



Empresas Copec

For future generations

BUSINESS UPDATE

May 2024





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. RESULTS SNAPSHOT 1Q24

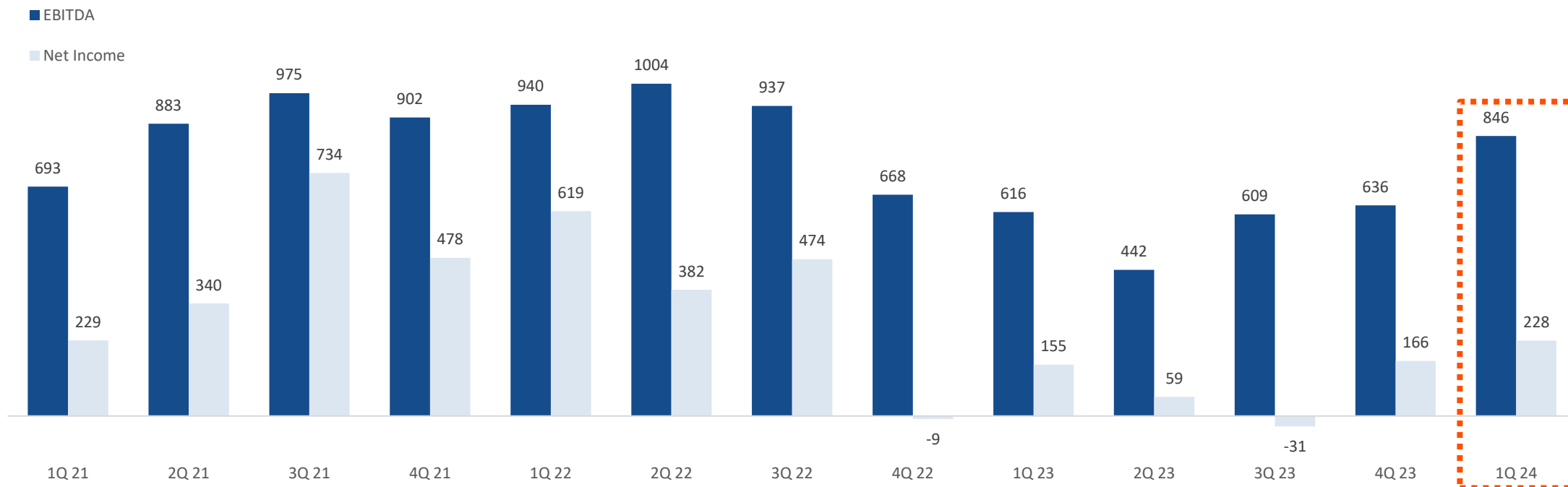
- II. A CLEAR STRATEGY FOR FUTURE GROWTH
- III. PRUDENT FINANCIAL MANAGEMENT
- IV. A SUSTAINABLE MANAGEMENT MODEL IN ACTION





