is expected to increase the most"



WHICH INVESTMENT VEHICLE?

We have decided to **select the 3 leaders of the lithium industry.**

ALBERMARLE CORP (ALB US):

Albemarle is the world's largest lithium producer. Albemarle produces lithium from its salt brine deposits in Chile and the U.S. and its hard rock joint venture mines in Australia. Albemarle is also a global leader in the production of bromine, used in flame retardants. The company is also a major producer of oil refining catalysts.

(MARKET CAP: 32.504 M USD)

SOCIEDAD QUIMICA Y MINERA DE CHILE (SQM US):

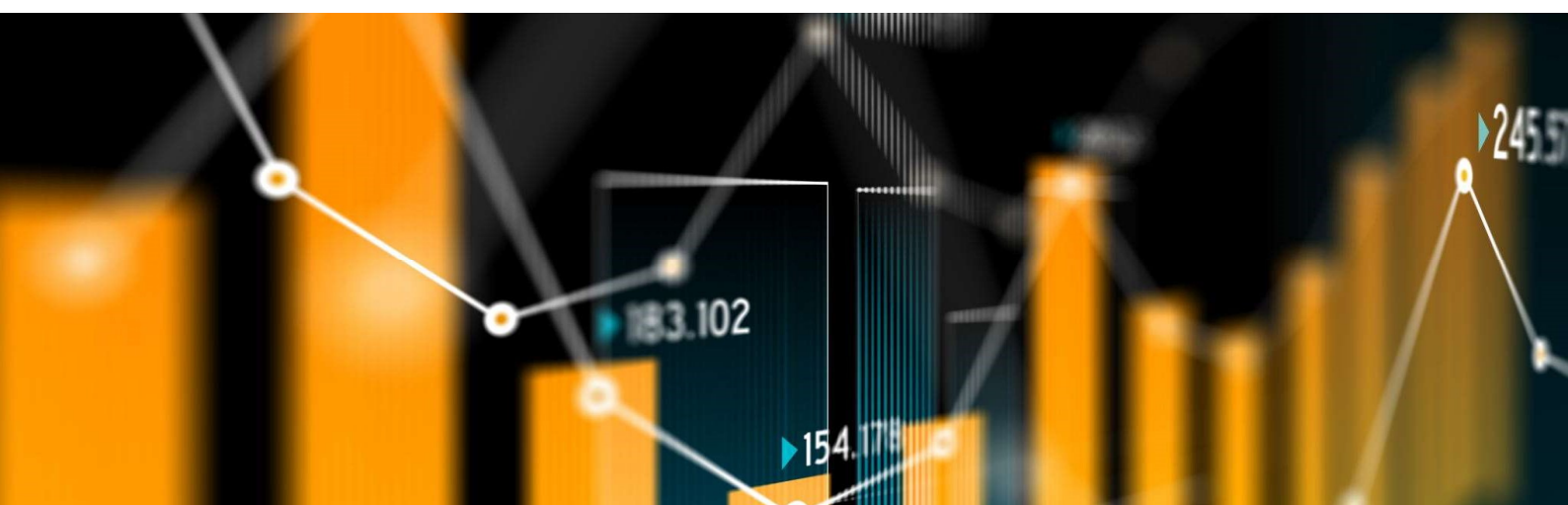
Sociedad Quimica y Minera de Chile is a Chilean commodities producer with significant operations in lithium (primarily used in batteries for electric vehicles and energy storage systems), specialty and standard potassium fertilizers, iodine (primarily used in X-ray contrast media), and solar salts. The company extracts these materials through its high-quality caliche ore and salt brine deposits. SQM is also developing a hard rock lithium project in Australia.

(MARKET CAP: 24.647 M USD)

IMERYS (NK FP):

Imerys manufactures and sells mineral-based specialty applications for multiple industries, including construction, renovation, iron and steel, and automotive. The company is organized into two segments. The Performance Minerals segment comprises three geographic business areas - Europe, Middle East and Africa, Americas and the Asia Pacific. It mainly serves the plastics, rubber, paints & coatings, filtration, renewable energy and paper & board markets. The High-Temperature Materials & Solutions segment regroups two business areas High Temperature Solutions, and Refractory, Abrasives & Construction serving the iron and steel, thermal, refractory, foundry, abrasives and building & infrastructure markets.

(MARKET CAP: 3.212 M USD)



WHICH STRUCTURATION?

To capture the bullish trend of lithium market, we have designed a Phoenix product with memory effect, whose parameters are the following:

PHOENIX AUTOCALL MEMORY

- MATURITY: **3 years**
- EXPOSURE:
 - **WORST OF**
- UNDERLYING'S:
 - **ALBERMARLE CORP (ALB US)**
 - **SOCIEDAD QUIMICA Y MINERA DE CHILE (SQM US)**
 - **IMERYS (NK FP)**
- AUTOCALL TRIGGER: **100 %**
- OBSERVATIONS: **QUARTERLY**
- COUPON BARRIER: **60%**
- MEMORY COUPON: **19.50% P.A**
- EUROPEAN BARRIER: **60%**

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