

2Q23 Earnings Presentation

August 23rd, 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

Lower **results** YoY and QoQ, explained by decreased operating income mainly in Arauco and Copec



ESG MILESTONES

FORESTRY

Results decreased YoY, stable QoQ

- QoQ and YoY, lower operating income due to a drop in prices of pulp and wood products
- Volumes of all segments improved QoQ. Pulp increased YoY.
- Higher non operating income QoQ, due to increased expenses from plant stoppages, forestry fires during 1Q23, together with insurance payment received in 2Q23.

ENERGY

Lower results QoQ and YoY

- Decreased margins, associated to an unfavorable inventory revaluation in Copec Chile and Terpel and a lower industrial margin.
- Volumes decreased in Chile YoY and QoQ. In Colombia, volumes stable QoQ, lower YoY.

PROJECTS AND OTHER DEVELOPMENTS

- MAPA production increases as expected
- Valdivia Mill resumed operations
- Fitch Ratings and S&P ratified Empresas Copec's BBB rating with stable outlook

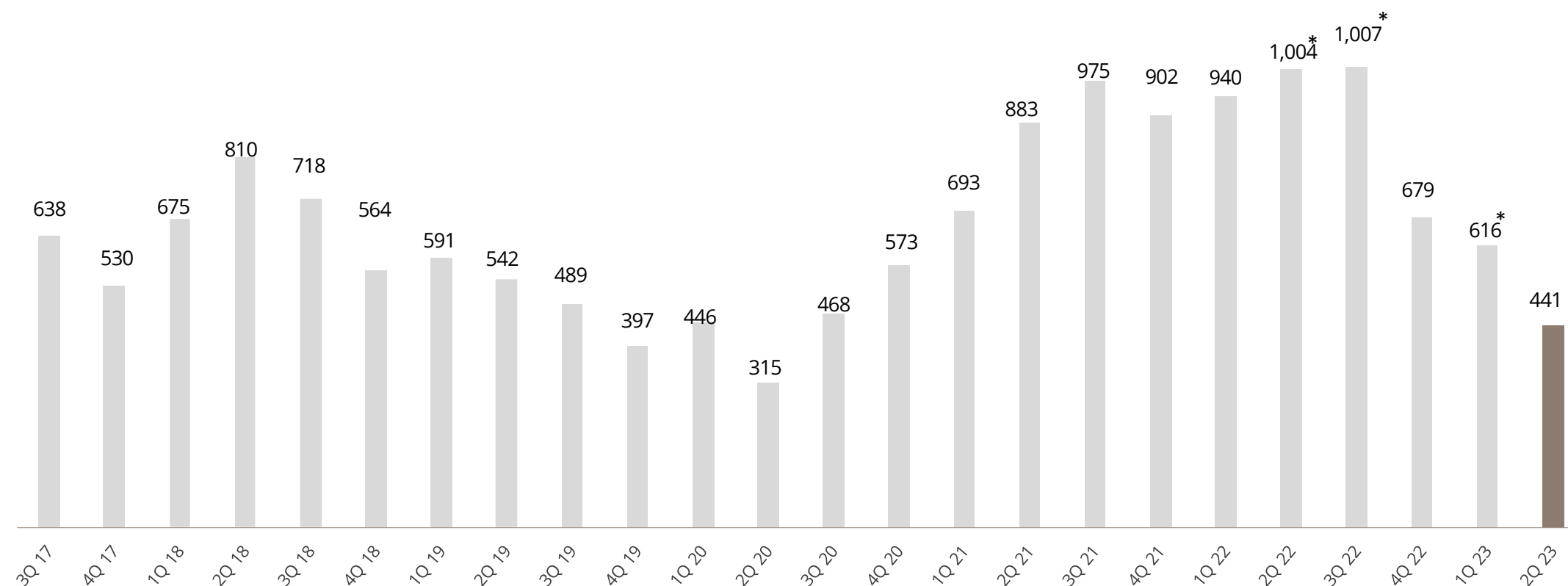
Copec became majority shareholder of Ampere Energy

Arauco issued sustainable bonds

Copec's Wind Ventures awarded as the best Corporate Venture Capital in Chile



I. CONSOLIDATED RESULTS – Quarterly Performance

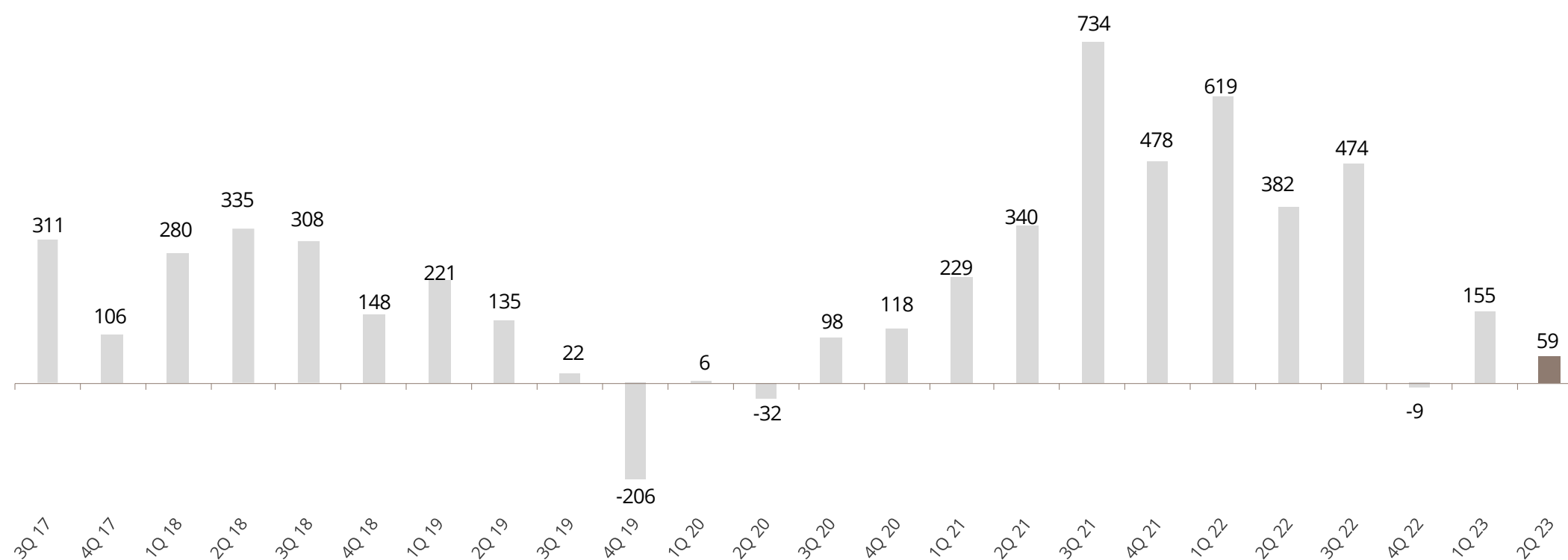


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EBITDA down YoY
and QoQ

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

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

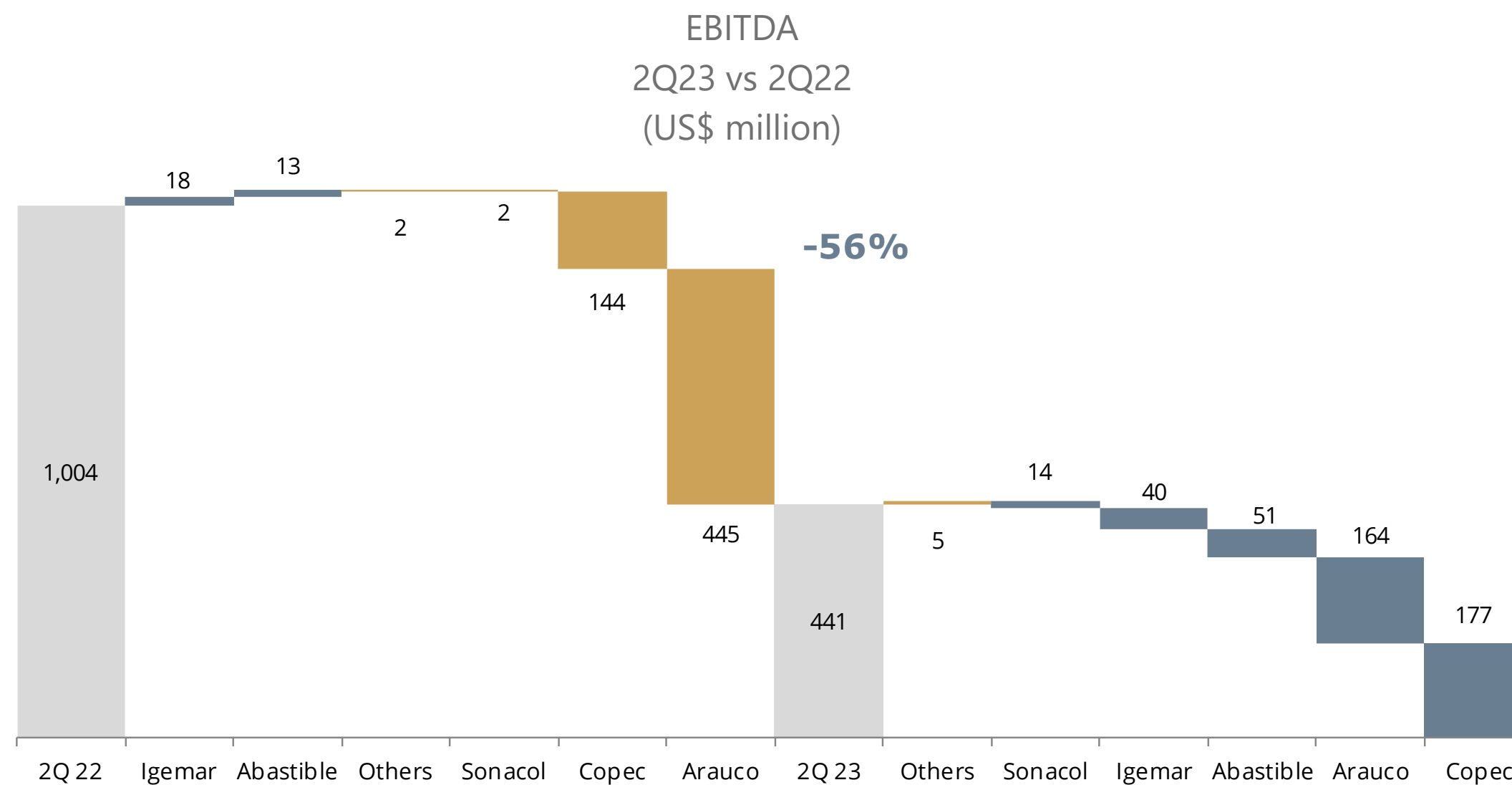


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Lower **Net**
Income YoY
and QoQ



