

3Q23 Earnings Presentation

November 15th, 2023



EMPRESAS COPEC



DISCLAIMER

This presentation may include market outlooks and forward-looking statements, which are based on the beliefs and assumptions of Empresas Copec's management and on information currently available to the Company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Empresas Copec and could cause results to differ materially from those expressed in such forward-looking statements. This presentation contains certain performance measures that have been adjusted with respect to IFRS definitions, such as "EBITDA".



- I. CONSOLIDATED RESULTS
- II. REVIEW BY BUSINESS DIVISION
- III. HIGHLIGHTS OF THE QUARTER
- IV. Q&A





Highlights

Higher **EBITDA** QoQ explained by Arauco, due to higher pulp volumes and lower costs.



ESG MILESTONES

FORESTRY

EBITDA increased QoQ and decreased YoY

- Higher operating income QoQ associated with higher pulp volumes, and lower unit selling cost in some fibers.
- Lower operating income YoY due to a drop in prices in all segments, decreased volumes on the wood segment and higher costs on pulp.
- Lower non operating income YoY and QoQ, due to impairments of fixed assets.

ENERGY

Higher EBITDA QoQ and lower YoY

- Higher operating income QoQ, associated to favorable inventory revaluation at Terpel.
- Decreased operating income YoY, associated to lower volumes, inventory revaluation and industrial margin at Copec Chile.

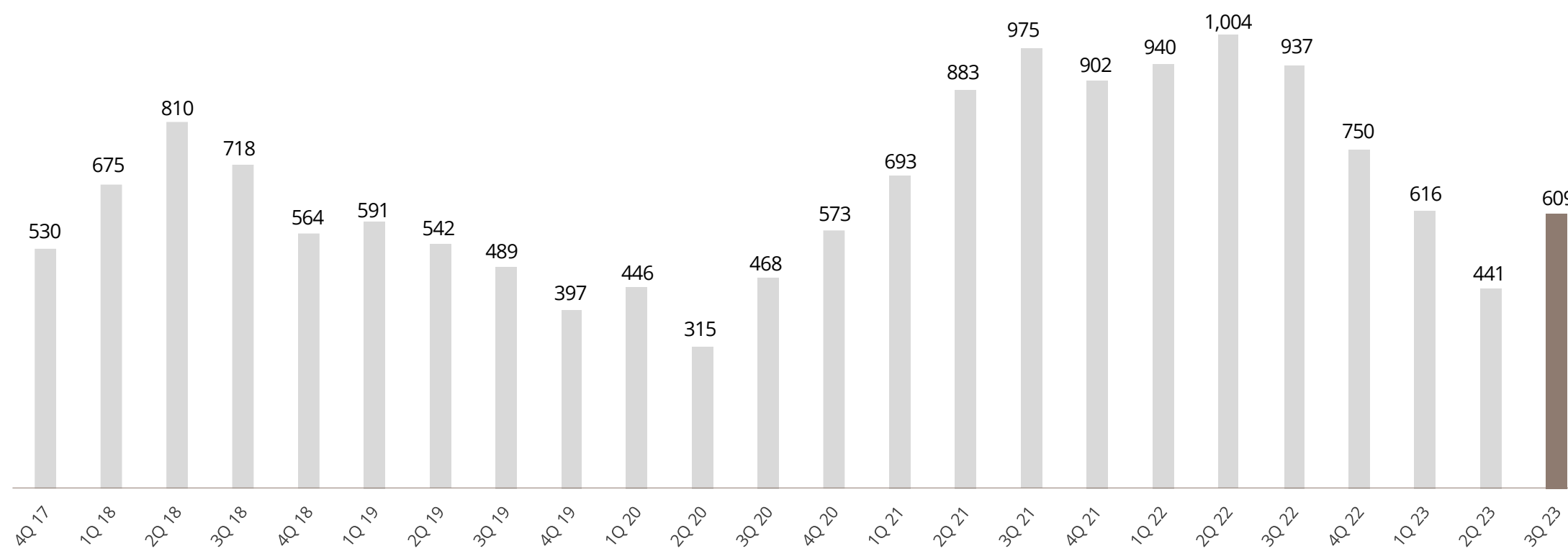
PROJECTS AND OTHER DEVELOPMENTS

- Expansion of Mina Justa in Peru announced.
- MAPA reaches 504 thousand tons.
- Sale of Mapco is completed for a total of approx US\$ 745 million.
- Arauco indefinitely suspends operations at Licancel pulp mill.

- Arauco allocates one third of its land to native forest protection areas in South America
- Copec installs hydrogen fuelling station for first H₂ bus in Chile

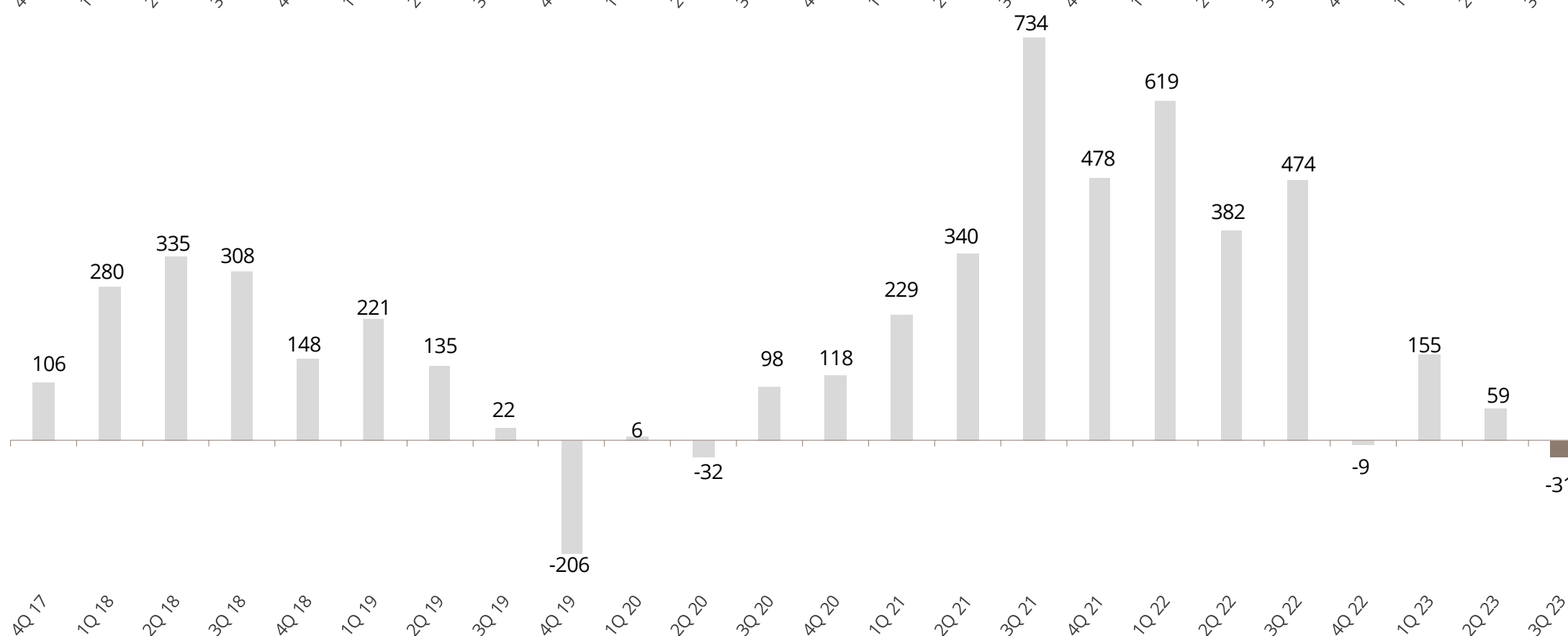


I. CONSOLIDATED RESULTS – Quarterly Performance



609

EBITDA up 38% QoQ
and down 35% YoY



-31

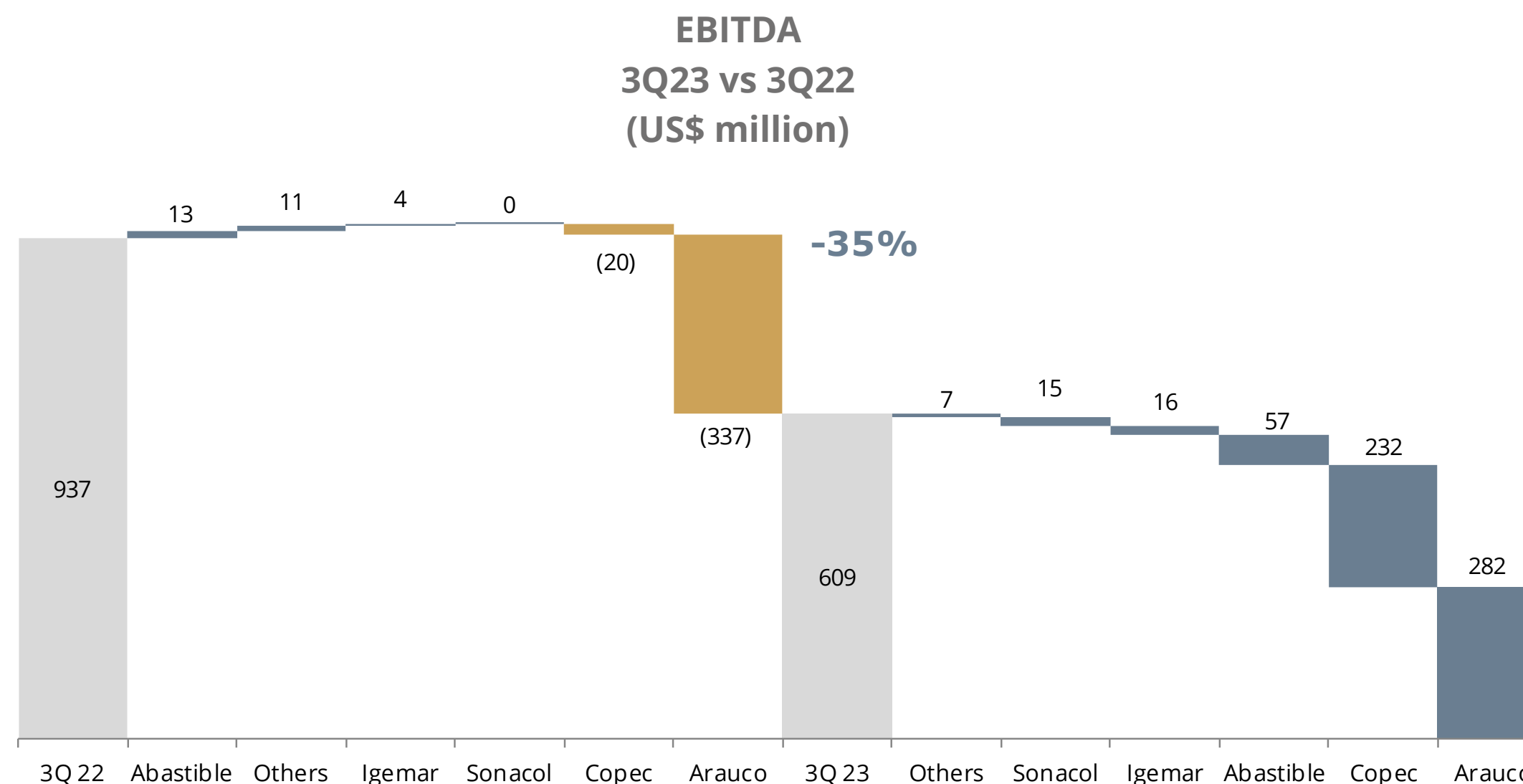
Lower Net Income
YoY and QoQ

*Figures of 1Q22, 2Q22, 3Q22, 1Q23, 2Q23 and 3Q23 are presented net of Mapco's EBITDAs, which amounts to US\$ 16 million, US\$ 24 million, US\$ 30 million, US\$ 13 million, US\$ 21 million and US\$ 30 million, respectively.