I. RESULTS SNAPSHOT– Quarterly Performance

EMPRESAS COPEC RESULTS



846

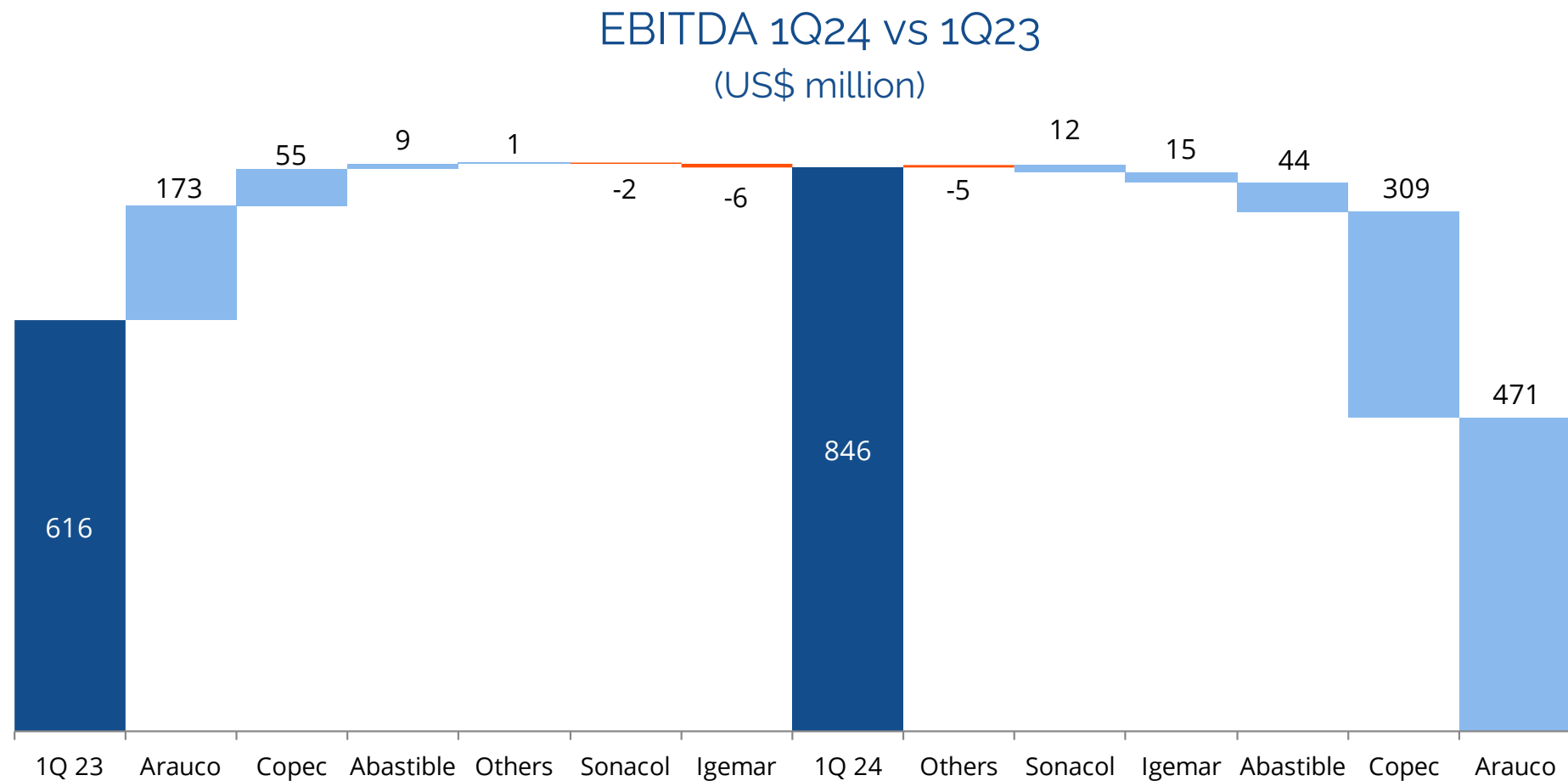
EBITDA up 33% QoQ
37% YoY

228

Higher **Net Income**
YoY and QoQ



I. RESULTS SNAPSHOT– EBITDA Breakdown



- **Increase in forestry sector** due to higher sales volumes in Pulp and Wood products, partially offset by a drop in prices.
- **Higher EBITDA in energy** due to an increase in volumes in gas stations, industrial margins and favorable inventory revaluation effect.

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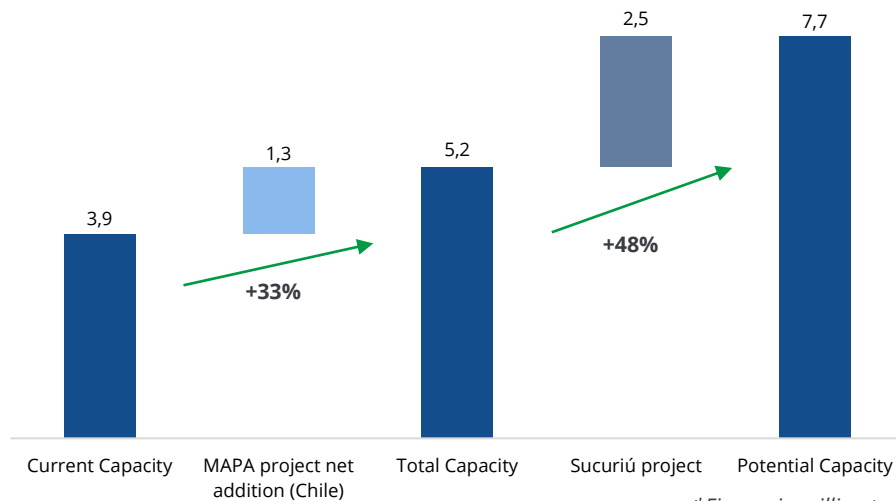