I. CONSOLIDATED RESULTS – Quarterly Performance

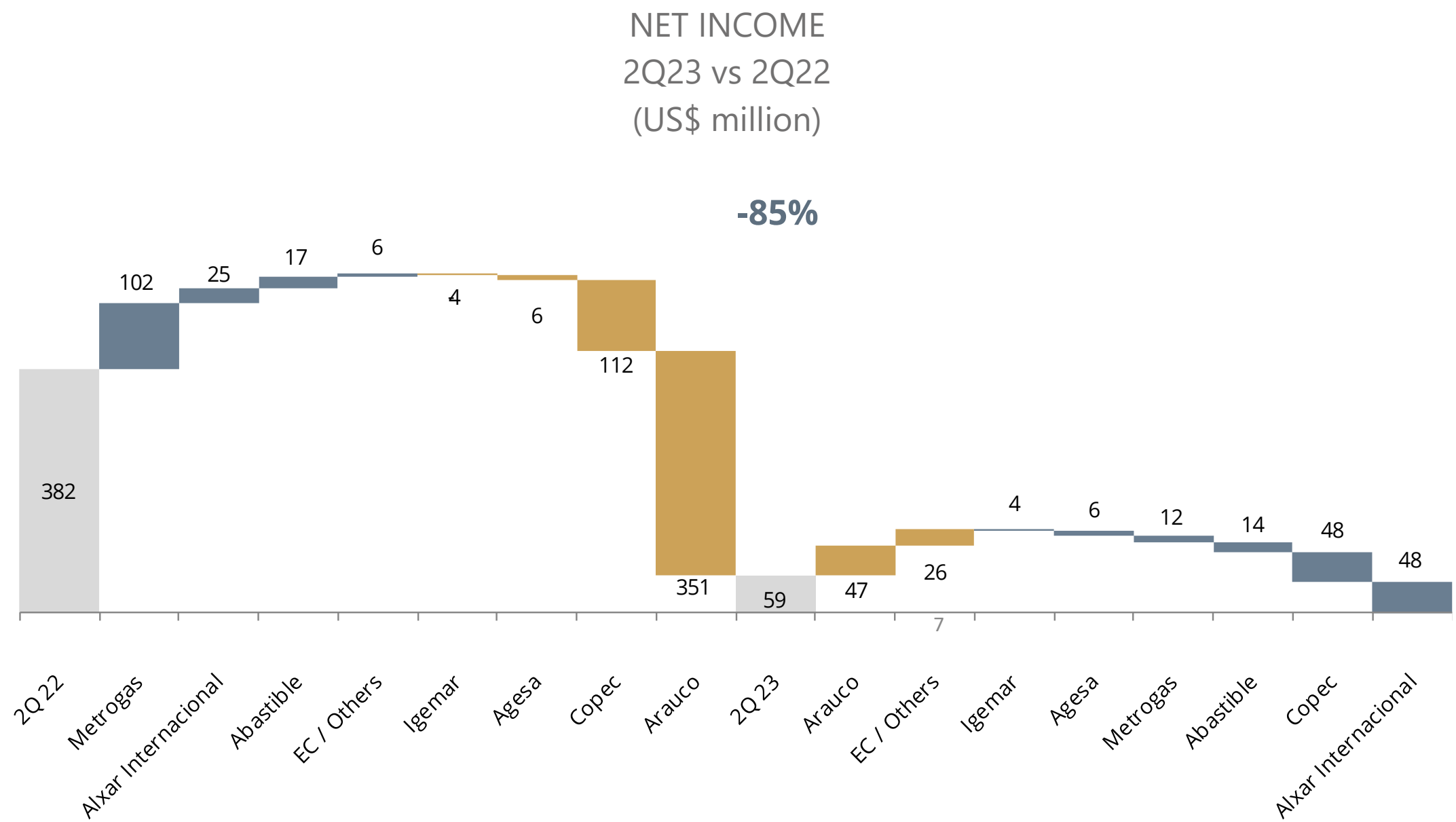


In the forestry sector **EBITDA** decreased due to drops in prices of pulp and panels, added to lower volumes of the wood products segment.

The energy sector **EBITDA** was lower, associated to an unfavorable inventory revaluation effect and a drop in industrial margins, added to higher administration and distribution costs.



I. CONSOLIDATED RESULTS – Quarterly Performance



- **Net Income** decreased, associated to lower operating income, partly offset by an increased non-operating income.
- Arauco had lower operating income, due to a drop in prices of pulp, panels and sawn timber, coupled with lower volumes in the wood products segment.
- Decreased net income at Copec, explained by lower operating and non operating results, associated to a drop in margins and higher financial costs.
- The positive variation in Metrogas is explained by the provision of US\$95 million made in 2Q22, associated with a lawsuit in Argentina.
- Aljar Internacional's results were boosted by a higher operating result from Mina Justa, associated with increases in volumes.



I. CONSOLIDATED RESULTS – Quarterly Performance

Drop in net income explained by decreased operating results, partly offset by a more favorable non operating income

LOWER OPERATING INCOME

- Decreased results at Arauco, explained by lower prices of pulp, panels and sawn timber, coupled with lower volumes of the last two, and higher unit costs, partly due to the ramp-up of MAPA.
- Lower results in Copec, related to a drop in margins, associated to an unfavorable inventory revaluation effect and decreased industrial margins.

FAVORABLE NON-OPERATING INCOME

- Higher profit in associates and JV's, mainly due to the provision of US\$95 million made in 2Q22 in Metrogas.
- Increased other income due to insurance payment associated to Valdivia Mill of US\$ 72 million.
- Higher net financial expenses for US\$ 67 million.

CONSOLIDATED INCOME STATEMENT

Million USD	2Q 23	2Q 22	Change
Net income	59	382	(323)
Operating income	73	681	(608)
Non-operating income	(13)	(114)	101
Other Income	169	103	65
Other expenses	(59)	(70)	11
Other profit (loss)	(4)	(1)	(3)
Financial Income	41	22	18
Financial expense	(177)	(92)	(85)
Profit in associates and JV's	66	(26)	92
Exchange Differences	(42)	(24)	(19)
Gain (losses) on net monetary position	(7)	(28)	21
Taxes	(2)	(173)	171
EBITDA	441	1.004	(563)



I. CONSOLIDATED RESULTS – Quarterly Performance

FINANCIAL RATIOS

Profitability	2Q 23	1Q 23	2Q 22
Operating margin	1.0%	4.5%	9.2%
EBITDA margin	6.2%	8.2%	13.6%
ROCE	8.3%	11.5%	15.9%

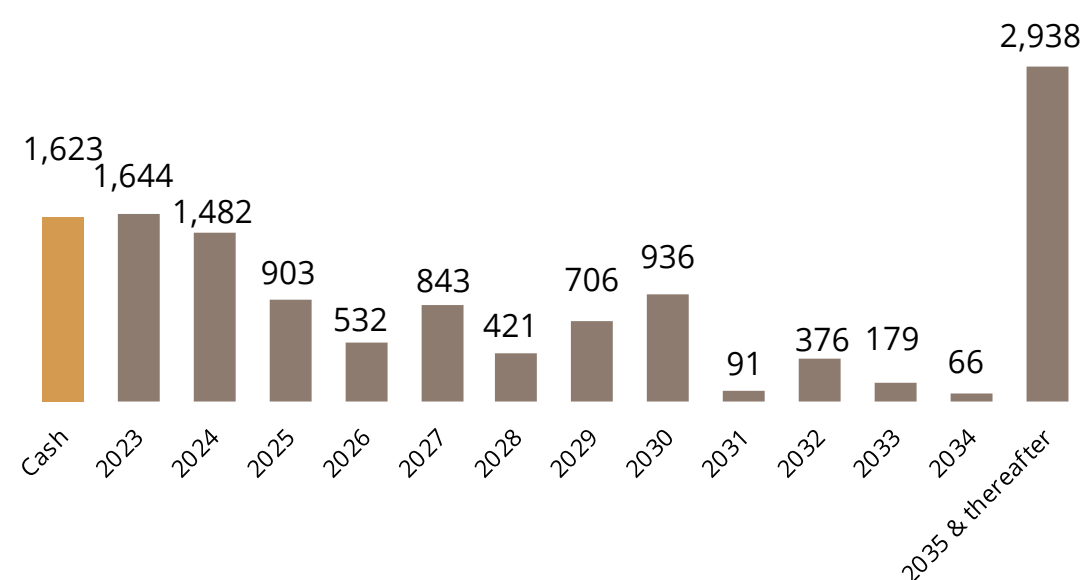
Leverage	2Q 23	1Q 23	2Q 22
EBITDA / net interest expense	6.8	9.7	13.9
Net debt / EBITDA	3.5x	2.7x	1.9x

COMMENTS

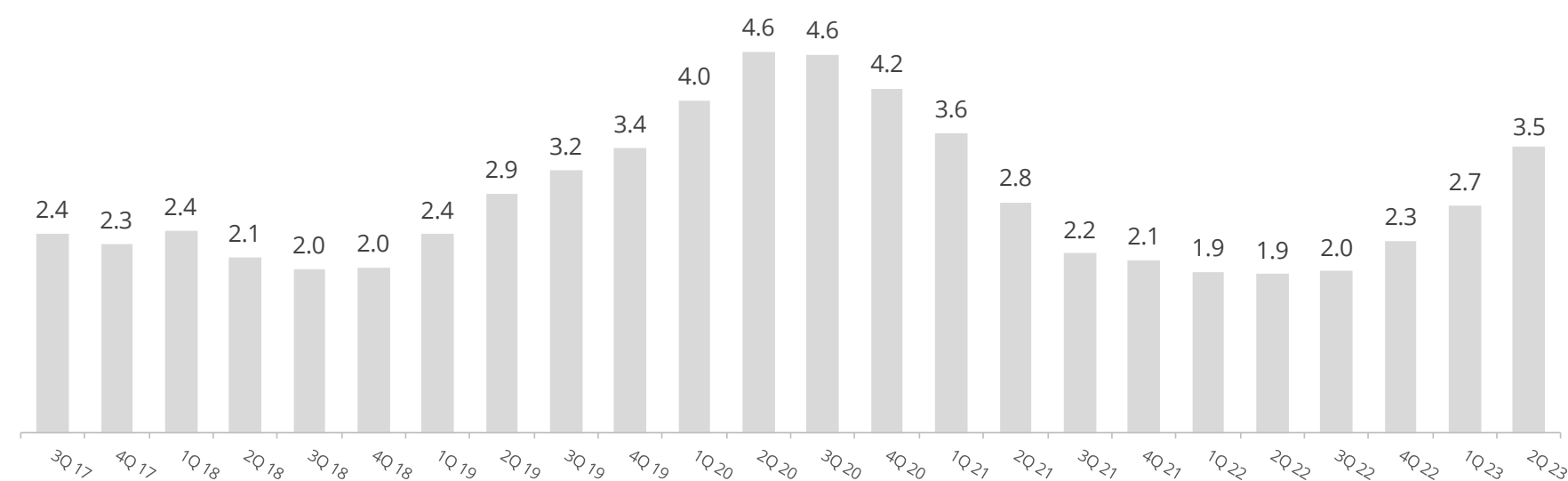
- **Net debt / EBITDA** increased YoY, due to a lower EBITDA and higher net debt.
- **EBITDA** decreased YoY.
- **Well-balanced debt schedule** for the coming years.
- During 2Q23 Arauco **issued local sustainable bonds** for US\$ 538 million.