** Figure of 1Q23 includes adjustment for non-operating depreciation.



I. CONSOLIDATED RESULTS – *Quarterly Performance*

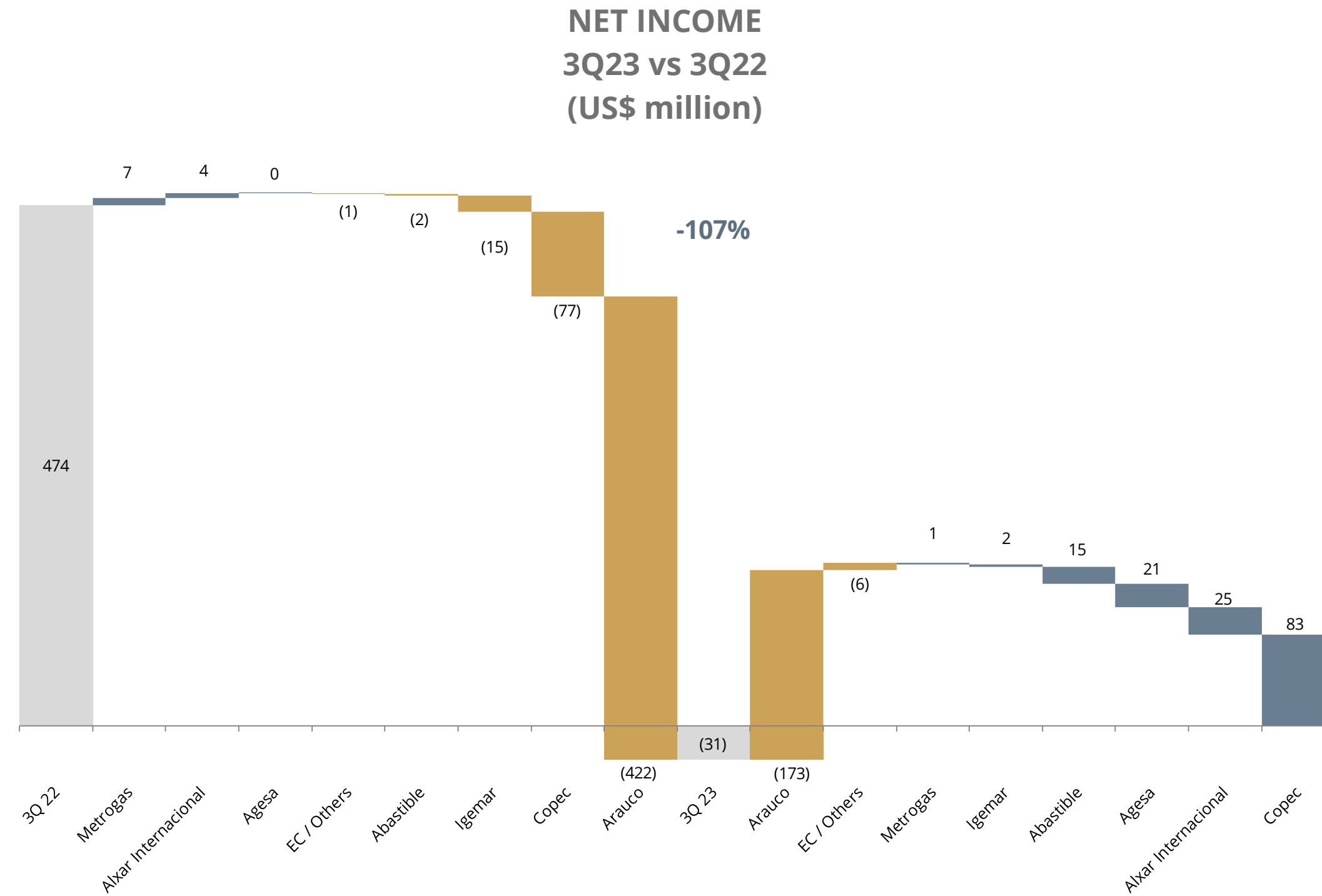


In the forestry sector **EBITDA** decreased due to lower prices of pulp and wood segment, added to lower volumes of the latter and higher costs.

The energy sector **EBITDA** was lower, associated to lower margins due to a drop in industrial margin and inventory revaluation effect, added to higher distribution cost and administration expenses.



I. CONSOLIDATED RESULTS – *Quarterly Performance*



- **Net Income** decreased, associated to lower non-operating and operating income.
- Arauco had lower net income, due to lower operating income. Non operating income decreased due to impairments of fixed assets.
- Decreased net income at Copec, explained by lower operating and non operating results, the latter associated to higher financial costs and exchange rate loss.
- The negative variation in Igemar is due to the profit in the sale of FASA by Caleta Vitor on the third quarter of 2022.



INCOME STATEMENT

Drop in net income explained by decreased operating and non-operating income

LOWER OPERATING INCOME

- Decreased results at Arauco, due to a drop in prices of pulp, panels and sawn timber, coupled with lower volumes in the wood segment, and higher unit costs, partly due to the ramp-up of MAPA.
- Lower results in Copec, related to an increase in distribution and administrative expenses, lower volumes, inventory revaluation effect and industrial margins.

DECREASED NON-OPERATING INCOME

- Higher other expenses, mainly due to fixed asset impairments associated to the indefinite shutdown of the Licancel Plant.
- Increased exchange differences related to a stronger U.S Dollar.
- Higher net financial expenses.

CONSOLIDATED INCOME STATEMENT

Million USD	3Q 23	3Q 22	Change
Net income	(31)	474	(505)
Operating income	214	621	(407)
Non-operating income	(217)	(26)	(192)
Other Income	79	94	(15)
Other expenses	(170)	(104)	(67)
Other profit (loss)	4	2	2
Financial Income	47	28	19
Financial expense	(168)	(89)	(79)
Profit in associates and JV's	47	57	(10)
Exchange Differences	(53)	4	(57)
Gain (losses) on net monetary position	(3)	(17)	14
Taxes	(18)	(125)	108
EBITDA	609	937	(328)



I. CONSOLIDATED RESULTS – Quarterly Performance

FINANCIAL RATIOS

Profitability	3Q 23	2Q 23	3Q 22
Operating margin	2.9%	1.0%	8.4%
EBITDA margin	8.4%	6.2%	12.7%
ROCE	6.2%	8.3%	15.8%

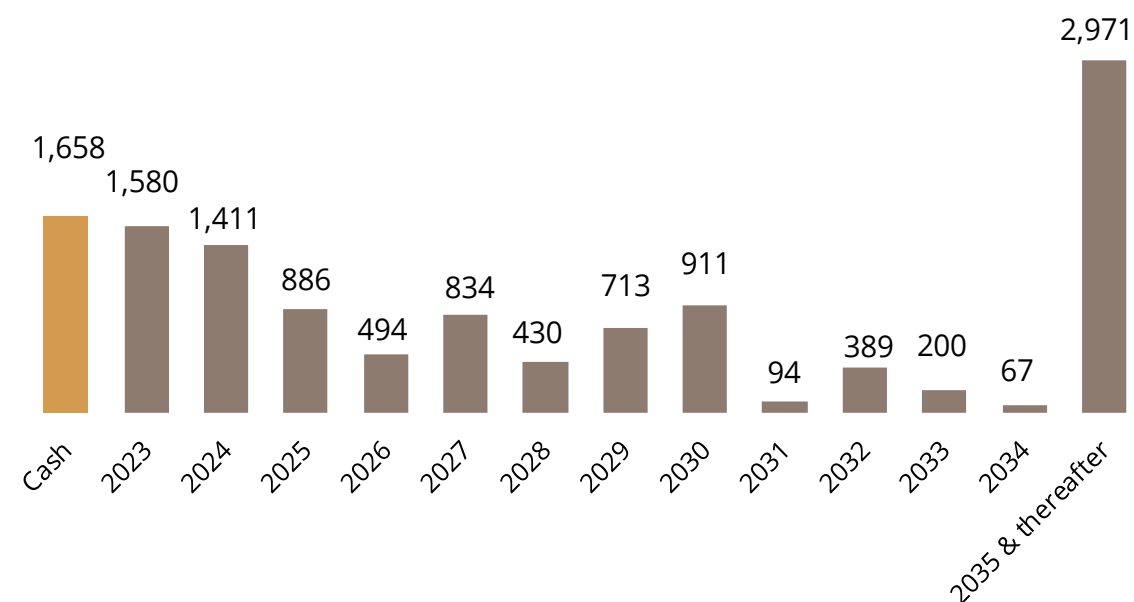
Leverage	3Q 23	2Q 23	3Q 22
EBITDA / net interest expense	5.2	6.8	14.3
Net debt / EBITDA	3.9x	3.5x	2.0x

COMMENTS

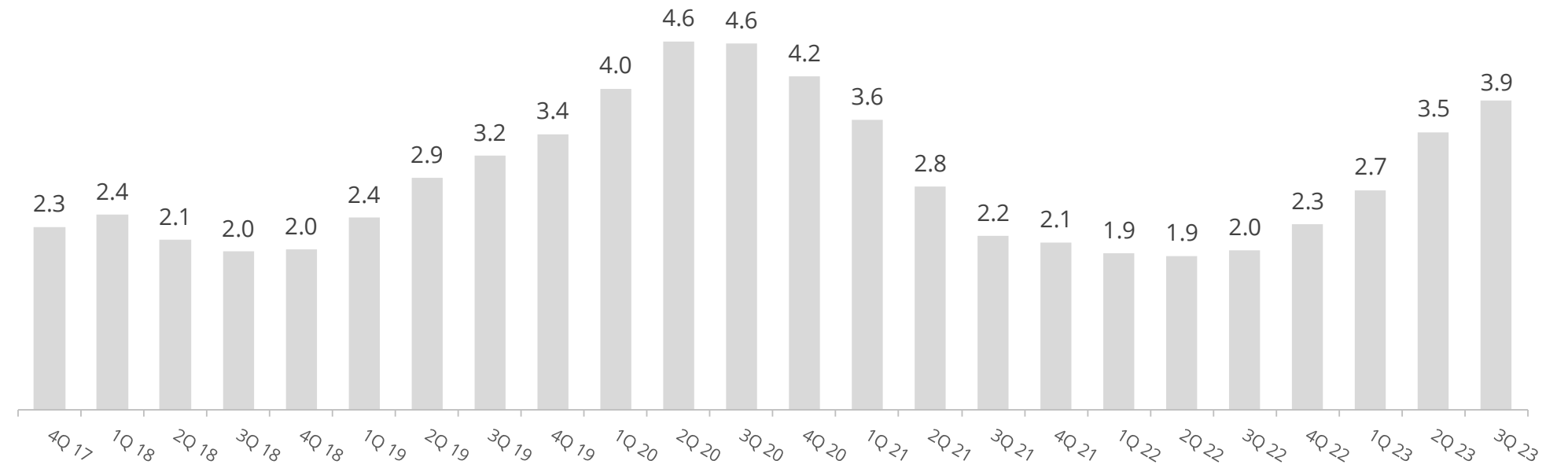
- **Net debt / EBITDA** increased YoY, due to a lower EBITDA and higher net debt.
- **EBITDA** decreased YoY.
- **Well-balanced debt schedule** for the coming years.