II. A CLEAR STRATEGY FOR FUTURE GROWTH – MAPA

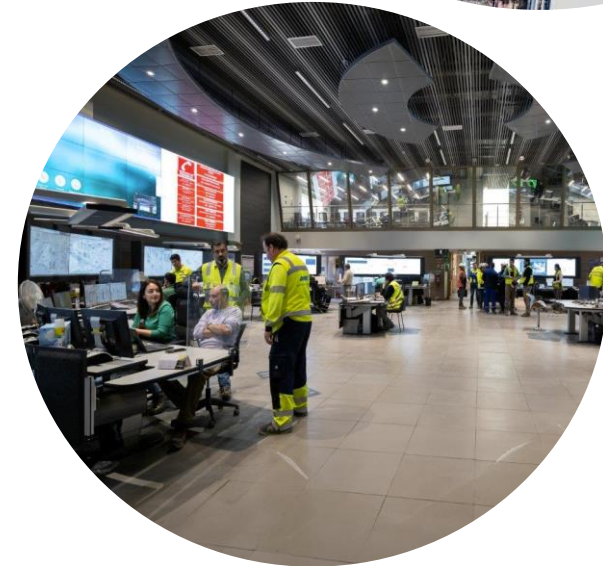
ARAUCO'S LINE 3 UPDATE (MAPA)

- 1.56 million ton short fiber line in Arauco Mill, Line 3
- Efficient cash cost
- Includes an electric cogeneration plant based on biomass that will generate a surplus of approximately 132 MW
- Sales volumes have increased in the last months, along with a positive response from clients
- Production continues to increase as expected, from which most of the pulp is prime
- Once the maintenance held in May is completed, full capacity will resume



**Figures in million tons*

Sucuriú is a potential project that hasn't been approved by the board of directors.





II. A CLEAR STRATEGY FOR FUTURE GROWTH – FORESTY PROJECTS

SUCURIÚ PROJECT IN BRAZIL⁽¹⁾

- Efficient cash cost and estimated investment of approximately **US\$ 3 billion**
- Production capacity of **2.5 million tons of short fiber**
- Located in an area that offers logistical benefits
- Brazil is an important center for the Company's global strategy
- Construction could begin in 2025
- Received installation license granted by the Environmental Institute of Mato Grosso do Sul

ZITACUARO EXPANSION IN MEXICO

- Capacity of **300 th. m³/year of MDF**, of which 150 th. m³ will be melamine
- Estimated investment of **US\$ 235 million**
- Start up expected during the second quarter of 2025



(1) This initiative is subject to several variables that are under study, including market conditions, the environmental impact permit, evaluation of timber supply and the approval by the Board of Directors.



II. A CLEAR STRATEGY FOR FUTURE GROWTH – TRANSFORMATIONAL INITIATIVES IN ENERGY

ENERGY

LEADING ELECTROMOBILITY

Copec Voltex is EV charging infrastructure leader

- Network covers **+1,400 kilometers in Chile**. Most extensive in South America
- Main energy supplier for electric buses in Chile
- Operates biggest network of charging stations in shopping malls in Chile
- Serves industrial segment via **electric bus charging points**, mainly in mining sector
- Operates **largest terminal in Latam**
- Runs first network of fast charging stations in Panama, Ecuador and Colombia



MOVING TOWARDS RENEWABLE ENERGIES

Developing photovoltaic solar energy with a focus on distributed generation and self-consumption projects.

Flux Solar

- Inaugurated in 2022 **first PMGD** (Small Distributed Generation Means) project in Chile.
- Serves **industrial clients** through solar plants built on their facilities. Attends **residential homes** through solar panels installation
- **+1,200 executed projects** in Chile
- **+51 MW of installed capacity**



Copec agreed to acquire Granja Solar photovoltaic farm for US\$ 91 million with a capacity of 123 MWp

EXPLORING EARLY-STAGE VALUE CREATION OPPORTUNITIES

WIND Copec is an innovation platform with investment focus on Energy, Mobility and Convenience

- **AI-based energy management** and storage
- Affordable **green hydrogen production** at scale
- Technology based on **IoT, electromobility, fleet and energy management**
- Investment **portfolio of +20 companies**



NEW DEVELOPMENTS TO COMPLEMENT EXISTING ASSETS

Copec enters high growth potential markets that complement its business model

- **Acquisition of Blue Express, a last mile company** specialized in logistics and courier services
- Copec entered the **digital payment methods** market through the launch of the Copec Pay app.