FINANCIAL DEBT MATURITIES

Figures in US\$ million



NET FINANCIAL DEBT / EBITDA





- I. CONSOLIDATED RESULTS
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-



FORESTRY



ARAUCO

Net income decreased due to lower operating income

LOWER OPERATING INCOME

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

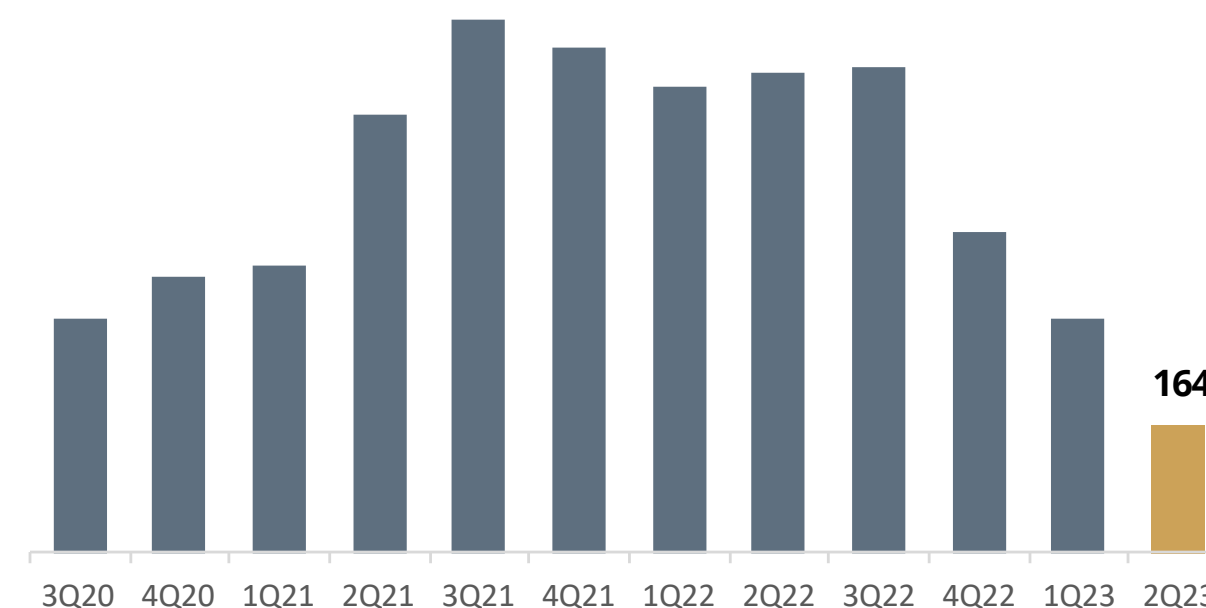
FAVORABLE NON-OPERATING INCOME

- Higher other income, associated to insurance payment from Valdivia Mill stoppage, for MMUS 72.
- Lower other expenses, explained by insurance income related to forestry fires occurred in 1Q23.
- Increased financial expenses on recognition of interest expenses related to MAPA, previously capitalized, and higher debt.

ARAUCO – INCOME STATEMENT

Million US\$	2Q 23	2Q 22	Change
Net income	(47)	304	(351)
Operating income	(120)	357	(477)
Non-operating income	47	21	25
Taxes	27	(75)	101
EBITDA	164	609	(445)

EBITDA (US\$ million)



*Does not include insurance payment associated to Valdivia Mill for US\$ 72 million



PULP

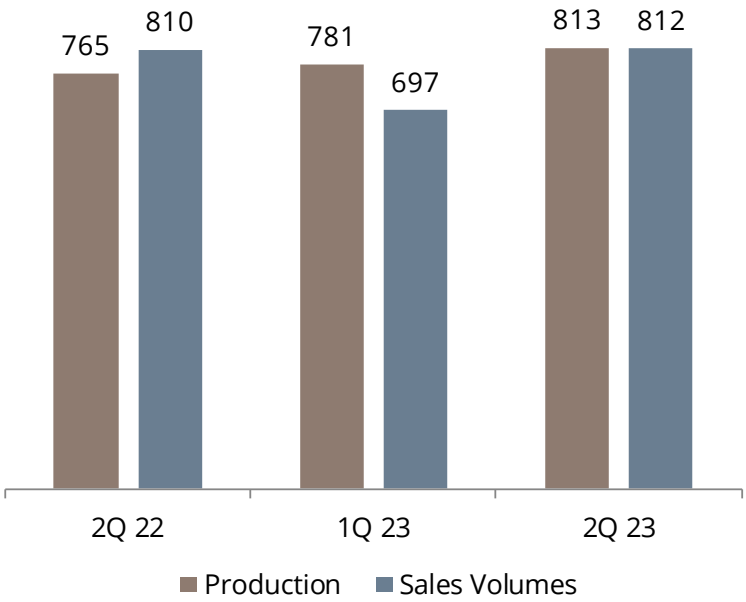
- YoY: EBITDA down, explained by lower prices.
- Increased unit selling costs for unbleached softwood, bleached softwood, dissolving pulp and bleached hardwood of 28.6%, 7.8%, 2.3% and 41.7%, respectively.
- QoQ: lower prices, partly offset by higher volumes.
- Unit selling costs for bleached hardwood and bleached softwood were up 41.3% and 6.2%, partly offset by a decline in dissolving pulp and unbleached softwood of 1.1% and 6.8%, respectively.

MAINTENANCE STOPPAGES (DAYS)

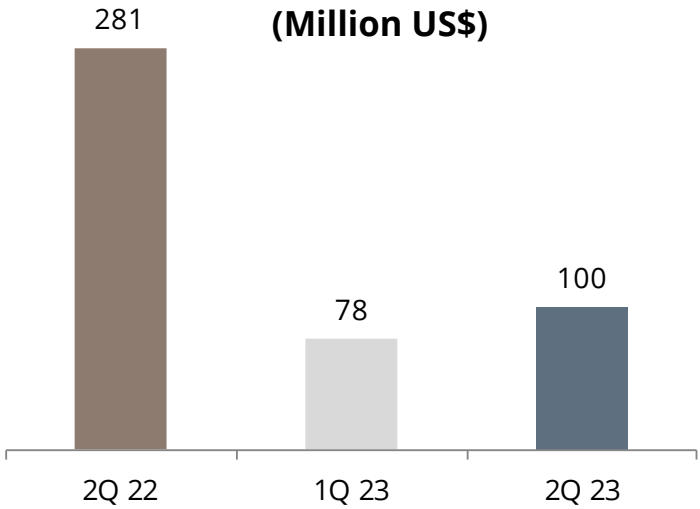
Country	Instalation	2023				2024
		1Q	2Q	3Q	4Q	1Q
Chile	Arauco L2				16	15
	Arauco L3					
	Constitución	117				
	Licancel			14		
	Nueva Aldea		17			
	Valdivia		126			
Argentina	Esperanza		35		12	
Uruguay	Montes del Plata		15			

II. REVIEW BY BUSINESS DIVISION – Forestry

PULP - Production & sales volumes (Th. tons)



PULP – EBITDA * (Million US\$)



* Ebitda as informed by Arauco. 2Q23 includes insurance payment associated to Valdivia Mill for US\$ 72 million

	Net Sales	Price	Sales Volume
Y o Y	-22.7%	-23.5%	0.2%
Q o Q	-9.5%	-21.3%	16.4%



Pulp

- Market weakened due to an increase in short fiber supply. Additionally, the low season began, which, together with decreased economic activity in various regions, generated a drop in demand. Total world inventories followed the trend of the first quarter and continued to rise.
- In China, the quarter began with pulp prices declining but stabilized in long fiber and increased slightly in short fiber, with a stable but cautious market due to low seasonality. Supply increased due to new mills and the rerouting of Europe shipments to China.
- In Europe, demand for paper remained low, and customers maintained high inventories of final products and raw materials, however managed to preserve relatively stable prices for their products. During the quarter, the tissue industry began to weaken with both short and long fiber prices reductions, added to increases in supply from other producers.
- Prices decreased in the dissolving pulp market, mainly associated to the beginning of the low season.
- Production in the second quarter was affected by the scheduled maintenance stoppages of Nueva Aldea and Montes del Plata mills and the Valdivia mill dryer replacement stoppage. Additionally, the Arauco Line 3 (MAPA project) continued with its production curve as planned.