FINANCIAL DEBT MATURITIES

Figures in US\$ million



NET FINANCIAL DEBT / EBITDA





- I. CONSOLIDATED RESULTS
 - II. **REVIEW BY BUSINESS DIVISION**
 - III. HIGHLIGHTS OF THE QUARTER
 - IV. Q&A
-



FORESTRY



ARAUCO

Net income decreased due to lower operating and non-operating income

LOWER OPERATING INCOME

- Drop in pulp, panels and sawn timber prices.
- Lower panels and sawn timber volumes, partly offset by increased volumes in pulp.
- Increased unit selling cost, in hardwood, partly due to the ramp up of MAPA.

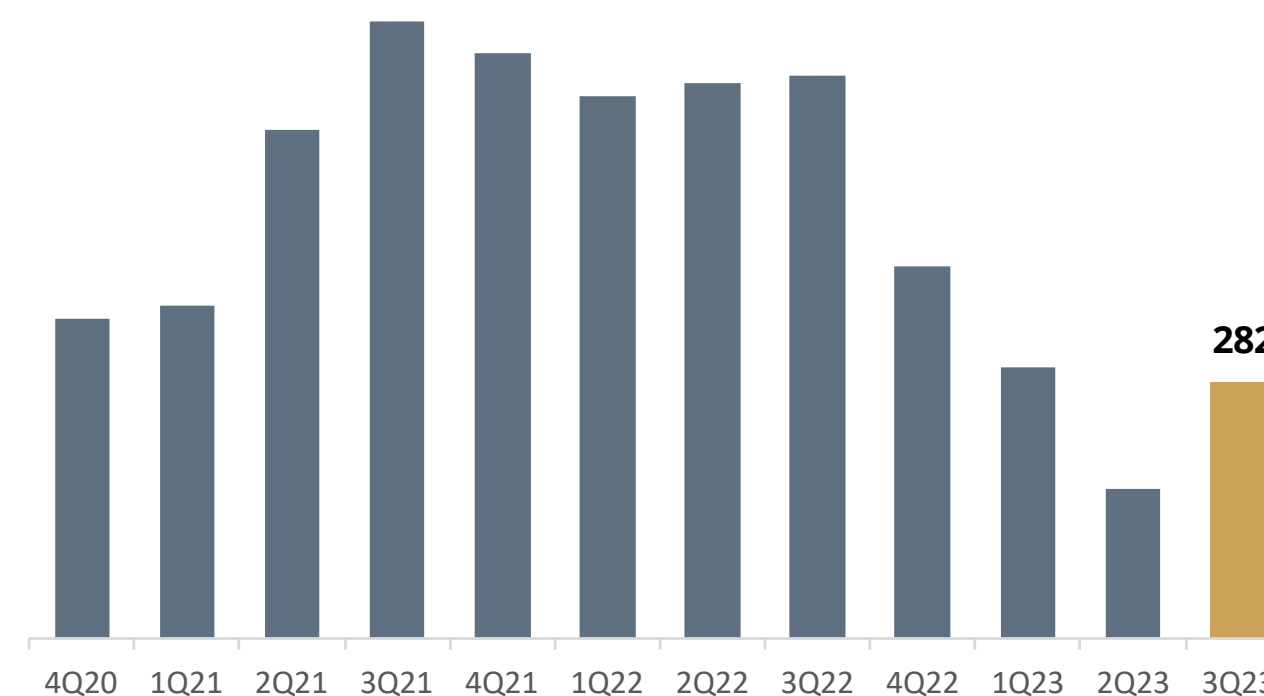
UNFAVORABLE NON-OPERATING INCOME

- Higher other expenses, associated with impairments of fixed assets due to the indefinite shutdown of the Licancel plant, which meant a US\$ 75 million loss.
- Increased financial expenses.
- Lower exchange differences, due to variation of local currencies in the countries where Arauco have industrial operations, especially Argentina.

ARAUCO – INCOME STATEMENT

Million US\$	3Q 23	3Q 22	Change
Net income	(173)	249	(422)
Operating income	(42)	369	(411)
Non-operating income	(183)	(49)	(134)
Taxes	52	(71)	123
EBITDA	282	619	(337)

EBITDA
(US\$ million)





PULP

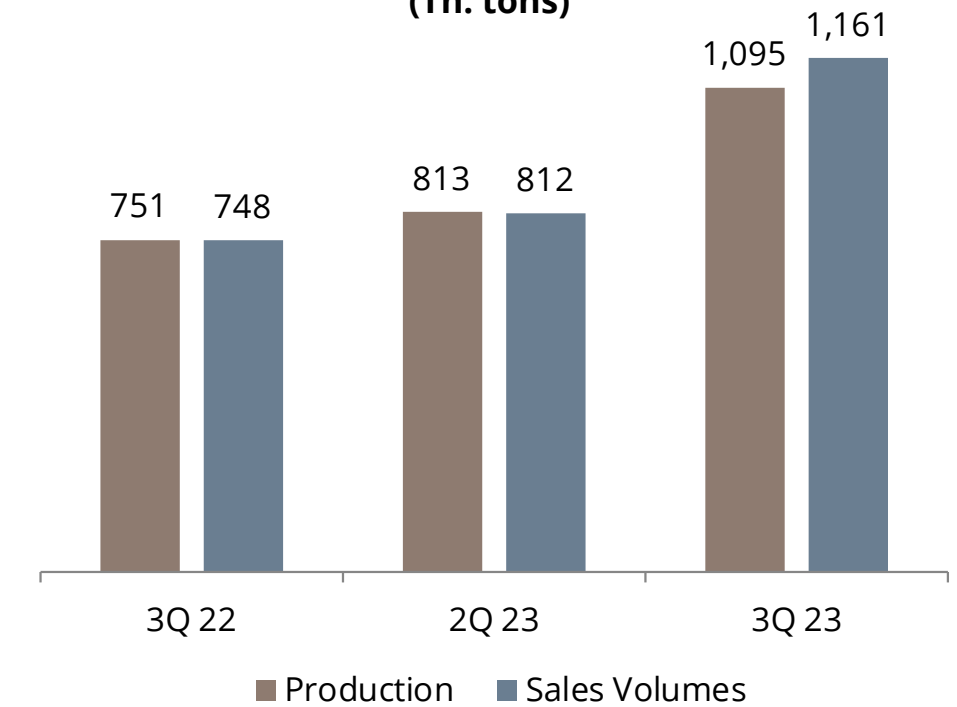
- YoY: EBITDA down, explained by lower prices, offset by higher volumes.
 - Increased unit selling costs for bleached hardwood, unbleached softwood, bleached softwood and dissolving pulp of 37.1%, 11.2%, 4.4% and 3.9%, respectively
- QoQ: EBITDA up, due to higher volumes, offset by lower prices.
 - Unit selling costs for bleached hardwood, bleached softwood and unbleached softwood were down 9.0%, 4.2% and 7.9%, partly offset by an increase of dissolving pulp of 3.8%.

MAINTENANCE STOPPAGES (DAYS)

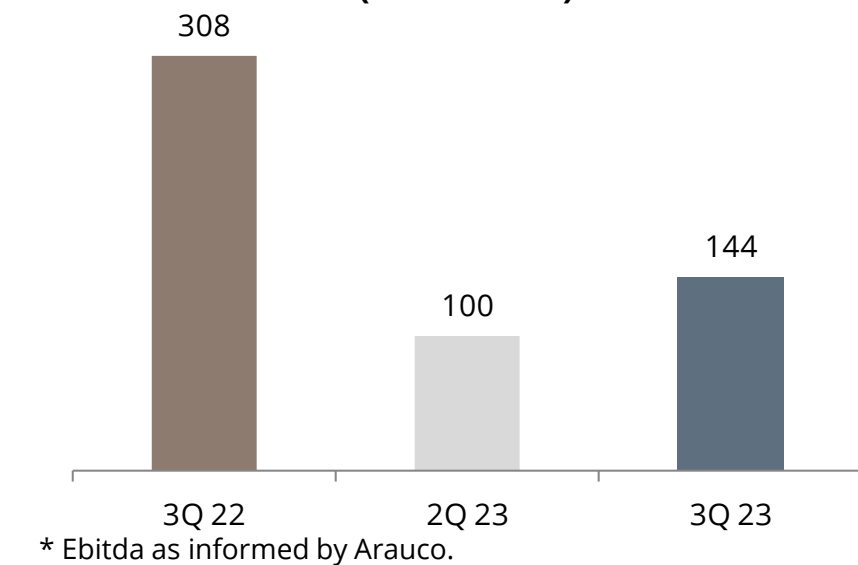
Country	Instalation	2023			2024	
		2Q	3Q	4Q	1Q	2Q
Chile	Arauco L2			16		
	Arauco L3				11	
	Constitución	117				15
	Licancel			14		
	Nueva Aldea		17			
	Valdivia		126			
Argentina	Esperanza	35		16		
Uruguay	Montes del Plata		15			12

II. REVIEW BY BUSINESS DIVISION – Forestry

PULP - Production & sales volumes (Th. tons)



PULP – EBITDA* (Million US\$)



