

# 2Q20 Earnings Release

August 21<sup>st</sup>, 2020

## 2Q20 Results Conference Call

Wednesday, August 26, 2020  
12:00 EST (NY Time)  
12:00 Santiago Time

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### 2Q20 / 2Q19

The company posted a loss of US\$32 million, dropping on earnings of US\$135 million on 2Q19, explained by an operating income decrease of US\$220 million, mainly related to the lower performance of Arauco in a scenario of pulp price decreases and the worse performance of Copec due to the effect on mobility and economic activity of COVID-19. Moreover, non-operating income dropped US\$46 million, because of lower other revenue and higher other expenses.

### 2Q20 / 1Q20

Net income fell US\$38 million QoQ, on account of lower operating income and mainly in the liquid fuels business, explained by the effects of COVID-19 on fuel sales volumes. That was partly offset by higher non-operating income due to more favorable exchange rate differences.

### 2020 / 2019

Year to date, a loss of US\$25 million was registered, lower in US\$382 million than that of 2019. The loss is originated mainly in Arauco, due to decreased revenues in the pulp and wood products businesses. Additionally, non operating income also fell.

### EBITDA

EBITDA in 2Q20 was US\$315 million, dropping 41.9% YoY, explained by the lower margins in the forestry business and a decrease in fuel volumes. EBITDA dropped 29.5% QoQ, largely because of the lower performance of Copec, where volumes were hit by the pandemic.

### Highlights

In the forestry business, the MAPA project had progress of 57%. The dissolving pulp project of the Valdivia mill is complete and is producing the first shipments of dissolving pulp. The Mina Justa project made progress of 86%.

### Net Debt / EBITDA

Net debt in 2Q20 increased to 4.6 times from the 4.0 times reported in 1Q20, mainly due to a lower EBITDA in the last 12 months, which was affected by a scenario of pulp price decreases and the fallout of COVID-19 on fuels volumes.

	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	3,277	5,405	5,909	(44.6%)	(39.4%)	8,682	11,836	(26.7%)
EBIT	31	176	251	(87.8%)	(82.6%)	206	561	(63.2%)
<b>EBITDA*</b>	<b>315</b>	<b>446</b>	<b>542</b>	<b>(41.9%)</b>	<b>(29.5%)</b>	<b>761</b>	<b>1,132</b>	<b>(32.8%)</b>
Non operating income	(90)	(127)	(44)	(106%)	29.4%	(217)	(69)	(216.9%)
Total profit	(40)	12	147	(127.1%)	(437.4%)	(28)	383	(107.3%)
<b>Profit attributable to controllers</b>	<b>(32)</b>	<b>6</b>	<b>135</b>	<b>(123.4%)</b>	<b>(597.4%)</b>	<b>(25)</b>	<b>357</b>	<b>(107.1%)</b>
Profit attributable to minority	(8)	5	12	(169.0%)	(251.7%)	(3)	27	(110.6%)
EBITDA Margin	9.6%	8.3%	9.2%	4.8%	16.3%	8.8%	9.6%	(8.4%)
EBITDA / Net interest expenses	4.0	4.6	5.7	(30.0%)	(13.0%)	4.3	6.3	(31.7%)

\* EBITDA = Operating Income + Depreciation + Amortization + Fair value cost of timber harvested; Note: Ebitda for 1Q20 was changed due to amortization adjustments

Figures in US\$ million

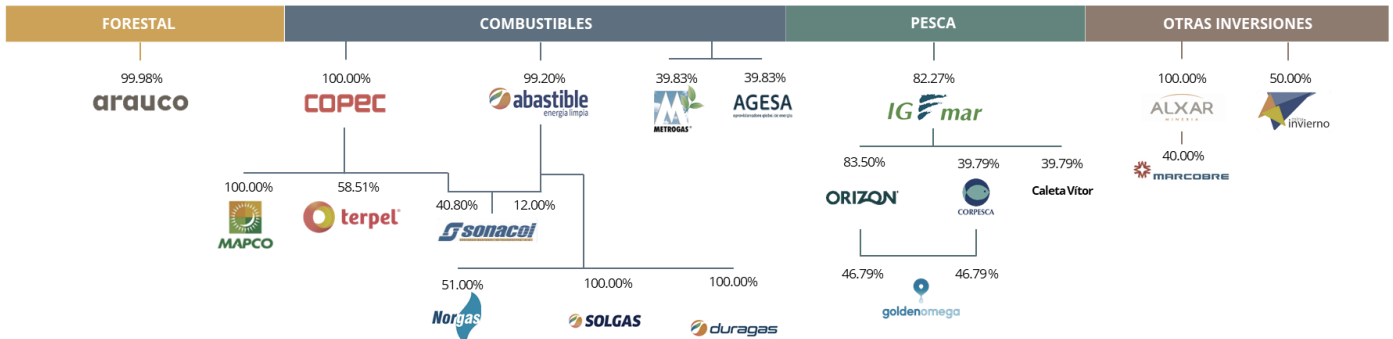
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## SIMPLIFIED OWNERSHIP STRUCTURE



## HIGHLIGHTS

### Development of the MAPA project

The MAPA project had progress of 57% as of July 2020.