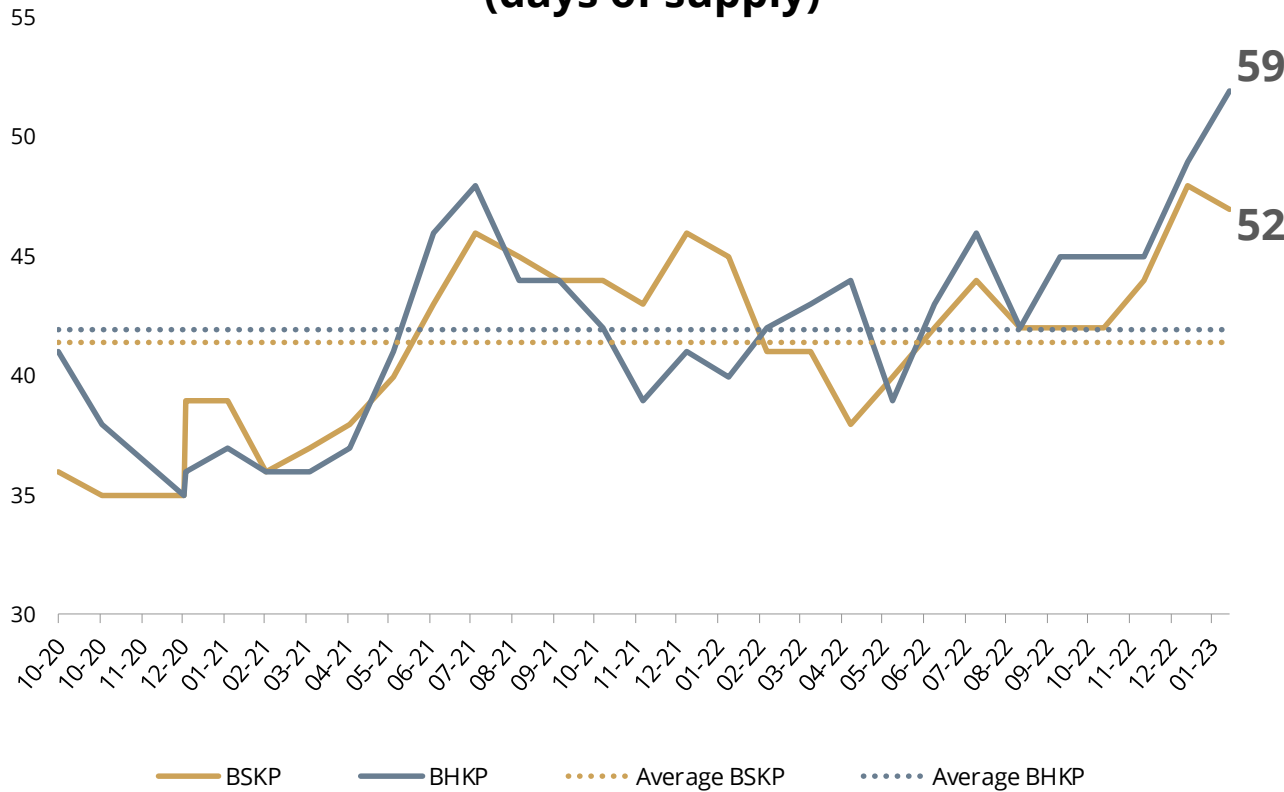
II. REVIEW BY BUSINESS DIVISION – Forestry

GLOBAL BCP DEMAND VARIATION
(In '000 tonnes)

	2023	2022	%
North America	2.510	2.815	-10,8%
Europe	5.930	7.125	-16,8%
China	9.140	8.020	14,0%
Other Asia	3.540	3.865	-8,4%
Rest of the world	2.125	1.930	10,1%
Total (th. tons)	23.245	23.755	-2,1%

* Accumulated as of March 2023

INVENTORIES
(days of supply)



* May 2023

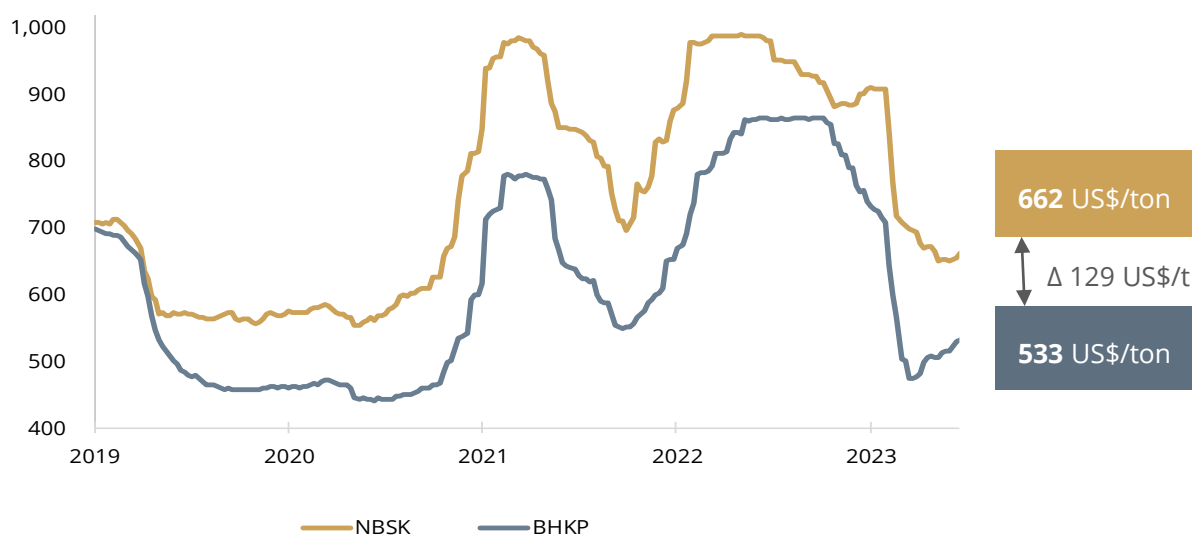


Pulp - Outlook

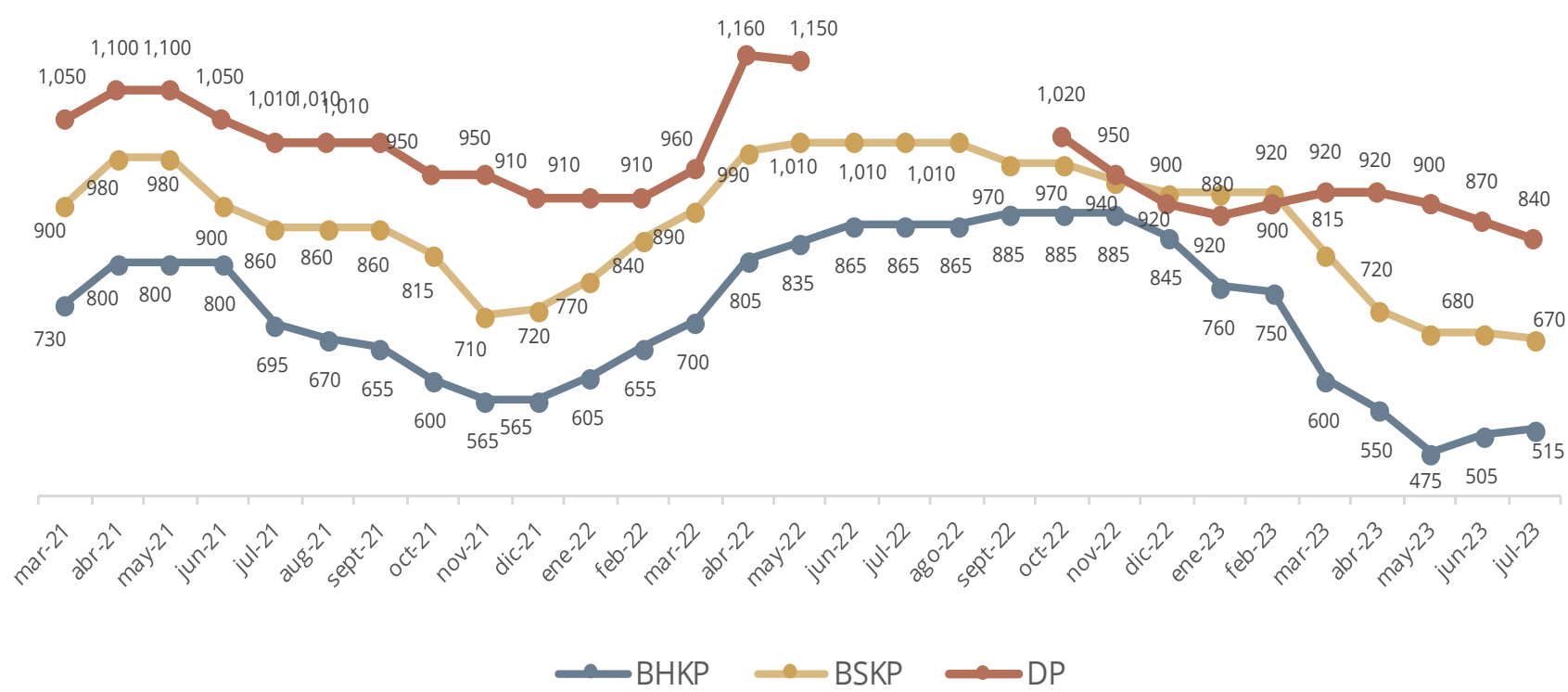
- In China, local demand is increasing in some grades of paper. Local paper producers are expecting prices to slightly increase, supporting an upcoming increase in pulp prices, despite the high supply.
- In Europe, the demand for paper has decreased drastically, triggering spot supply of pulp.
- The next months could continue to be difficult in all markets. Pulp prices could have touched bottom, so slight increases in some pulp grades and markets might happen.