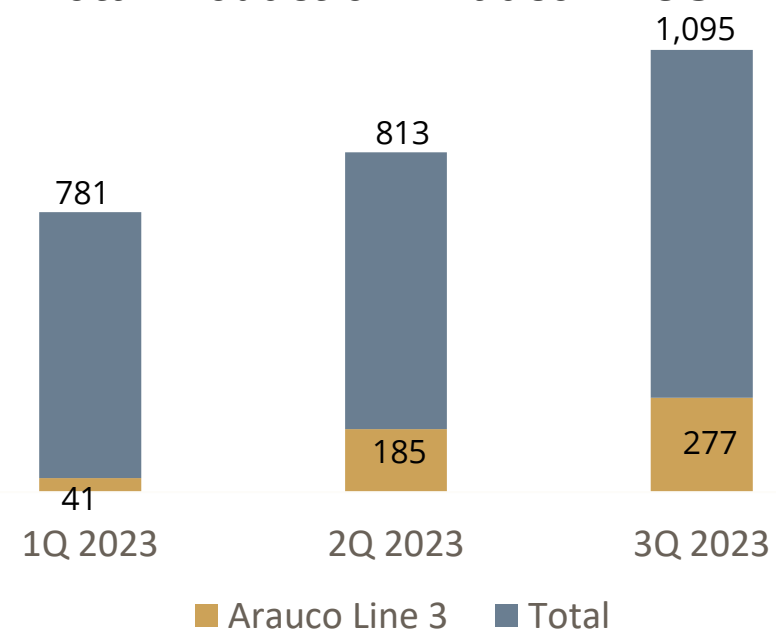
	Net Sales	Price	Sales Volume
Y o Y	2.0%	-34.8%	55.2%
Q o Q	32.8%	-7.0%	43.1%



Pulp

- Despite a weak beginning, the market showed an improvement throughout the quarter, even though higher supply was seen in several markets. Total world inventories dropped, together with a more robust demand.
- In China, the market showed a growth in demand for pulp and paper.
- In Europe, demand for paper remained weak with small signs of recovery towards the end of September.
- Dissolving pulp market was stronger; these mills began the period with low inventories and increased their operating rate throughout the quarter, allowing prices to rise towards the end of it.
- QoQ, production in the third quarter increased by 282.6 thousand tons (34.7%), with Arauco's Line 3 (MAPA) increasing its production by 92 thousand tons (49,5% increase).

Total Production- Arauco Line 3



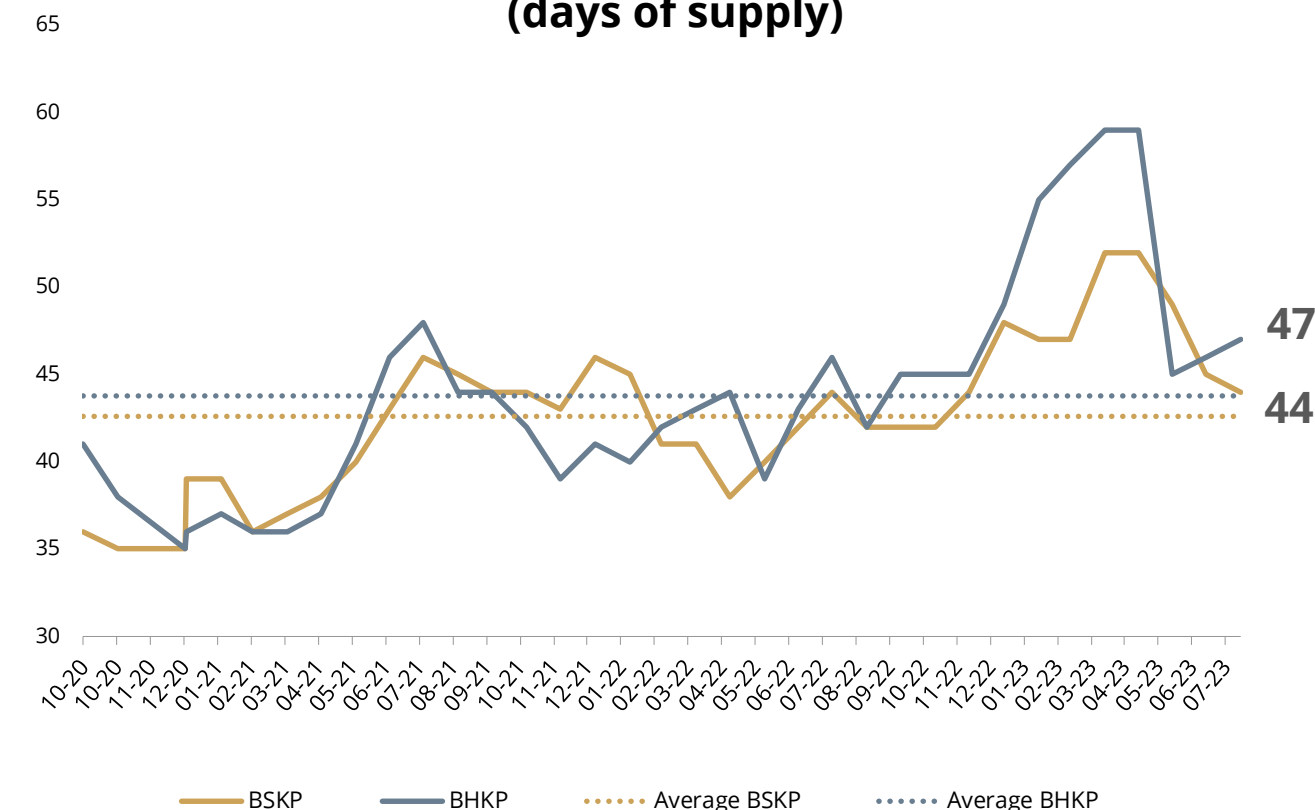
II. REVIEW BY BUSINESS DIVISION – Forestry

GLOBAL BCP DEMAND VARIATION
(In '000 tonnes)

	2023	2022	%
China	16,500	12,715	29.8%
Europe	9,445	11,415	-17.3%
Other Asia	5,970	6,790	-12.1%
USA	4,055	4,525	-10.4%
Rest of the World	3,330	3,140	6.1%
Total (th. tons)	39,300	38,585	1.9%

* Accumulated as of August 2023

INVENTORIES
(days of supply)