This quarter the company stepped up the safety measures and protocols to prevent possible worker infection by COVID-19. Such measures include social distancing, temperature monitoring, and more than 13,000 PCR and quick tests, among others. 8,500 workers are now working in the project, of whom more than 2,000 are from local communities.

The start-up of new line 3 and the closure of line 1 are scheduled for mid-2021.

### Dissolving Pulp starts up

At the beginning of June, the first dissolving pulp bales started coming out from the Valdivia mill. The production start up has progressed as planned and Arauco is currently in the process of sending samples to clients and receiving their feedback. As of today, the laboratory analysis conducted by Arauco have been very successful in terms of assessed quality.

### Mills in North America

On June 16, 2020, Arauco announced that the operations in Line 3 of the Albany mill will not be resumed. This line was already stopped because of the COVID-19 pandemic. The decision is related to the permanent efforts to maintain and enhance the operational efficiency of the mills. This line had a capacity of 162,000 m<sup>3</sup> of particleboard.

### Mina Justa project

Construction progress, as of July 2020 is of 86%. Works are expected to be completed by the first quarter of 2021.

Alxar has a 40% interest in Mina Justa, which is its venture into the large-scale copper mining industry. The project is located in Ica, Peru, and is expected to attain production of up to 150 thousand tons of fine copper a year in the first few years of operation, with an average of 115 thousand tons a year in its planned 16-year life.

### Sales of Assets

Empresas Copec and its subsidiaries are involved in a process of sale of the shares in Sonacol and Gasmar, and evaluating a potential sale of the interests in Metrogas and Agesa. If case of materializing, the transactions will help strengthen the company's balance sheet during a period of heavy investment.

### Sanitary Crisis due to COVID-19

The activities of Arauco, Copec and Abastible were declared essential, allowing to continue operations in most regions. Health, hygiene and safety protocols have been put in place at all the facilities in order to prevent contagions, which include social distancing, use of safety and hygiene gear, face shields and hand sanitizer, temperature monitoring, remote working policies, among others.

Empresas Copec, through its affiliates, has had an important social role during the pandemic, and the following initiatives are highlighted:

- Arauco has supported local communities and hospitals with medical devices and a wide range of sanitary and health related actions.
- Copec has committed to donate fuel to the public health system of ambulances for as long as the sanitary emergency lasts.
- Abastible is involved in a plan to contribute LPG to the national network of elderly homes, the primary health care centers and vulnerable families living in camps.

## CONSOLIDATED RESULTS

**2Q20 / 2Q19.** The loss attributable to the controller's owners, net of minority interests, was US\$32 million in 2Q20, dropping 123.4% YoY. That was mainly because of operating income falling US\$220 million and non-operating income was US\$46 million more negative.

The drop in operating income was due to the **forestry business**, where Arauco had lower revenue from pulp price decreases and a drop in panel sales in the second quarter of 2020.

The **fuels business** had lower operating income and mainly at Terpel and Copec Chile, on account of the effects of the coronavirus on mobility that led to sales volumes dropping 46.0% and 25.9%, respectively. Mapco posted an operating income increase from higher margins, partly offset by lower volumes. Abastible had lower operating income than last year.

The company's **gross margin** fell 39.3% amounting to US\$506 million, which mainly came from Arauco, with US\$250 million; Copec, with US\$144 million; Abastible, with US\$77 million; Igemar, with US\$26 million; and Sonacol with US\$8 million.

**Non-operating income** was more negative than in the second quarter of 2019, essentially because of lower other revenue of US\$25 million, explained by the sale of Puertos y Logística S.A., and higher other expenses of US\$25 million, mainly due to Arauco in 2019.