II. REVIEW BY BUSINESS DIVISION – Forestry

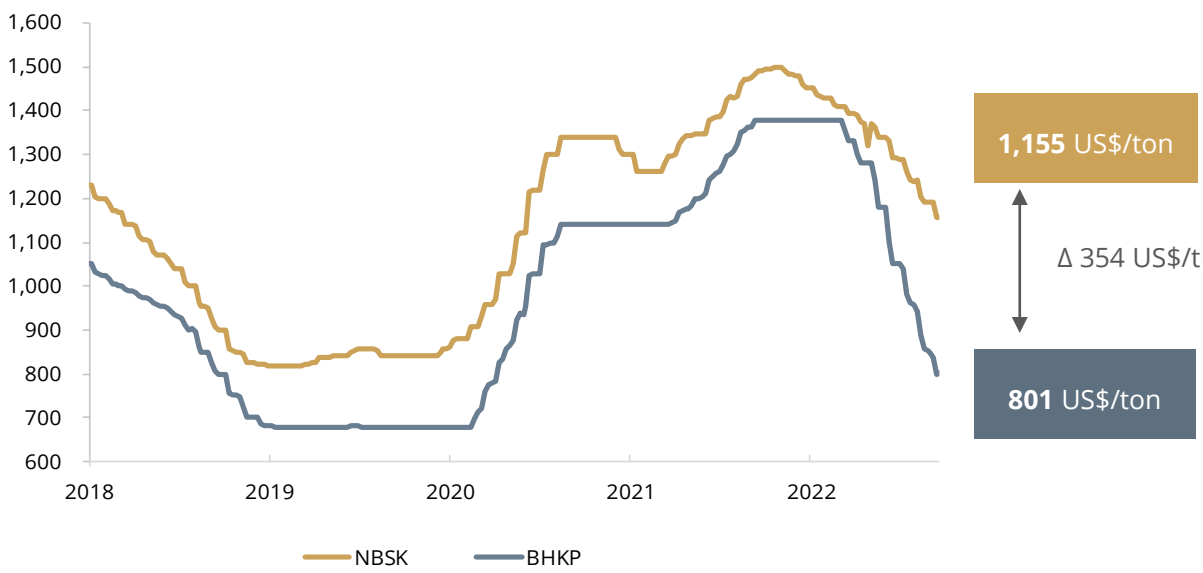
PULP PRICES CHINA- NBSK / BHKP
(US\$ / ton)



PULP PRICES - NET IN CHINA
(US\$/ton)



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

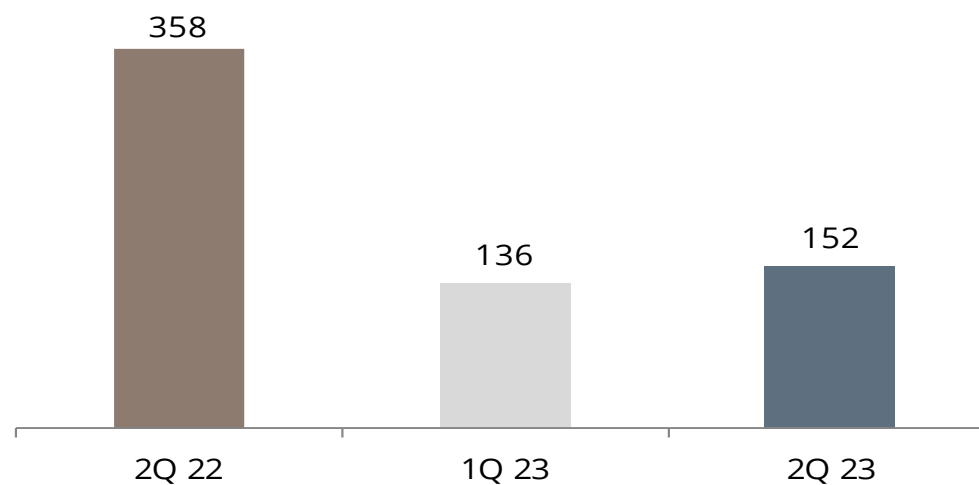


*Arauco, RISI. As of May 16th, 2023



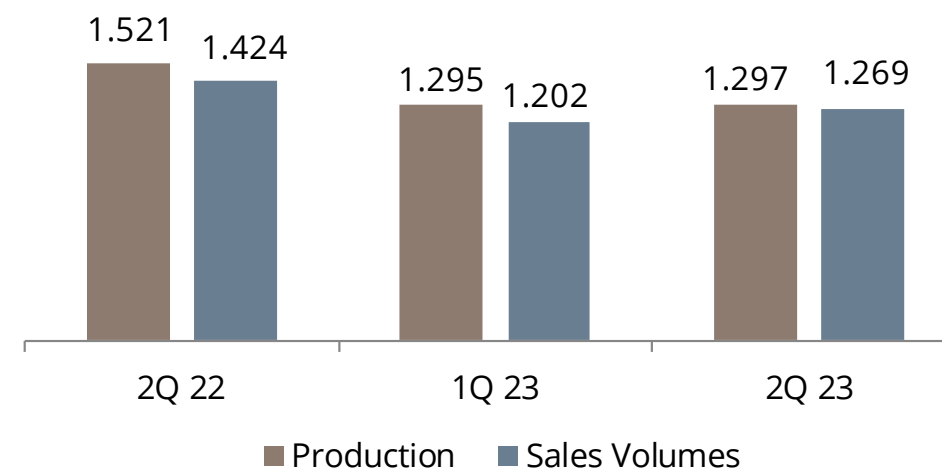
Wood Products

WOOD PRODUCTS - EBITDA *
(Million US\$)



* Ebitda as informed by Arauco.

PANELS
Production & sales volumes
(Th. m³)

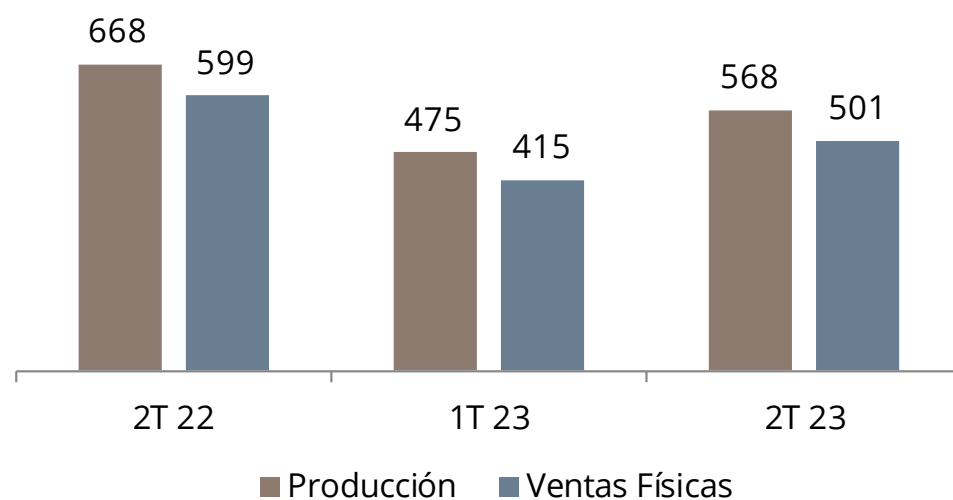


Panels

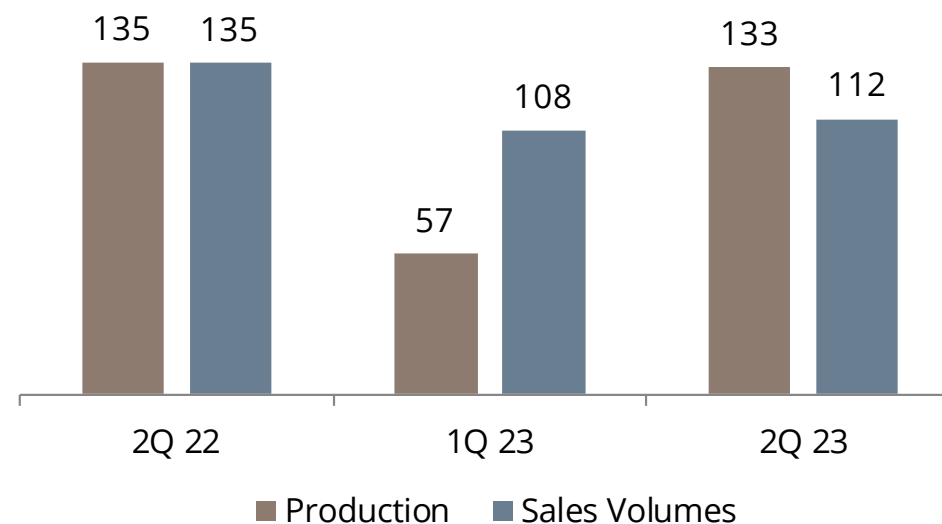
	Price	Sales Volume
Y o Y	-10.5%	-10.9%
Q o Q	-1.0%	5.6%

*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	-23.7%	-16.5%
Q o Q	-11.6%	17.3%

*Includes sawn timber, remanufactured solid wood and plywood.

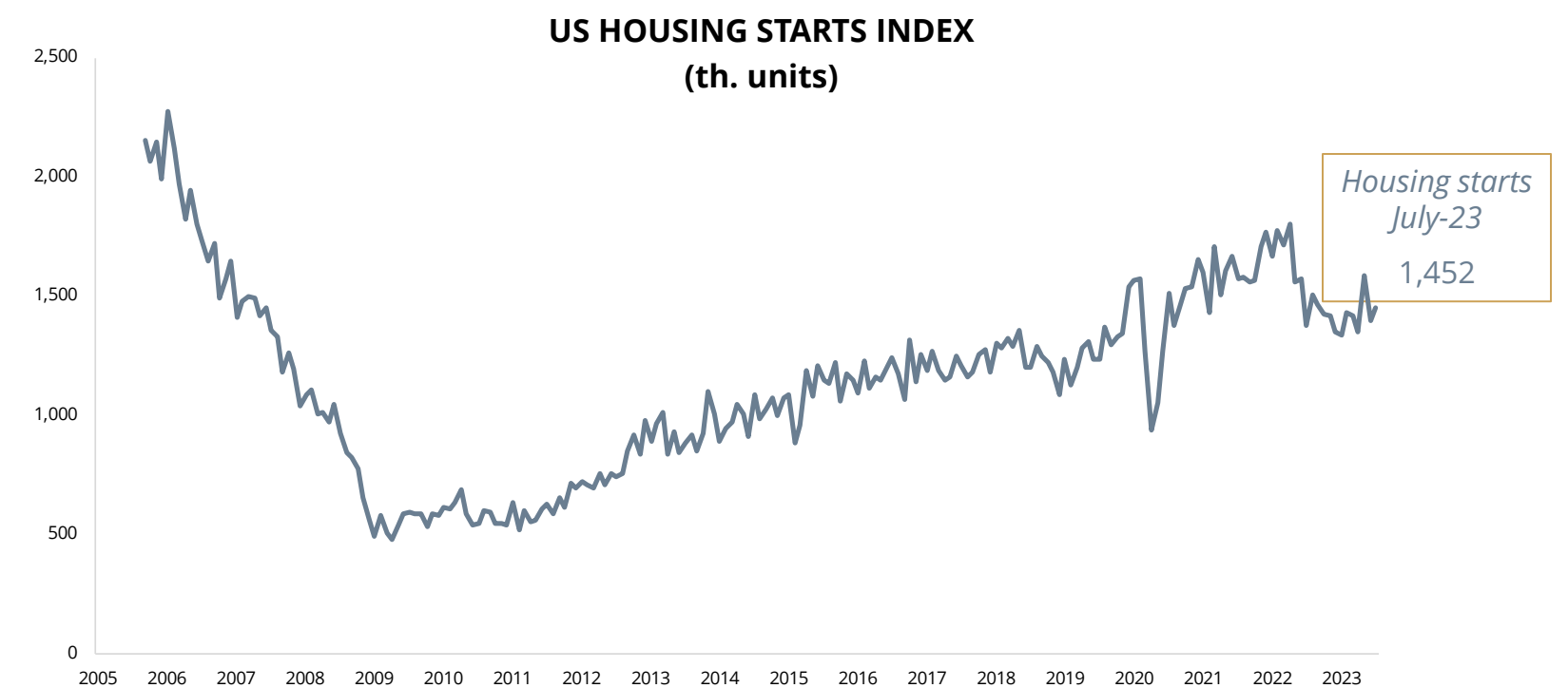


Outlook

North America

54% of revenues

- **MDF:** Higher supply from Brazil is putting pressure in the market. On the demand side, higher interest rates and less construction activity are affecting volumes.
- **PB:** situation is slightly better than MDF, associated to lower competition from other countries.
- **REMANUFACTURED PRODUCTS:** inventories have been normalizing for some products. This market could stabilize in the coming months.
- **PLYWOOD:** the market is stable, with balanced supply and demand. It could continue to strengthen during 3Q23.