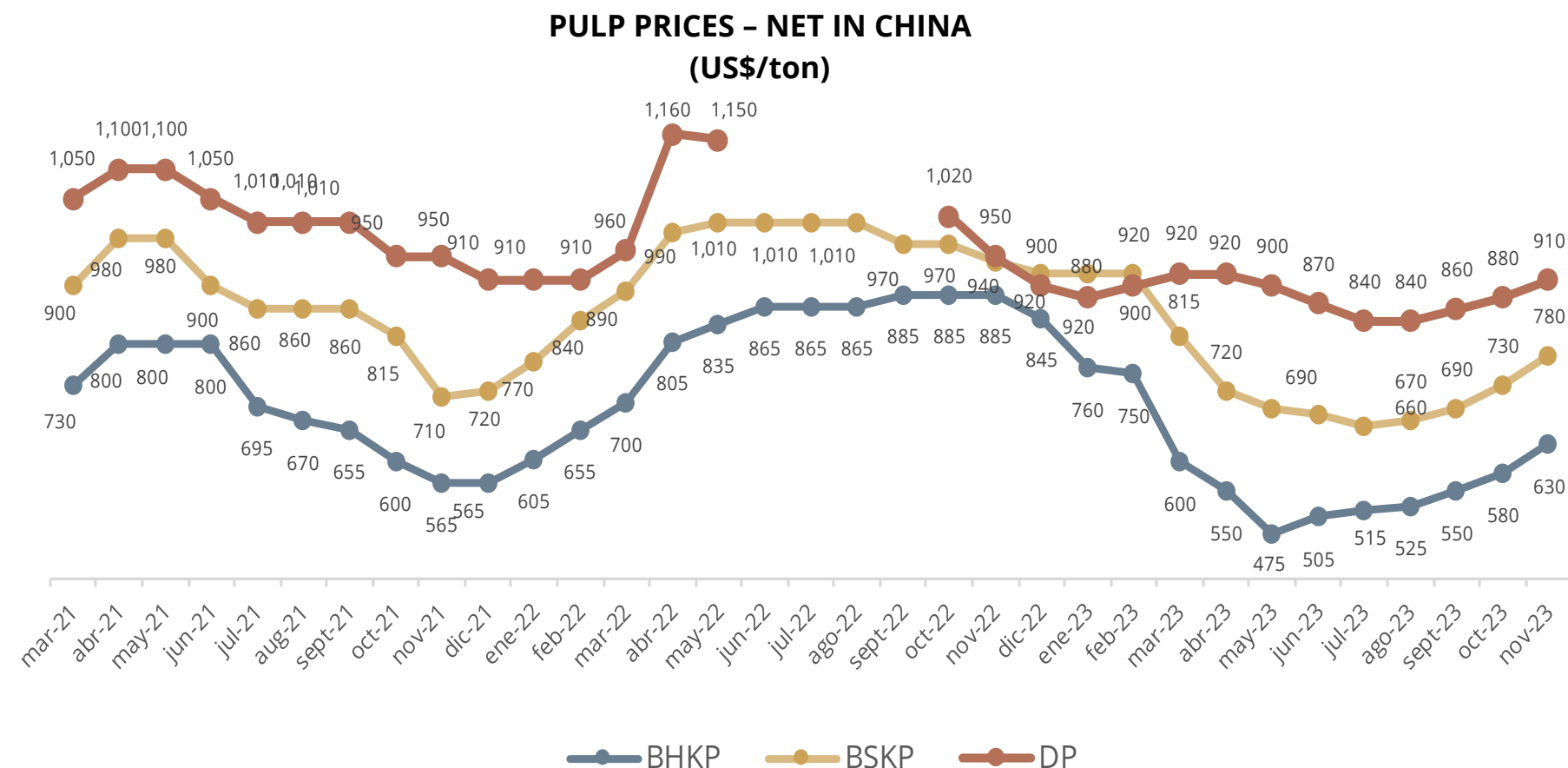


* August 2023



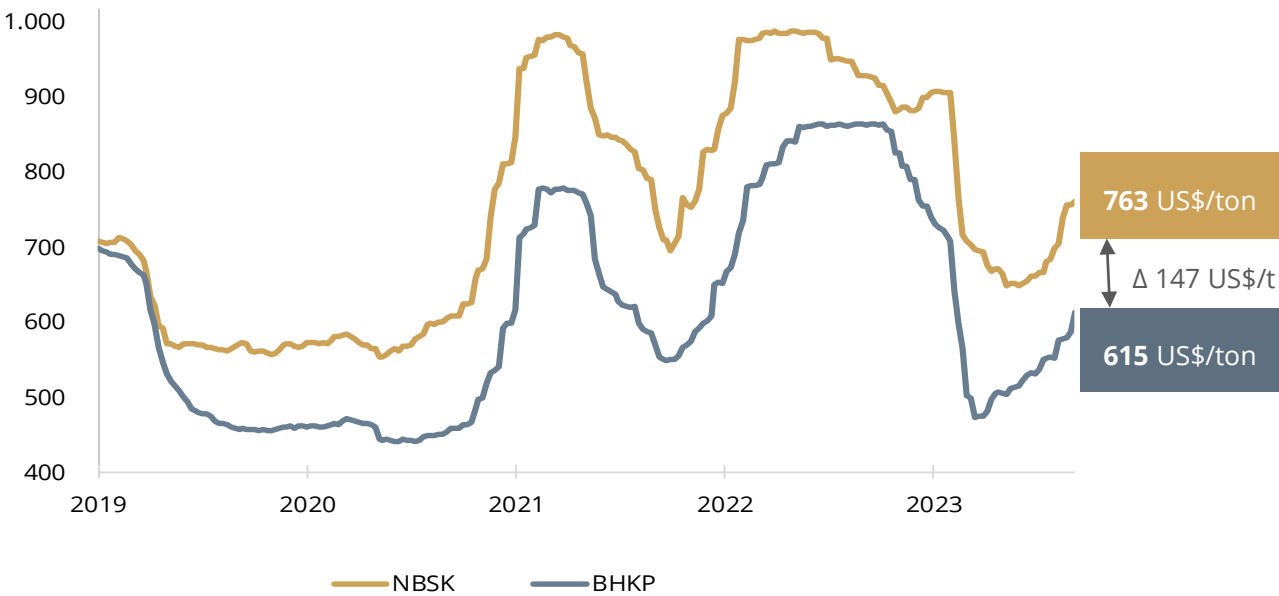
Pulp - Outlook

- China could stay active in the coming months, accompanied by stable prices and limited possibilities of price increases.
- China could continue to be the main driver of the pulp market and therefore the rest of Asia and Europe could follow price increases, even with a limited demand, especially in Europe.
- On the other hand, exports from China to Europe and North America have increased helping Chinese demand and putting more pressure in some grades of paper in the European market.

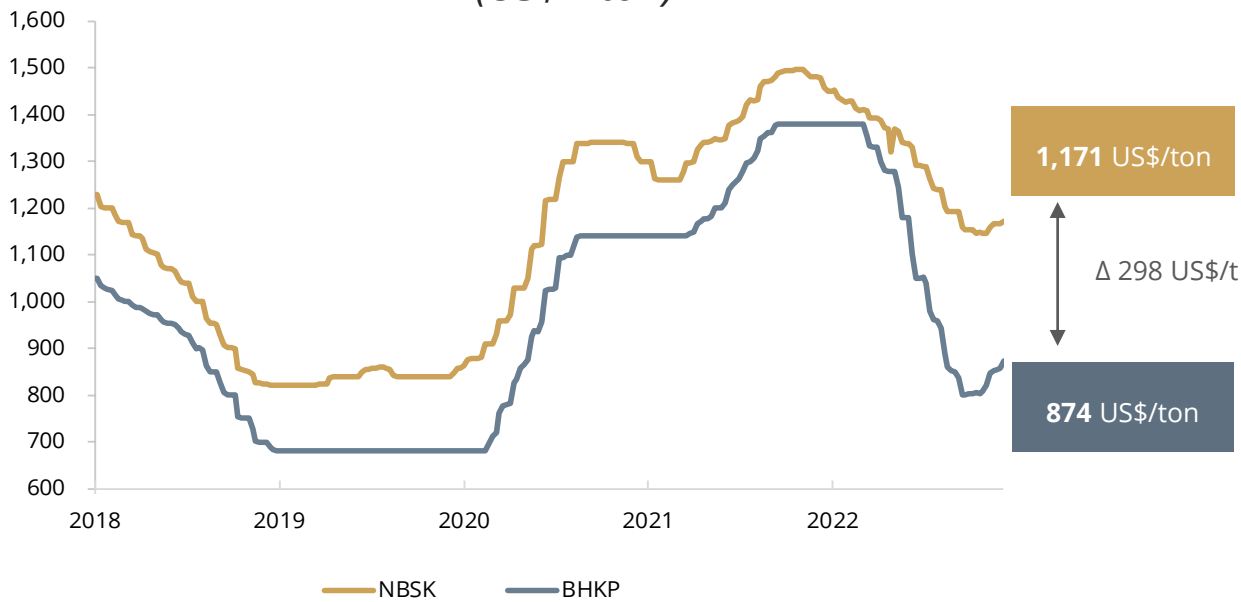


II. REVIEW BY BUSINESS DIVISION – Forestry

PULP PRICES CHINA- NBSK / BHKP (US\$ / ton)



PULP PRICES EUROPE- NBSK / BHKP (US\$ / ton)

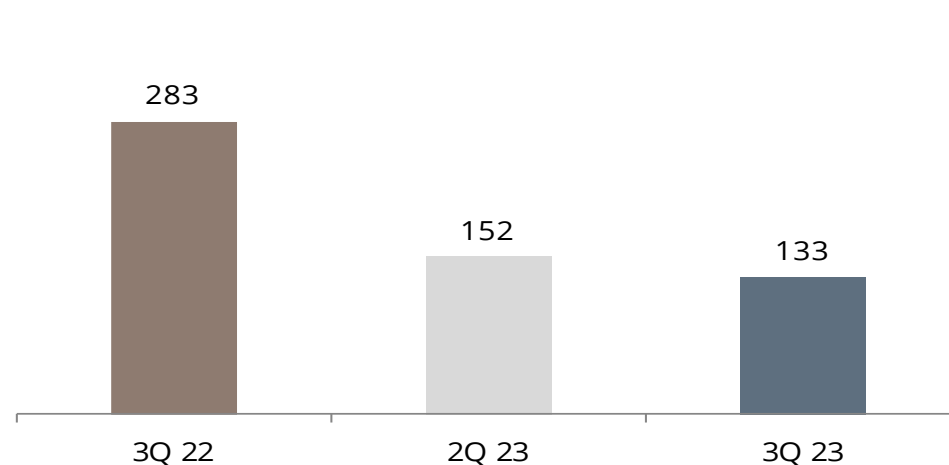


*Arauco, RISI. As of Nov 7th, 2023



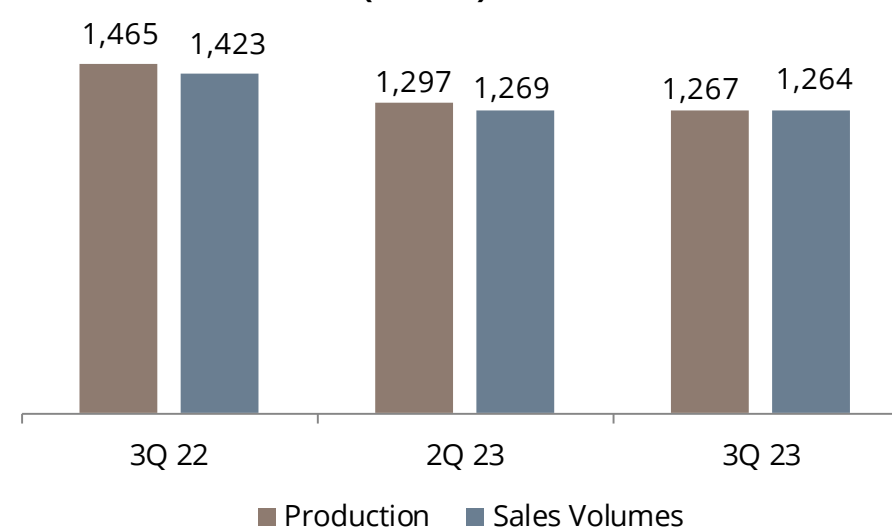
Wood Products

WOOD PRODUCTS - EBITDA *
(Million US\$)



* Ebitda as informed by Arauco.

PANELS
Production & sales volumes
(Th. m³)

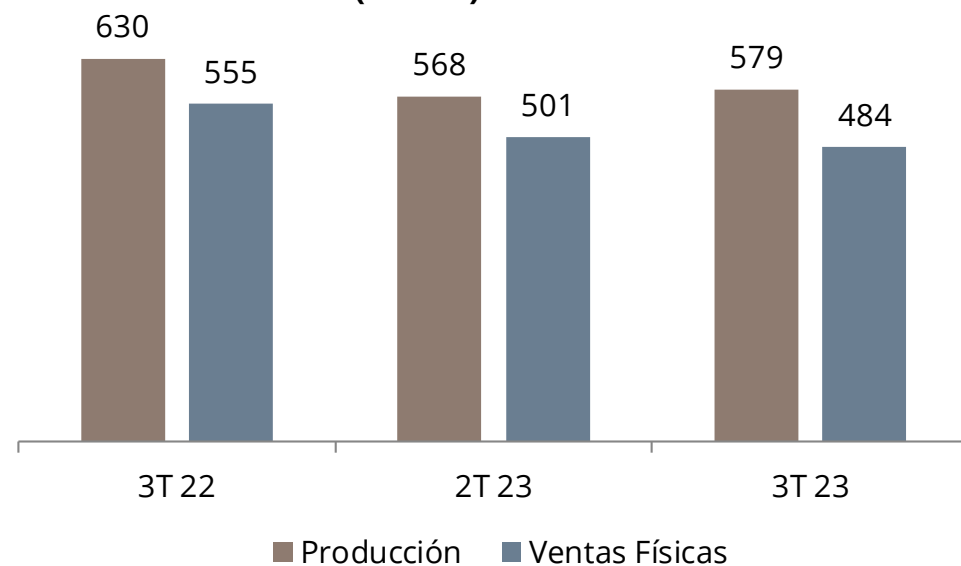


Panels

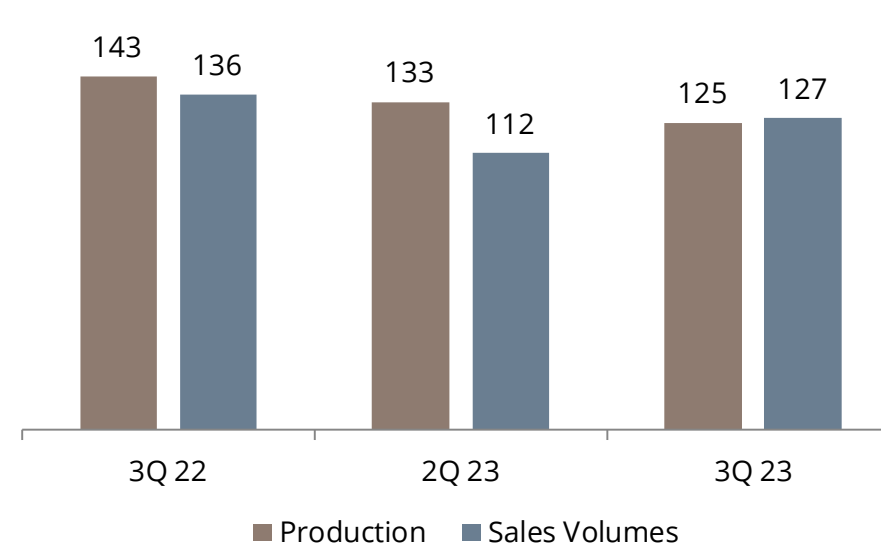
	Price	Sales Volume
Y o Y	-15.5%	-11.2%
Q o Q	-5.1%	-0.4%

*MDF, PBO and HB.