II. A CLEAR STRATEGY FOR FUTURE GROWTH – TRANSFORMATIONAL INITIATIVES IN ENERGY

INVESTMENTS

Blue
express COPEC



 **AMPERE ENERGY**
COPEC



Granja Solar



DIVESTMENTS



SINCE 2016,



IN THE ENERGY SEGMENT, EMPRESAS
COPEC HAS INVESTED MORE THAN

US\$ 1 BILLION

IN NON-FUEL INITIATIVES

WHILE IT HAS DIVESTED IN FOSSIL FUEL
ASSETS FOR MORE THAN

US\$ 1 BILLION





II. A CLEAR STRATEGY FOR FUTURE GROWTH – OTHER INVESTMENTS



- Alxar Internacional owns 40% stake of Cumbres Andinas, controller of Marcobre, which owns the Mina Justa project.
- Mina Justa started its production stage in March 2021.
- In 2023, Mina Justa produced 143,000 tons, and in 2022, 125,000 tons.
- In 2023, a dividend of US\$ 134 million was distributed to Empresas Copec, and in 2022, one of US\$ 132 million was paid.
- Good operational results and copper price estimates have led to an underground expansion that would extend the mine's lifetime in 5 years and its production up to 30% (500,000 tons of fine copper).
- Estimated US\$ 400 million Capex could transform the project in the 2nd largest underground mine in Peru.



Cumbres Andinas	1Q24	1Q23	2022	2023
Sales	243	313	1,098	1,229
EBITDA	144	225	808	808
Net income	66	122	421	421
Physical sales				
Cathodes (kT)	8	10	28	40
Concentrates (kT)	20	21	97	103
Treated Ore (kT)	4,173	3,901	13,811	15,879
Cash-cost (C1) (US\$/lb)	1.6	1.3	1.4	1.4

Figures in US\$ million



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III. PRUDENT FINANCIAL MANAGEMENT

INVESTMENT GRADE SINCE 1995

International

FitchRatings **BBB** (Stable)

STANDARD & POOR'S **BBB** (Stable)

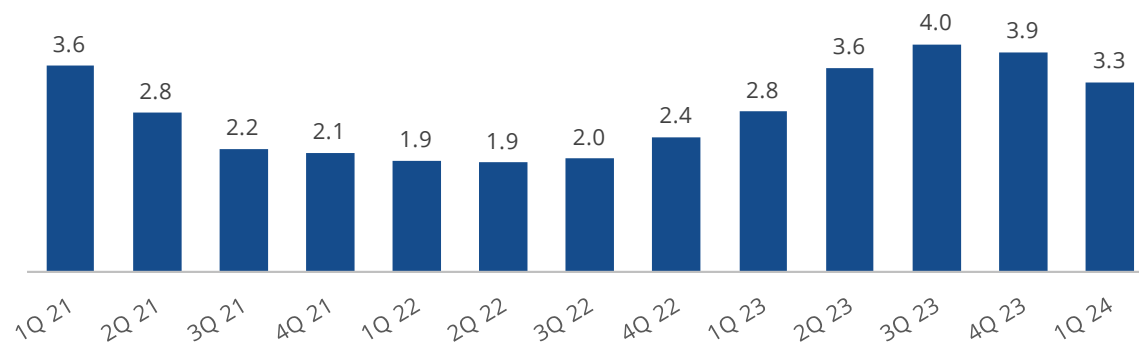
Local

FitchRatings **AA** (Stable)

Feller Strategic Insights **AA** (Stable)