Source: Census Bureau



Outlook

South & Central America 32%

- **Brazil:** concern continues in the domestic market since more MDF supply is coming. More exports are materializing.
- **Chile:** prices for remanufactured wood products have stabilized. Panel prices could slightly decrease, due to lower activity in the construction sector.
- **Argentina:** demand is stable and could continue in good levels for the rest of the year, specially in MDF and value-added products.

Asia & Oceania 10%

- **Asia:** Market still has not recovered and continues with some uncertainty, showing lower economic growth and downward housing starts. But the market could strengthen in the coming months.
- **Oceania:** lower demand, driven by economic activity and high interest rates. Excess supply of plywood from Brazil and Chile. Nonetheless, prices have stabilized.

Europe & Middle East 4%

- Plywood volumes have shown a slow recovery in Europe, explained by lower supply.
- Uncertainty due to slower economic activity.

ENERGY





COPEC

Decreased operating and non-operating incomes, partly offset by lower taxes.

DECREASED OPERATING INCOME

- Unfavorable effect on inventory revaluation in Copec Chile and Terpel.
- Lower industrial margin in Copec Chile.
- Volumes dropped 3.0% in Copec Chile and 1.5% in Terpel.
- Higher distribution costs due to a rise in marketing expenses, leases and concessions expenses and higher maintenance costs.
- Lubricant segment favored by margin expansions, offset by a drop in volumes.

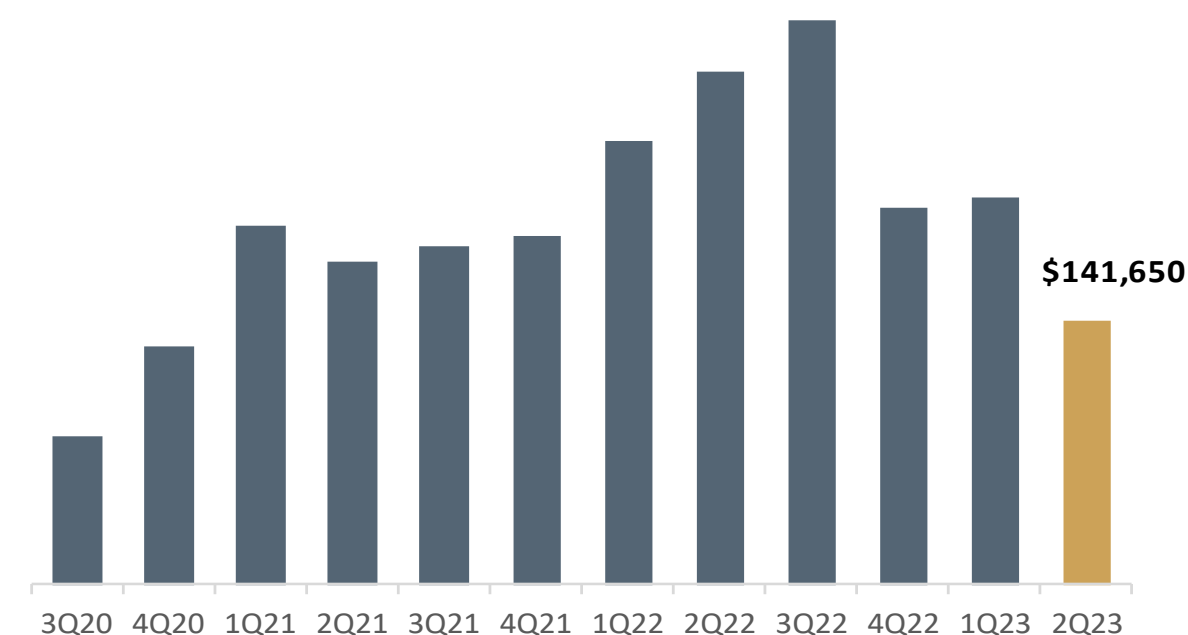
UNFAVORABLE NON-OPERATING RESULT

- Increased financial costs due to higher debt

COPEC – INCOME STATEMENT

Million Chilean Pesos	2Q 23	2Q 22	Change
Net income	38,373	134,262	(95,889)
Operating income	96,265	229,327	(133,063)
Non-operating income	(46,210)	(29,463)	(16,747)
Taxes	(17,913)	(62,277)	44,365
EBITDA	141,650	274,594	(132,944)

**EBITDA
(CLP million)**





MARKET SHARE
(accumulated june-2023)

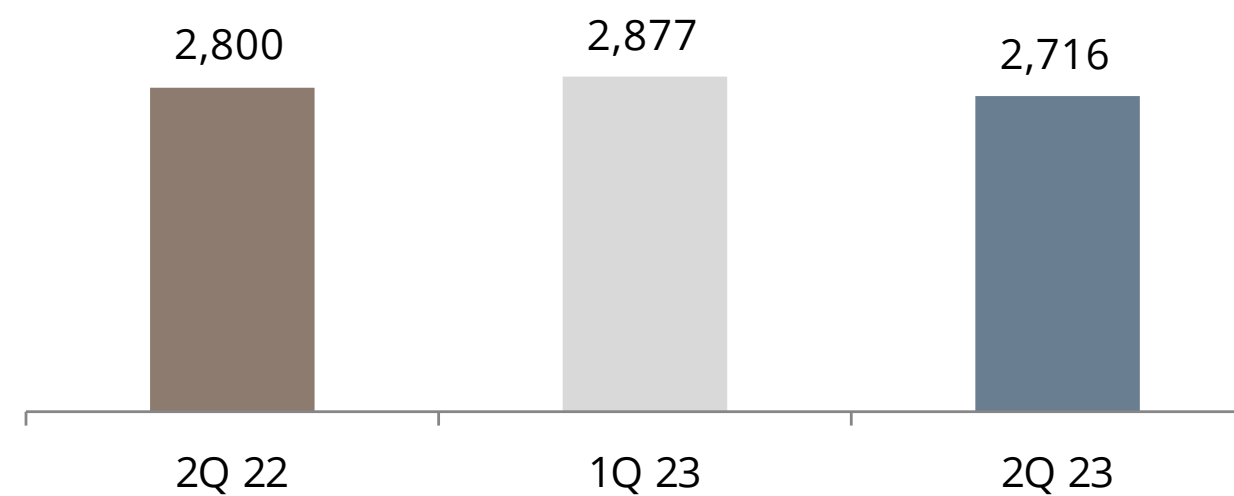


OUTLOOK

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

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

FUEL VOLUMES IN CHILE
(th. m³)



- Industrial Channel: volumes dropped 2.1% YoY and 6.5% QoQ.
- Gas Stations: volumes decreased 3.7% YoY and 4.9% QoQ.



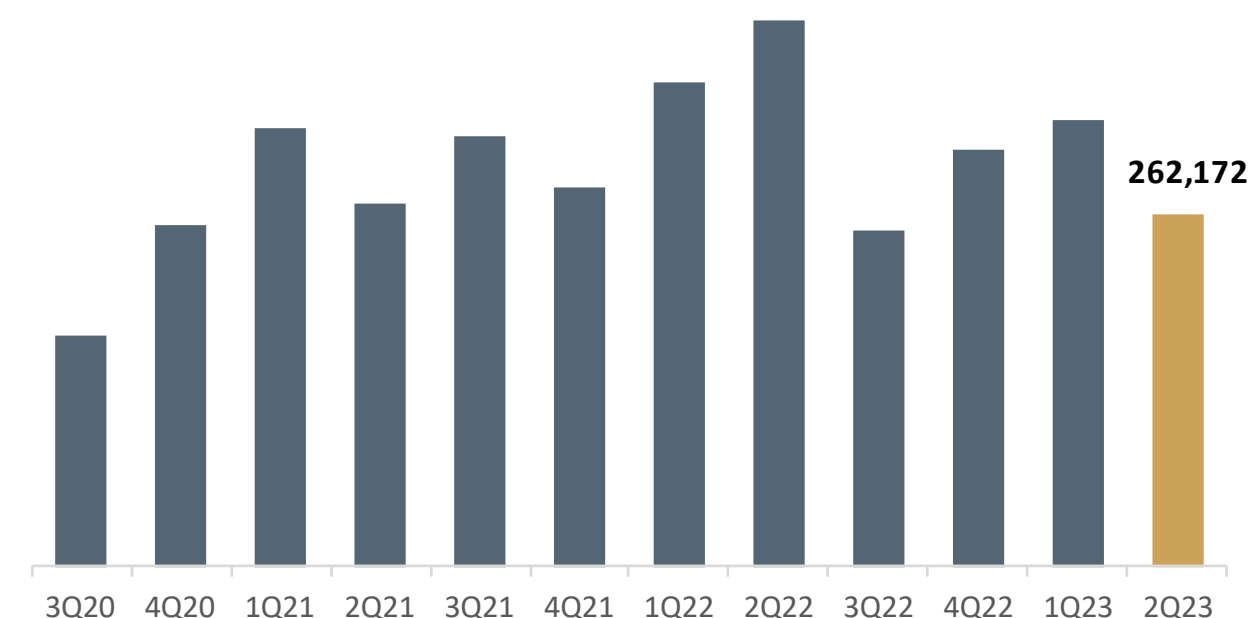
TERPEL

Unfavorable operating and non-operating income.