SAWN TIMBER
Production & sales volumes
(Th. m³)



PLYWOOD
Production & sales volumes
(Th. m³)



Sawn Timber*

	Price	Sales Volume
Y o Y	-25.1%	-11.6%
Q o Q	5.5%	-0.4%

*Includes sawn timber, remanufactured solid wood and plywood.



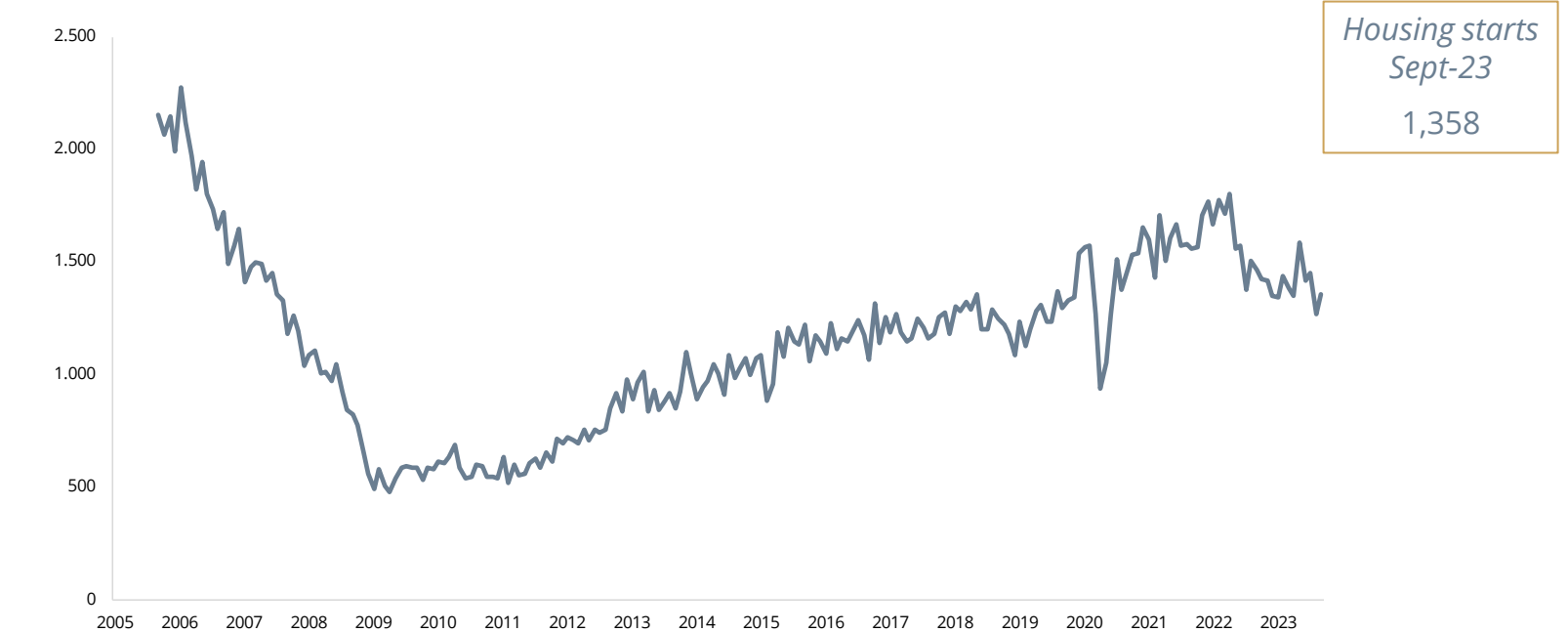
Outlook

North America

48% of revenues

- **MDF:** higher supply continues to pressure market conditions.
- **PB:** situation is slightly better than MDF, associated to lower supply coming from other competitors.
- **REMANUFACTURED PRODUCTS:** higher supply has continued to affect the market.
- **PLYWOOD:** the market is stable. It could remain with balanced supply and demand during 4Q23.

US HOUSING STARTS INDEX
(th. units)



Source: Census Bureau



Outlook

South & Central America 37%

- **Brazil:** concern continues in the domestic market since more MDF supply is coming, together with slow demand.
- **Chile:** lower activity in the construction sector could continue for the rest of the year, affecting demand.
- **Argentina:** demand is improving and could continue in good levels for the rest of the year, specially in MDF and value-added products.

Asia & Oceania 12%

- **Asia:** market remains slow, with slight price increases and some improvement in demand for some products, yet continues with uncertainty, associated to lower economic growth.
- **Oceania:** Excess supply continues to affect demand. Nonetheless, the market could improve gradually.

Europe & Middle East 3%

- Plywood volumes could recover, explained by lower supply from competitors.
- Uncertainty due to slower economic activity.

ENERGY





COPEC

Decreased operating and non-operating incomes.

DECREASED OPERATING INCOME

- Higher administration and distribution expenses due to a rise in marketing, insurance, basic services expenses and higher maintenance costs.
- Volumes dropped 4.6% in Copec Chile and 4.3% in Terpel.
- Unfavorable effect in inventory revaluation in Copec Chile, partly offset by Terpel.
- Lower industrial margin in Copec Chile.
- Lubricant segment favored by margin expansions, offset by a drop in volumes.

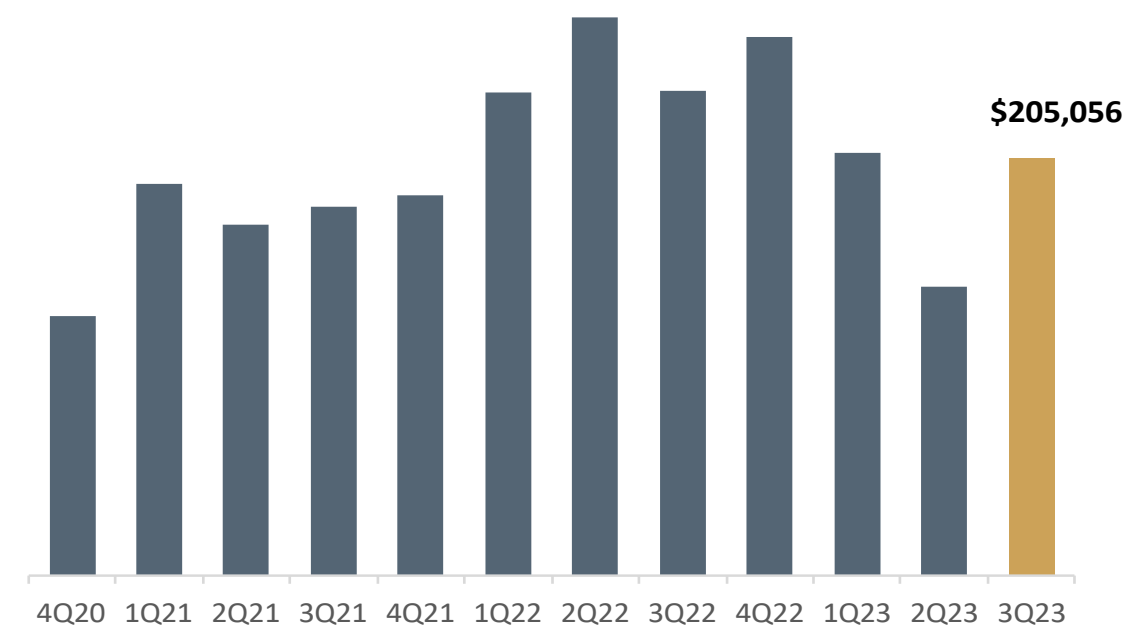
UNFAVORABLE NON-OPERATING RESULT

- Increased financial costs due to higher interest bonds associated to increased CPI.
- Lower exchange rate differences.
- Unfavorable other income associated with tax adjustments and tax credits.

COPEC – INCOME STATEMENT

Million Chilean Pesos	3Q 23	3Q 22	Change
Net income	71,510	148,063	(76,553)
Operating income	158,205	193,890	(35,685)
Non-operating income	(42,256)	(14,405)	(27,850)
Taxes	(42,595)	(44,531)	1,936
EBITDA	205,056	238,369	(33,313)

**EBITDA
(CLP million)**



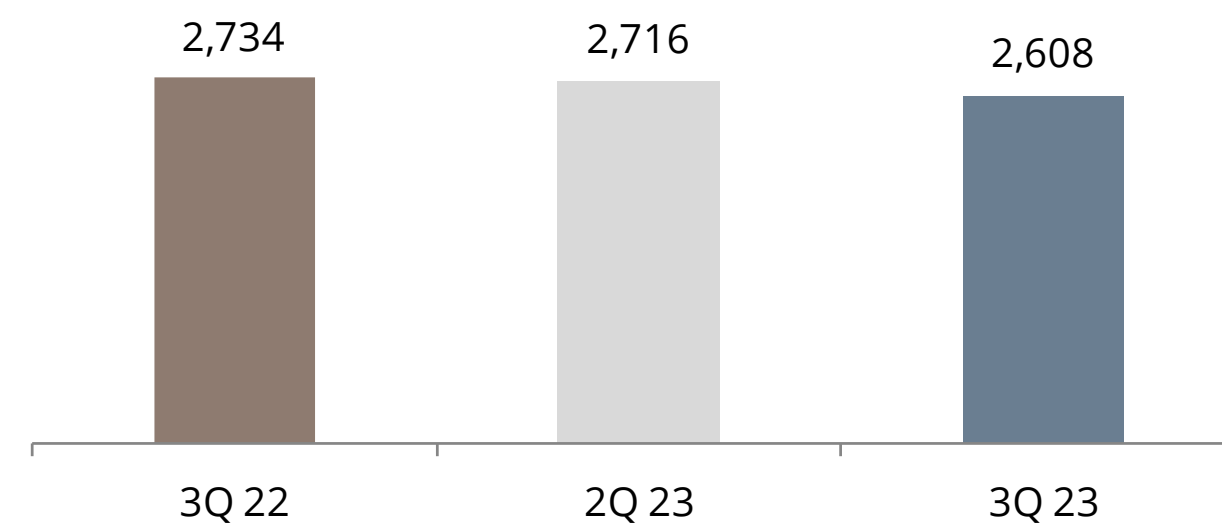


MARKET SHARE (accumulated september-2023)



II. REVIEW BY BUSINESS DIVISION – *Energy-Copec*

FUEL VOLUMES IN CHILE (th. m³)



OUTLOOK

- Margins could be affected by potential inventory revaluation effect and industrial margins.
- Sustained leadership in gas stations due to strong network positioning.
- Volumes potentially affected by lower economic activity.