LEVERAGE REFLECTING EXPANSION PHASES AND PULP CYCLE

NET FINANCIAL DEBT / EBITDA



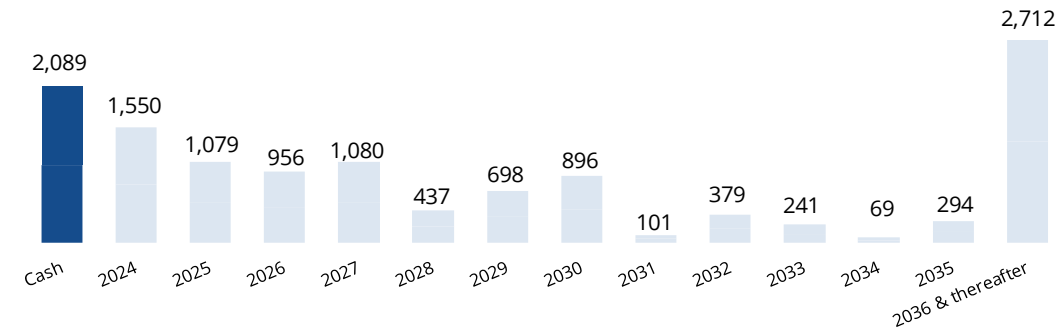
FINANCIAL POLICY

- Debt levels in line with Investment Grade.
 - DFN/EBITDA: between 2,0 and 3,0 times.
 - DFN / Equity: under 1,0 time (*covenant* 1,2 times)
- Strategic maturity profile.
- Adequate liquidity levels.
- Debt in functional currency.
- Additionally, the policy proposes measures in the event that any of the points mentioned above are not met.

BALANCED DEBT SCHEDULE

FINANCIAL DEBT MATURITIES

Figures in US\$ million





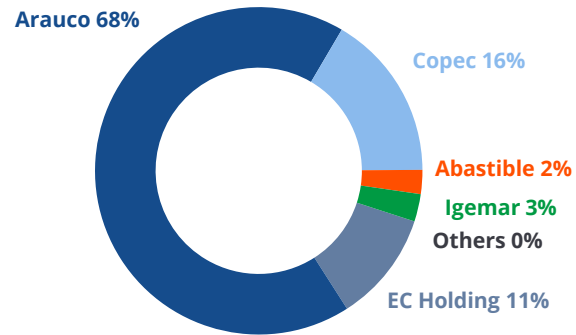
III. PRUDENT FINANCIAL MANAGEMENT

Debt structure matches risk and functional currencies, and reflects broad access to financial markets

CONSOLIDATED FINANCIAL DEBT 1Q24: US\$ 10.502 billion

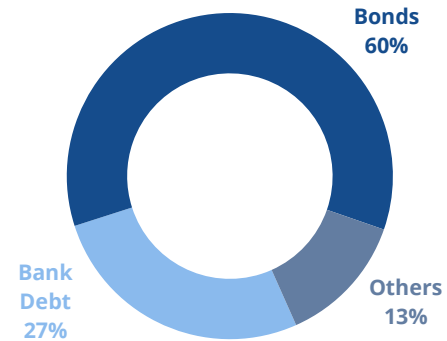
(CASH AND EQUIVALENT: US\$ 2.089 billion)

Distribution by affiliate



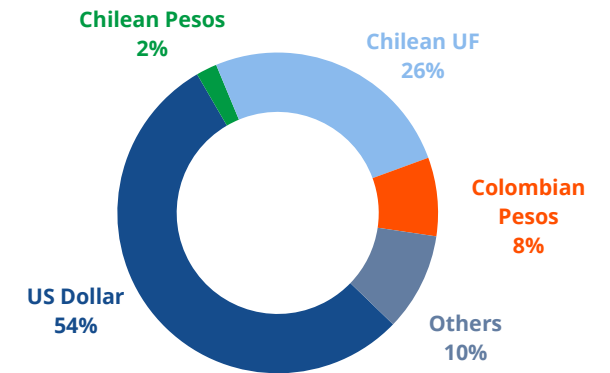
March 2024

Distribution by currency



March 2024

Distribution by type



March 2024

Divestments to boost balance sheet and add value

arauco
Forestry Assets

2021/2024
US\$ 385/1,160 millions

 **Gasmar**

2021
US\$ 153 millions


MAPCO

2023
US\$ 745 millions

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IV. A SUSTAINABLE MANAGEMENT MODEL IN ACTION

Sustainable investment and management model of Empresas Copec and its subsidiaries



STRATEGIC FOCUSES



Ensuring the sustainability of the investment portfolio

To sustainably lead sectors with high development potential, with a long-term and innovative vision that guarantees strong competitive advantages.



Building trust with actions

To ensure transparent, efficient and timely management, based on sound governance and robust decision-making systems.



Caring for the planet in investment and production decisions

To consolidate a sustainable supply and production, in line with the requirements of the energy transition and climate demands, while strengthening and preserving natural capital.



Contributing to the current and future well-being of people

To accelerate development and be a reference in sustainable practices among employees, suppliers, customers and strategic partners.