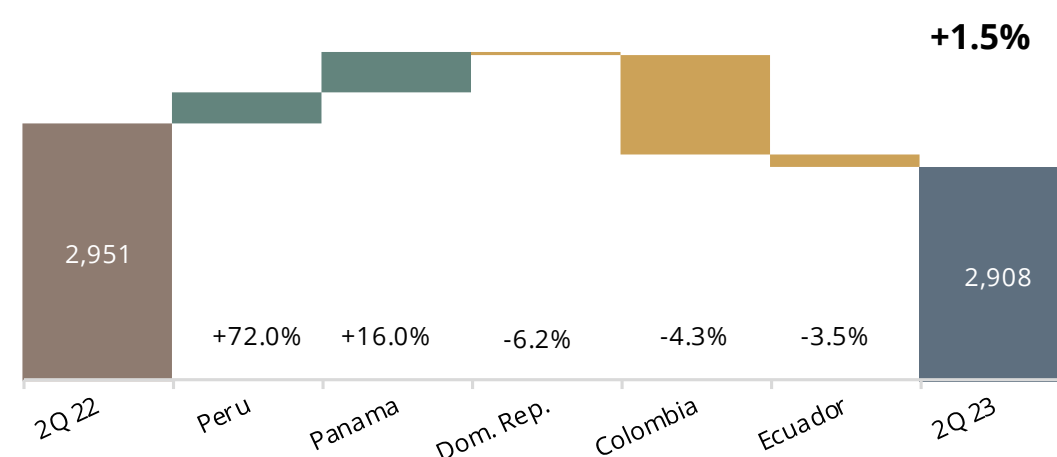
- Lower EBITDA on unfavorable inventory revaluation in Colombia, Panamá and Dominican Republic.
- Liquid fuels volumes decreased 1.5% YoY, explained by drops in Colombia, Ecuador and Dominican Republic, offset, in part, by a climb in Panamá and Perú.
- Higher distribution costs, associated to accounts receivables write-offs in the aviation sector.
- Unfavorable non-operating income due to increased financial costs on inflation.

Million COP	2Q 23	2Q 22	Change
Revenues	8,644,495	8,814,625	(170,129)
EBITDA	262,172	408,389	(146,217)
Operating income	168,478	324,327	(155,849)
Non-operating income	(169,177)	(109,577)	(59,600)
Net income	2,394	131,453	(129,059)

**EBITDA
(COP million)**



**PHYSICAL SALES OF LIQUID FUELS YoY
(Th. m3)**





ABASTIBLE

Increased EBITDA and operating results.

HIGHER OPERATING INCOME

- Improved margins in Chile, Colombia and Peru.
- Volumes in Peru and Ecuador increased 10.6% and 0.4%, offset by a drop in Chile and Colombia of 3.8% and 3.3%.

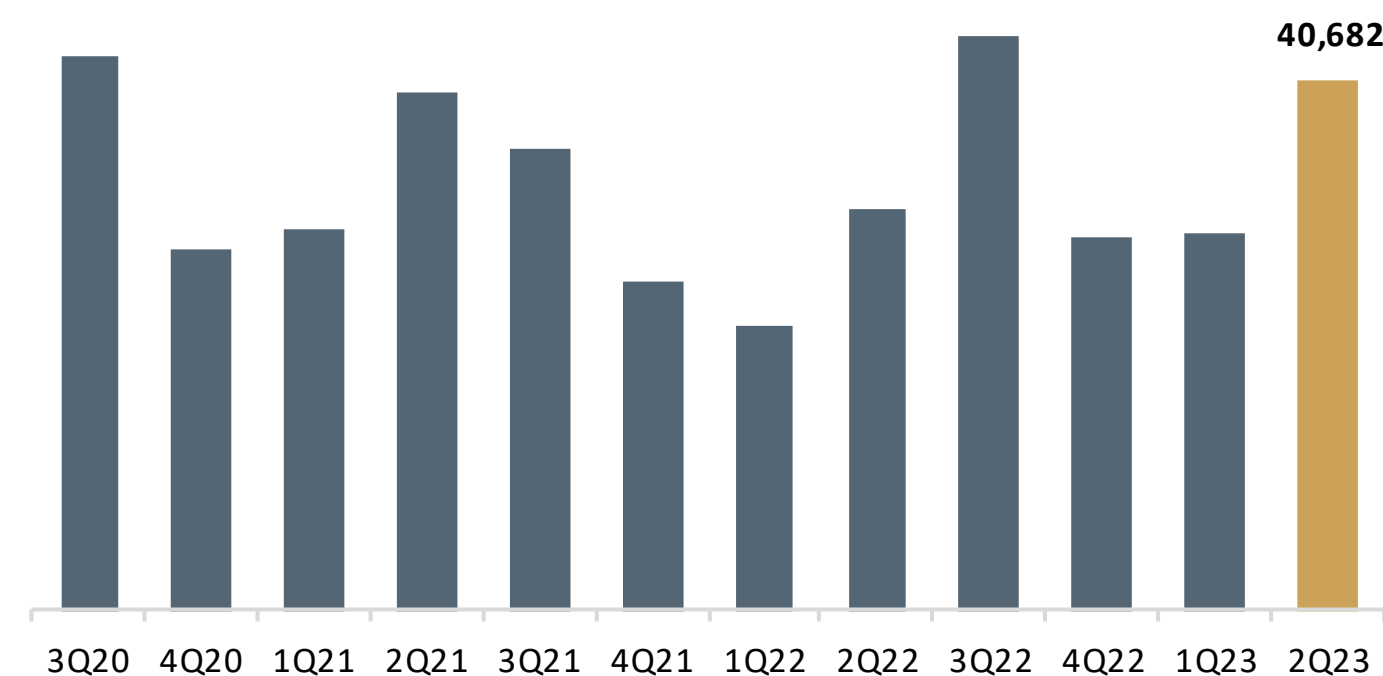
INCREASED NON-OPERATING RESULT

- Lower losses on monetary position due to lower inflation.
- Partly offset by increased net higher financial costs.

ABASTIBLE – INCOME STATEMENT

Million Chilean Pesos	2Q 23	2Q 22	Change
Net income	11,021	(3,025)	14,046
Operating income	26,586	16,978	9,608
Non-operating income	(7,214)	(8,205)	991
Taxes	(7,933)	(10,617)	2,684
EBITDA	40,682	30,732	9,950

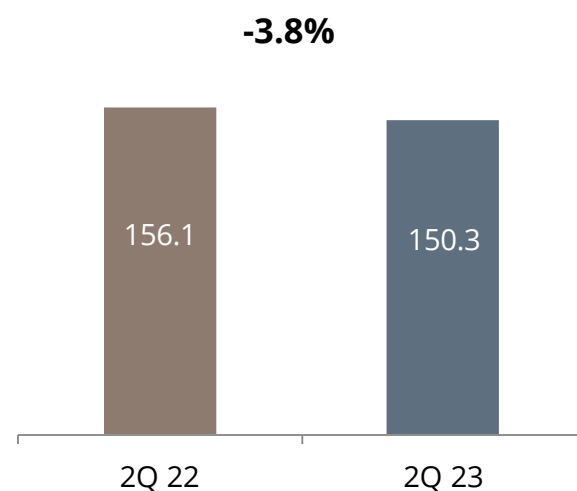
EBITDA (CLP million)



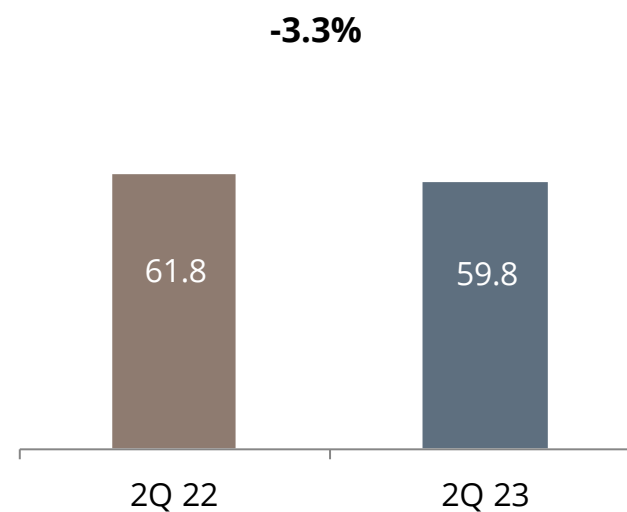


II. REVIEW BY BUSINESS DIVISION – *Energy-Abastible*

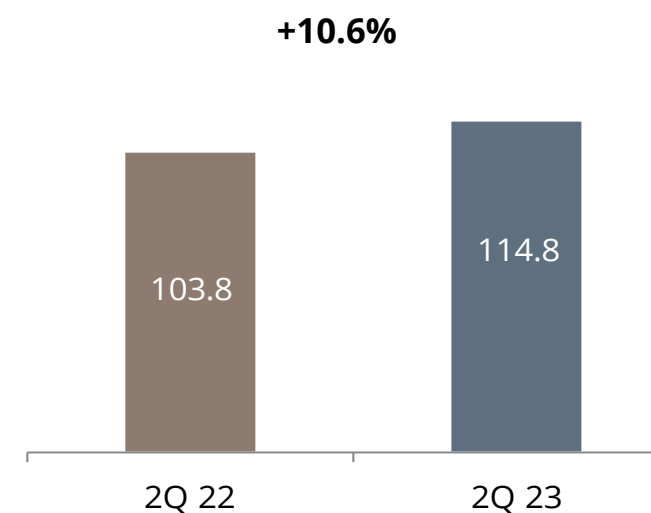
VOLUMES IN CHILE Y/Y
(Th. tons)



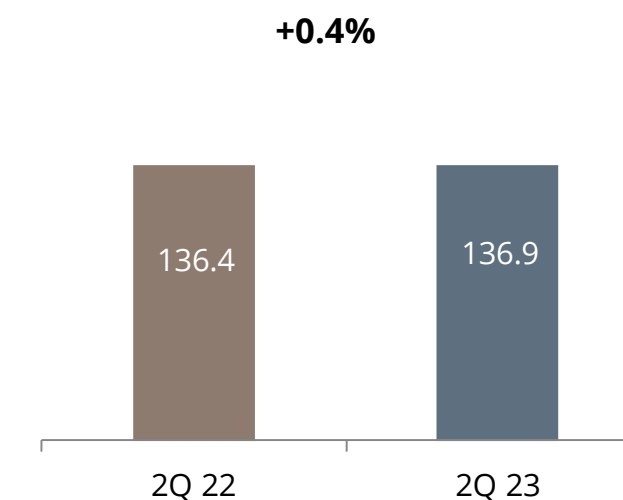
VOLUMES IN COLOMBIA Y/Y
(Th. tons)



VOLUMES IN PERU Y/Y
(Th. tons)



VOLUMES IN ECUADOR Y/Y
(Th. tons)



Chile (Abastible):

- Volumes in the bottled segment decreased YoY, while margins expanded.
- Volumes in the bulk segment continue to grow because of an increased base of clients, partly offset by decreased margins on new clients with high volumes and low margins.
- Market share decreased YoY.