- Industrial Channel: volumes dropped 8.5% YoY and 3.1% QoQ.
- Gas Stations: volumes decreased 1.7% YoY and 0.3% QoQ.



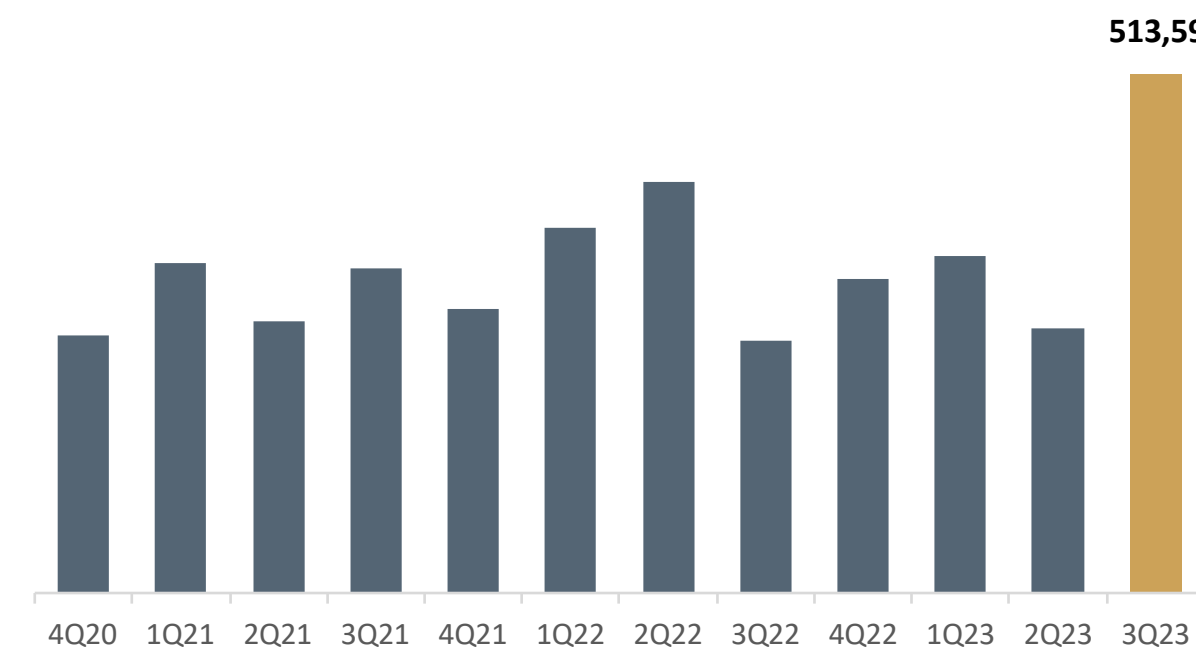
TERPEL

Favorable operating income, partly offset by unfavorable non-operating income.

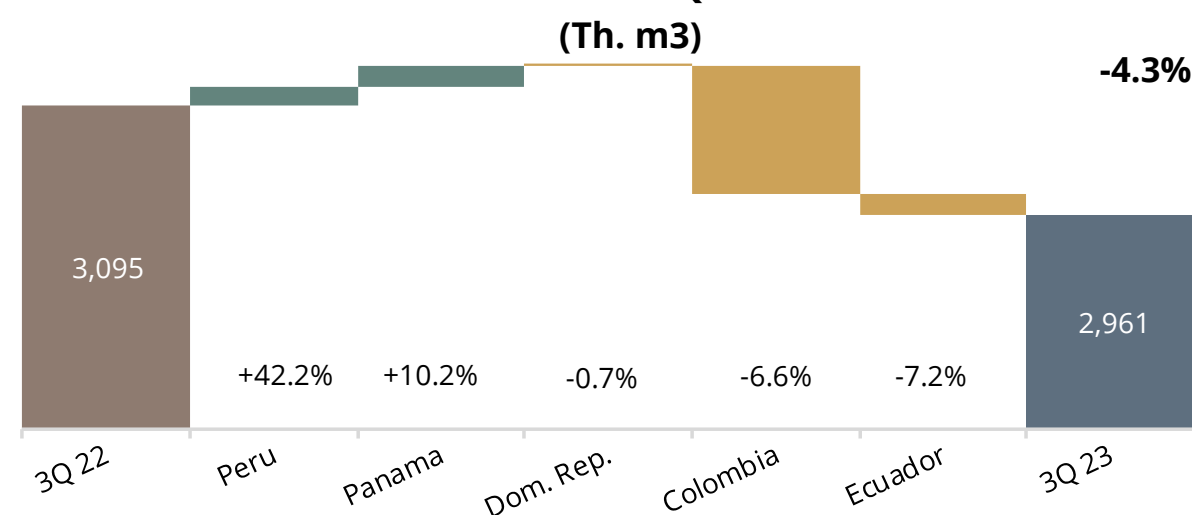
- Higher EBITDA on favorable inventory revaluation in Colombia, Panamá, Perú and Dominican Republic.
- Liquid fuels volumes decreased 4.3% YoY, explained by a drop in Colombia, Ecuador and Dominican Republic, offset, in part, by a climb in Perú and Panamá.
- Higher distribution costs, associated to increased services expenses and remuneration.
- Unfavorable non-operating income due to increased financial costs on inflation.
- Lubricant segment favored by margin expansions, offset by a drop in volumes.

Million COP	3Q 23	3Q 22	Change
Revenues	9,292,196	9,540,273	(248,076)
EBITDA	513,596	250,779	262,817
Operating income	419,085	160,412	258,672
Non-operating income	(152,335)	(135,561)	(16,775)
Net income	167,116	8,186	158,930

EBITDA (COP million)



PHYSICAL SALES OF LIQUID FUELS YoY





ABASTIBLE

Net income drop on higher taxes, offset by increased operating and non operating results.

ABASTIBLE – INCOME STATEMENT

HIGHER OPERATING INCOME

- Volumes in Colombia, Peru and Ecuador increased 1.8%, 6.7% and 0.7%, offset by a drop in Chile of 7.4%.
- Improved margins in Chile, Colombia and Peru.

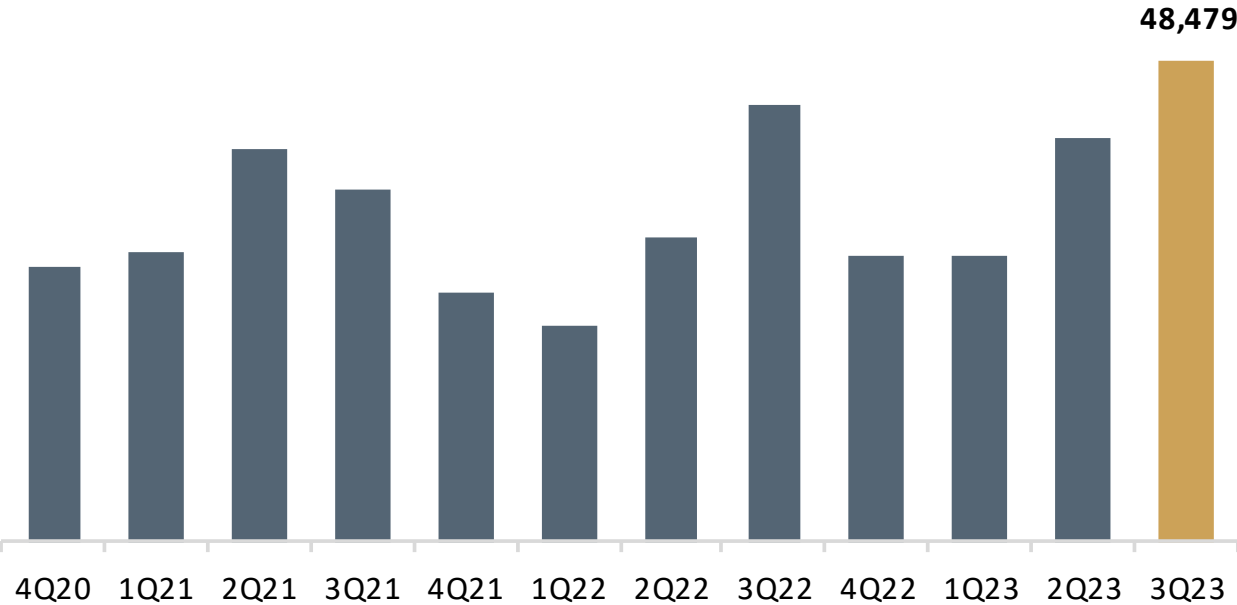
Million Chilean Pesos	3Q 23	3Q 22	Change
Net income	12,991	15,661	(2,670)
Operating income	33,414	29,592	3,822
Non-operating income	(246)	(2,516)	2,271
Taxes	(17,370)	(8,371)	(8,998)
EBITDA	48,479	44,017	4,462

INCREASED NON-OPERATING RESULT

- Lower losses on monetary position due to lower inflation.
- Decreased other expenses, due to equipment impairment in 2Q22.
- Partly offset by increased net higher financial costs.

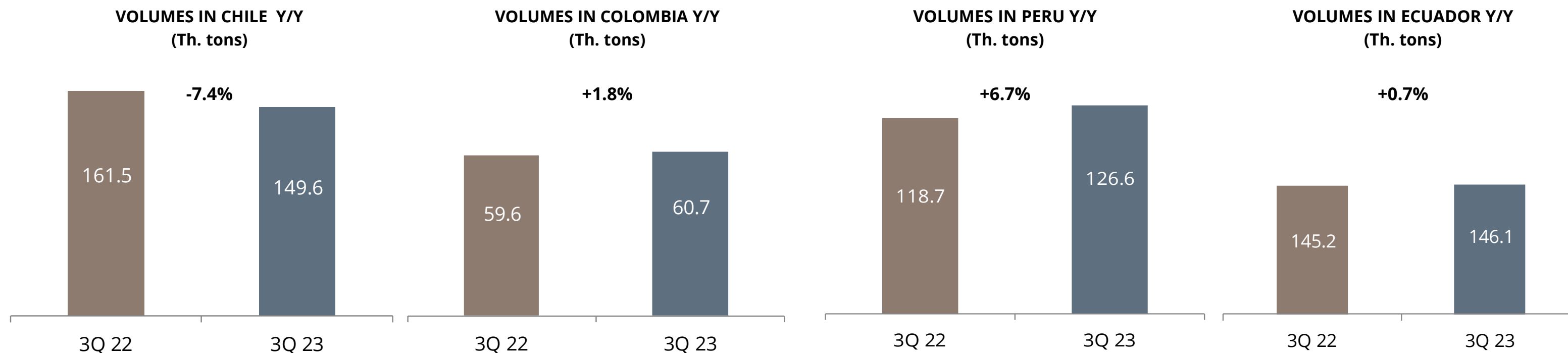
HIGHER TAXES

EBITDA
(CLP million)





II. REVIEW BY BUSINESS DIVISION – *Energy-Abastible*



Chile (Abastible):

- Volumes in the bottled segment decreased YoY, while margins expanded due to commercial actions and better coupon margins.
- Volumes in the bulk segment decreased, associated to a lower economic growth.
- Market share decreased YoY, associated to lower market share in the bottled segment.