MATERIAL ISSUES¹

- Sustainable investments and financing
- Innovation in product and service offerings
- Digital Transformation

- Incident preparedness and response
- Ethics and integrity
- Information Security

- Transition to climate change
- Physical effects of climate change
- Climate change mitigation
- Carbon absorption
- Water resources
- Circular economy
- Waste and effluents
- Biodiversity care

- Employee well-being, health and safety
- Equity, diversity and inclusion
- Fundamental rights
- Responsible supply chain
- Community development and impact
- Customer well-being



IV. A SUSTAINABLE MANAGEMENT MODEL IN ACTION

GOALS

MATERIAL ISSUE	IMPACTING SDG	FORESTRY SECTOR	ENERGY SECTOR	FOOD SECTOR
Innovation in products and services	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	ARAUCO By 2030, invest US\$ 100 million in R&D.	Copec By 2050, distribute and market a higher proportion of renewable energy than fossil fuels.	
Climate change mitigation	13 CLIMATE ACTION	ARAUCO By 2030, reduce Scope 1 and 2 emissions by 40.6%, and Scope 3 emissions by 35% per dry ton of wood, compared to base year 2019.	Copec By 2030, to be carbon neutral, considering Scopes 1 and 2. Terpel By 2030, to achieve 50% carbon neutrality and by 2050, to be carbon neutral, considering Scopes 1 and 2.	Orizon Al 2024, alcanzar 100% de suministro de energía eléctrica renovable.
Biodiversity care	15 LIFE ON LAND	ARAUCO By 2050, restore 25,000 hectares of native forest and maintain the percentage of certified heritage above 98%.	Copec By 2034, promote the care and protection of 39 ecosystems distributed from Arica to Punta Arenas, through agreements or public-private or private-private alliances.	
Water resources	6 CLEAN WATER AND SANITATION	ARAUCO By 2023, measure the water footprint by gathering indicators of collected and processed water discharged per unit of product.		
Circular economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		Terpel By 2025, reduce plastic in store-processed food packaging materials by 95% and by 2030, reduce it by 100%.	
Waste and effluents	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	ARAUCO By 2030, to be a company with zero non-hazardous waste to final disposal.	Copec By 2029, to be a <u>zero waste</u> company. Terpel By 2025, collect 30% of the packaging sold at the stores impacted by the Green Pass program and allocate 80% of the total food waste for donation.	Orizon By 2023, reduce 65% of household waste in fleets through the Clean Production Agreement (APL, for its acronym in Spanish). Valorize or avoid landfill disposal of 90% of operational waste.
Equity, diversity and inclusion	5 GENDER EQUALITY	ARAUCO By 2025, increase female representation in the labor force to 20%.		
Employee well-being, health and safety	8 DECENT WORK AND ECONOMIC GROWTH	ARAUCO To be a World Class company in safety indicators.		
Responsible supply chain	8 DECENT WORK AND ECONOMIC GROWTH		Abastible By 2023, implement seven-day payment for SMEs.	



IV. A SUSTAINABLE MANAGEMENT MODEL IN ACTION

Arauco leads in carbon neutrality...

- Arauco was the **first forestry company to certify its carbon neutrality** and has set the goal of being **nature net positive by 2050**
- Arauco products replace alternatives with fossil origin, saving **10.5 million tons of CO₂**
- Arauco has announced further commitments to **reduce CO₂ emissions by 40.6%** in Scope 1 and 2, and Scope 3 by **35%**

...and is responding to new drivers in pulp...

- New uses for pulp are emerging:
 - According to UN, single use plastics represent around 50% of total production of plastics and are facing strong social and regulatory opposition. **Material made from pulp is a substitute**
 - WEF states that the fashion industry is the second largest consumer of world water supply. **Dissolving pulp represents a more friendly alternative than traditional fibers, as cotton, in terms of land and water usage**
- The MAPA project is increasing Arauco's wood pulp capacity by nearly 30%
- The Valdivia mill has been converted into dissolving pulp



...while Copec and Abastible are pushing energy transition

- Diversified offer that includes liquefied gas as a transition fuel, renewable energy, green hydrogen and promotion of electromobility
 - Copec has a roadmap to evolve from the distribution of fuels to the distribution of clean energy, setting the **goal of selling a higher proportion of renewable energies than fossil fuels**
 - Abastible successfully executed the first hybrid model of solar energy - liquefied gas in Chilean mining, becoming an alternative solution to the classic diesel generators, and thus considerably reducing the environmental impact



Empresas Copec

For future generations