Colombia (Colgas):

- Bulk volumes grew YoY because of an increased base of clients, partly offset by decreased 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, partially offset by a drop in the bulk segment. Higher margins on both segments.
- Market share increased YoY.

Ecuador (Duragas):

- Bottled segment's volumes and margins decreased.
- Bulk segment volumes improved YoY.
- 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 and concentrates of 49.5% and 44.3%, respectively.
- Partly offset by lower prices.

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

IGEMAR: lower non-operating income, offset by higher volumes.

METROGAS: increased operating income and non-operating income. It is important to highlight that a loss of MMUS\$ 91 was recognized in Metrogas in 2Q22 because of the provision associated to an adverse court ruling against the company, in a dispute with a gas transportation supplier.

AGESA: decreased net income, reflecting a drop in the operating income and non-operating income.

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CUMBRES ANDINAS	2Q 23	2Q 22	2Q23 / 2Q22
Sales	309	205	51.3%
EBITDA	204	144	41.4%
Net income	122	59	107.4%
Physical sales			
Cathodes (kT)	9	6	49.5%
Concentrates (kT)	30	21	44.3%
Treated Ore (kT)	3,685	3,372	9.3%
Cash-cost (C1) (US\$/lb)	1.4	1.4	0.6%

Figures in US\$ million

*Ebitda = Operating Income + Depreciation + Amortization

AFFILIATES AND ASSOCIATES – QUARTERLY NET INCOME

	2Q 23	2Q 22	Change
Affiliated Companies			
Alxar Internacional	47.9	23.2	24.8
Sonacol*	5,120	6,571	(1,451)
Igemar	5.4	10.6	(5.2)
Associated Companies			
Metrogas*	23,141.9	9,984.8	13,157.1
AGESA	15.3	30.8	(15.6)

Figures in US\$ million

* Figures in million Chilean pesos



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





III. HIGHLIGHTS OF THE QUARTER

Update on MAPA

- MAPA's sales volumes have increased in the last months, along with a positive response from clients.
- Production continues to increase as expected, without significant problems, reaching approximately 325 thousand tons as of July, of which 82.1% or 267 thousand tons were prime pulp.
- Full capacity is expected to be achieved in the first quarter of 2024.





III. HIGHLIGHTS OF THE QUARTER

Valdivia mill resumed operations

- On August 8, the Valdivia pulp mill resumed operations, after the fire that damaged the drying machine on May 26, 2022, which caused the stoppage of its operations for 3 months in 2022 and 4 months in 2023.
- A portion of the compensation was received from the insurance company on June 30, and it is expected to receive more during 2023.
- The Valdivia Mill has an annual production capacity of 550 thousand tons of dissolving pulp.
- In addition, the Valdivia Mill produces renewable electricity, feeding significant surpluses into the National Electric System.





III. HIGHLIGHTS OF THE QUARTER

Terpel successfully completes bonds issuances

- On July 27, Terpel issued bonds for a total amount of COP 418,723 million (US\$ 105 million):

Serie	Amount	Maturity	Rate
C5	COP 109,973 million	5 years	CPI + 5.14%
C15	COP 311,750 million	16 years	CPI + 5.29%

- These bonds have AAA local credit rating, the highest by Fitch Ratings Colombia, ratifying Terpel's leadership and financial strength.
- The proceeds from the issuance will be used for debt refinancing.





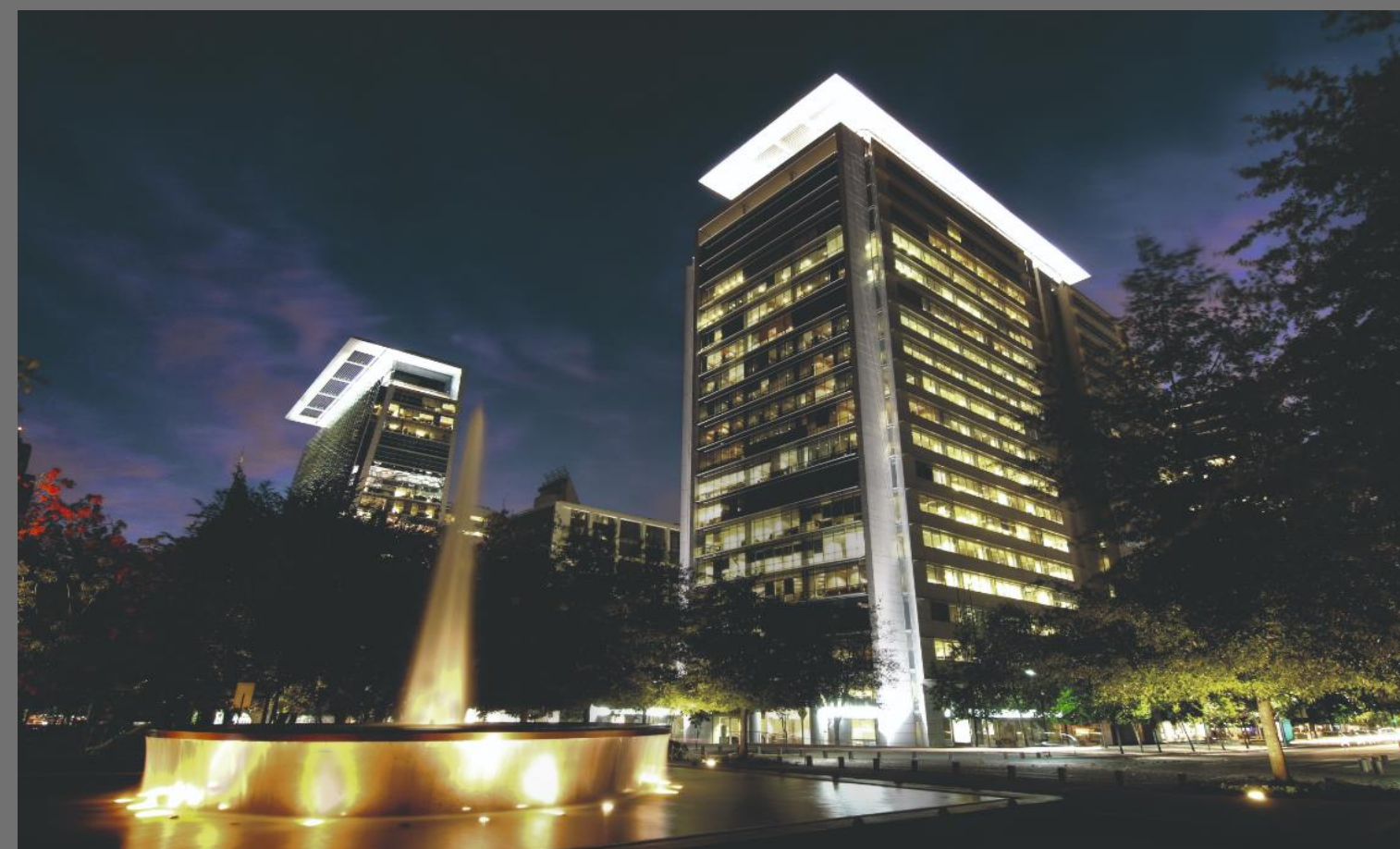
III. HIGHLIGHTS OF THE QUARTER

Fitch Ratings and S&P ratifies Empresas Copec's BBB rating with stable outlook

- The rating agencies maintained Empresas Copec's international (BBB) rating, with a stable outlook.
- This reflects a healthy credit profile, as well as the strong business position of its main subsidiaries Arauco, Copec and Abastible, among others.

FitchRatings

S&P Global
Ratings





ESG HIGHLIGHTS



III. ESG HIGHLIGHTS

Arauco issued bonds in the local market

- During 2Q23 Arauco issued 3 Sustainable Bonds in the local market, for a total amount of US\$ 538 million:

Date	Serie	Amount	Maturity	Rate
April 25	Y	UF 2.0 million	9 years	3.10%
April 25	Z	UF 5.0 million	21 years	3.20%
June 13	AB	UF 5.0 million	23 years	3.20%

- These series have a Chilean credit rating of AA/Stable, according to Fitch Chile and Feller Rate.
- These bonds are classified as "sustainable", since regardless of the destination of the proceeds, Arauco will allocate an equivalent amount to one or more green projects selected for the purpose of this issuance in accordance with the "Sustainability Bond Framework" subscribed by the company. Green and social projects may include:
 - (i) projects with disbursements made within 36 months prior to the date of issuance of the bonds
 - (ii) projects with disbursements made after the date of issuance of the bonds and up to the maturity date of the bonds.





III. ESG HIGHLIGHTS

Copec becomes majority shareholder of Ampere Energy

- Copec announced the control of the company Ampere Energy, leader in the field of smart energy storage in Spain, which is expanding its geographic presence in Latin America and other markets.
- Copec entered the Valencia-based firm in the second half of 2019, by acquiring 13.5% and now reaches a 65.2% share. The acquisition has the goal to accelerate Copec's energy transition process and expand its international positioning in the sector.





III. ESG HIGHLIGHTS

Copec's Wind Ventures awarded as the best Corporate Venture Capital in Chile

- The survey, conducted by CIE Innovación ESE Business and El Mercurio's Innovation section, analyzed 36 CVC's investment strategies, policies and processes, highlighting those with the greatest maturity in their fund.
- In addition to leading the overall ranking, Wind also led the Energy sector.
- The study highlights its strategic focus and commitment to Copec's transformation:
 1. Being able to identify and support companies that are at the forefront of trends in energy, mobility and convenience.
 2. Generating a positive economic and social impact in the countries where the subsidiary operates.
- Wind Ventures is focused on driving innovation in the new energy, new mobility and new convenience sectors. Since its creation in 2019, it has invested more than US\$100 million in 22 startups nationally and internationally.





III. ESG HIGHLIGHTS

Empresas Copec stands out in international Investor Relations ranking

- The Company was recognized in several categories of the Latin American Executive Team Ranking 2023 by Institutional Investor magazine.
- Institutional Investor is one of the world's most prestigious magazines on investment strategies, market trends and relationships between companies and institutional investors. In the 2023 version of the study, 1,005 professionals from 508 financial services companies in the region were surveyed.





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