Colombia (Colgas):

- Bulk volumes grew YoY because of an increased base of clients, coupled with increased margins.
- Contraction continued this quarter in bottled segment demand, because of weaker economy, while margins expanded.
- Market share up YoY.

Peru (Solgas):

- Volumes in the bottled segment improve YoY.
- Volumes in the bulk segment decreased YoY, because of a lower demand from the poultry sector due to high temperatures, associated to “El Niño” phenomenon.
- Higher margins on both segments.
- Market share increased YoY.

Ecuador (Duragas):

- Bottled segment’s volumes and margins decreased.
- Bulk segment volumes improved YoY, on demand for diesel substitution.
- Market share decreased YoY.



OTHER INVESTMENTS



OTHER INVESTMENTS

CUMBRES ANDINAS (MINA JUSTA):

- Increased net income YoY, due to higher volumes, with an increase in cathodes of 62.6%, offset by a decrease in concentrates of 5.1%.
- Lower cash cost.

SONACOL: decreased operating income on lower volumes, partly offset by a favorable non-operating income.

IGEMAR: lower non-operating income, due to the sale of FASA by Caleta Vitor on the third quarter of 2022, offset by higher operating income.

METROGAS: increased operating income and non-operating income, the latter due to a loss recorded in the same quarter of the previous year because of the provision associated to a court ruling from a dispute with a gas transportation supplier that has been going on since the years of supply cut-off from Argentina.

AGESA: slight increased net income, associated to higher operating income.

CUMBRES ANDINAS	3Q 23	3Q 22	3Q23 / 3Q22
Sales	267	201	32.7%
EBITDA	166	137	21.3%
Net income	69	53	31.1%
Physical sales	32	29	11.8%
Cathodes (kT)	12	7	62.6%
Concentrates (kT)	20	21	(5.1%)
Treated Ore (kT)	4,107	3,421	20.1%
Cash-cost (C1) (US\$/lb)	1.4	1.6	(15.3%)

Figures in US\$ million

*Ebitda = Operating Income + Depreciation + Amortization

AFFILIATES AND ASSOCIATES – QUARTERLY NET INCOME

	3Q 23	3Q 22	Change
Affiliated Companies			
Alxar Internacional	25.0	20.7	4.2
Sonacol*	6,352	6,434	(82)
Igemar	2.6	20.6	(18.0)
Associated Companies			
Metrogas*	2,855.2	(229,302.6)	232,157.8
AGESA	53.9	53.6	0.3

Figures in US\$ million

* Figures in million Chilean pesos



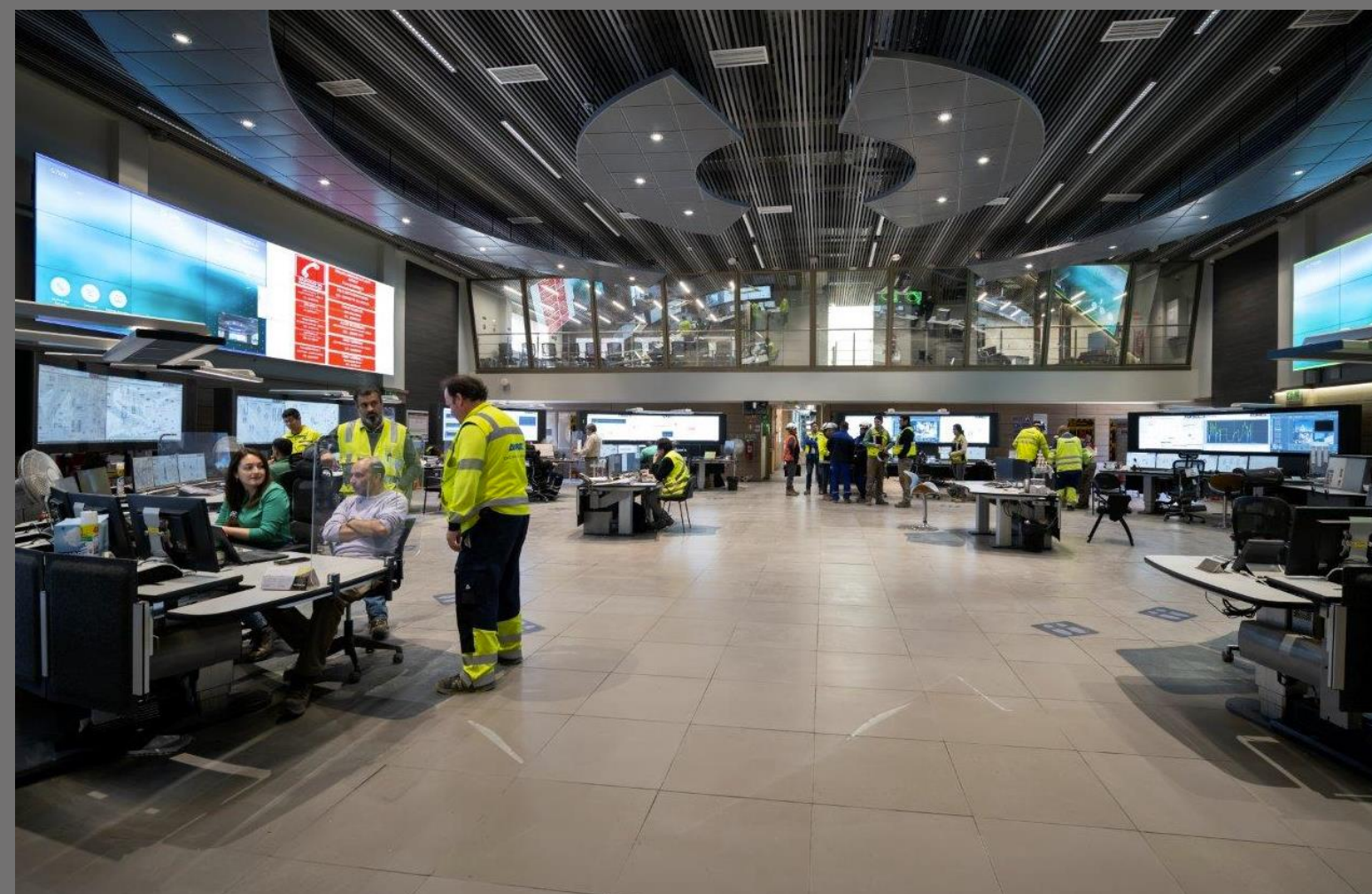
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-



III. HIGHLIGHTS OF THE QUARTER

MAPA's ramp-up progress

- MAPA volumes have grown the last few months with production increasing as planned, reaching 504 thousand tons as of September 2023 of which 84% is prime pulp.
- Full plant capacity is expected to be reached in the first half of 2024, in line with the estimated ramp-up.





III. HIGHLIGHTS OF THE QUARTER

Alxar announces expansion project of Mina Justa in Peru

- Alxar Internacional, a subsidiary of Empresas Copec, together with Breca Group, announced the project Justa Subterránea, which at full capacity will become the second largest mining initiative in Peru in this type of extraction.
- The project is expected to start production in 2027 and would increase current reserves by 30%, with more than 500 thousand tons of fine copper, extending the mine's lifespan by 5 more years. Capex would be approximately US\$ 400 million.





III. HIGHLIGHTS OF THE QUARTER

Arauco indefinitely suspends operations at Licancel pulp mill

- The subsidiary announced the shutdown of operations at the pulp mill located in Licantén, due to consecutive flooding of the Mataquito River during this winter, periods of drought and forest fires.
- The Licancel mill has an installed annual production capacity of approximately 160,000 tons of unbleached softwood, equivalent to 3% of Arauco's total capacity and 1.7% of the company's total revenues for the year 2022.
- This shutdown meant a loss of US\$ 75 million in the company's non-operational income.





III. HIGHLIGHTS OF THE QUARTER

Sale of Mapco is completed

- On November 1st, 2023, Empresas Copec announced that the suspensive conditions to carry out the sale transaction of Mapco have been fulfilled and closed the transaction for a price of US\$ 725 million, plus usual adjustments for this type of transactions, reaching a total of approximately US\$ 745 million.
- The subsidiary Copec, Inc. estimates that this operation will have positive effects on its results, which preliminarily would be an approximate profit of US\$128 million before taxes.





ESG HIGHLIGHTS



III. ESG HIGHLIGHTS

Arauco allocates one third of its land to native forest protection areas in South America

- The subsidiary assumed the commitment to set aside 491 thousand hectares for the care and conservation of native forest, an area equivalent to one-third of the land it owns and manages.
- This action is aligned with the 30x30 goals of the Global Biodiversity Framework, which seeks to protect 30% of the planet's terrestrial and marine areas by 2030 by highlighting adequate biodiversity management, as well as sustainable natural resource management.
- This is in addition to other initiatives that Arauco has deployed, such as the restoration process of 25,000 hectares of native forest, with relevant progress in 11,000 of them, in addition to the work of preserving 148 endangered species in areas where the company has operations.



Photovoltaic power plant project in Jaguaría, Brazil

- The Arauco Brazil plant was selected for a photovoltaic power plant project, which considers the implementation of 811 photovoltaic panels of 555 kWp in a 1,700 sqm² area.
- In 2022, 67% of Arauco Brazil's energy consumption came from biomass combustion, more than 30% from paid renewable energy and 2.2% from non-renewable energy.



Copec installs hydrogen fueling station for first H₂ bus in Chile

- The subsidiary Copec Voltex, together with the hydrogen supplier Linde, presented the hydrogen fueling station that will supply fuel to the first bus based on this technology that will operate in the country.
- The station will be located on the premises of Buses Hualpén, in Santiago, and is expected to start operations at the end of 2023. Copec highlighted the enormous potential of hydrogen as energy for the mobility of people.
- Estimates suggest that by 2050, hydrogen could cover up to 24% of the country's energy demand and create 5.4 million jobs, in addition to contributing to the total reduction of 560 million metric tons of CO₂.





- I. CONSOLIDATED RESULTS
- II. REVIEW BY BUSINESS DIVISION
- III. HIGHLIGHTS OF THE QUARTER
- IV. Q&A