Income Statement	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	3,277	5,405	5,909	(44.6%)	(39.4%)	8,682	11,836	(26.7%)
Cost of sales	(2,770)	(4,679)	(5,076)	45.4%	40.8%	(7,449)	(10,082)	26.1%
Administration & distribution expenses	(476)	(551)	(583)	18.4%	13.6%	(1,026)	(1,193)	14.0%
<b>Operating Income</b>	<b>31</b>	<b>176</b>	<b>251</b>	<b>(87.8%)</b>	<b>(82.6%)</b>	<b>206</b>	<b>561</b>	<b>(63.2%)</b>
Other income	68	73	89	(23.6%)	(6.7%)	140	162	(13.1%)
Other expenses	(63)	(62)	(38)	(67.5%)	(1.6%)	(126)	(69)	(83.4%)
Other gains (losses)	(3)	(1)	6	(149.2%)	(524.9%)	(4)	8	(143.3%)
Finance costs	(99)	(108)	(111)	11.5%	8.7%	(207)	(210)	1.7%
Finance income	20	11	16	21.2%	84.7%	30	31	(2.2%)
Share of profits of associates	5	(4)	15	(66.1%)	214.4%	1	19	(96.7%)
Foreign exchange differences	(16)	(31)	(13)	(23.3%)	50.6%	(47)	(2)	(2006.5%)
Other results	(2)	(4)	(8)	79.3%	59.8%	(5)	(8)	28.2%
<b>Non Operational income</b>	<b>(90)</b>	<b>(127)</b>	<b>(44)</b>	<b>(106.4%)</b>	<b>29.4%</b>	<b>(217)</b>	<b>(69)</b>	<b>(216.9%)</b>
Income tax expense	19	(36)	(60)	132.1%	153.1%	(17)	(109)	84.3%
Total profit	(40)	12	147	(127.1%)	(437.4%)	(28)	383	(107.3%)
<b>Profit attributable to controllers</b>	<b>(32)</b>	<b>6</b>	<b>135</b>	<b>(123.4%)</b>	<b>(597.4%)</b>	<b>(25)</b>	<b>357</b>	<b>(107.1%)</b>
<b>Profit attributable to minority</b>	<b>(8)</b>	<b>5</b>	<b>12</b>	<b>(169.0%)</b>	<b>(251.7%)</b>	<b>(3)</b>	<b>27</b>	<b>(110.6%)</b>
EBIT	31	176	251	(87.8%)	(82.6%)	206	561	(63.2%)
Depreciation & Amortization	209	204	211	(1.1%)	2.5%	413	417	(1.1%)
Fair value cost of timber harvested	75	67	80	(5.4%)	12.3%	142	154	(7.9%)
<b>EBITDA</b>	<b>315</b>	<b>446</b>	<b>542</b>	<b>(41.9%)</b>	<b>(29.5%)</b>	<b>761</b>	<b>1,132</b>	<b>(32.8%)</b>

Figures in US\$ million

**2Q20 / 1Q20.** Net income dropped US\$38 million QoQ, explained by lower operating income from a liquid fuel volume decrease. That was partly offset by less negative non-operating income.

The **fuels business** EBITDA fell 55.0% measured in US dollars, explained by decreases of 71.0% at Copec, offset by a 15.3% increase at Abastible.

The **forestry business** had an 8.2% decrease in EBITDA due to lower panel sales volumes, partly offset by an increase in volumes and prices in the pulp business.

**Non-operating income** was US\$37 million less negative, because of favorable exchange rate differences, earnings in associates, higher financial income and lower financial costs.

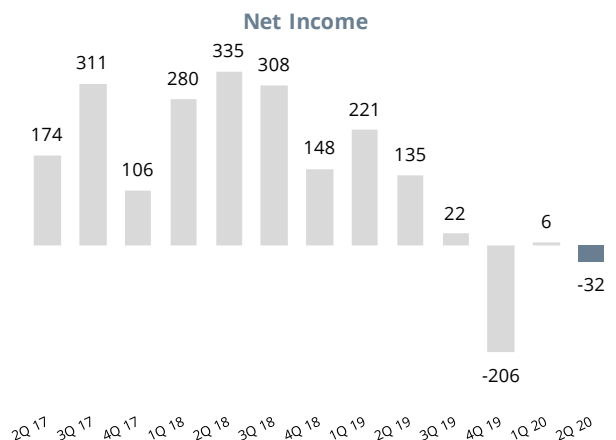
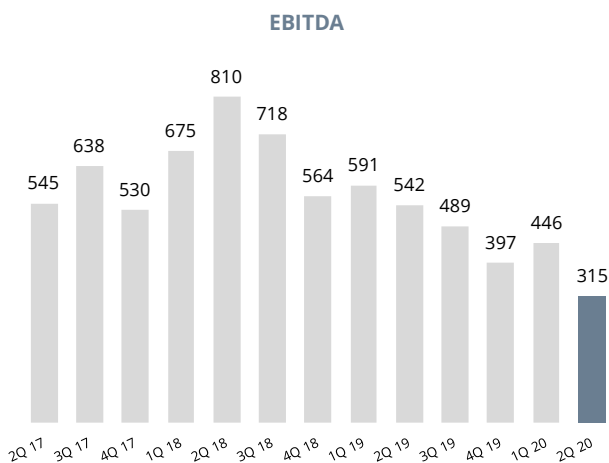
**2020 / 2019.** The loss attributable to the controller's owners, net of minority interests, amounted to US\$25 million and was US\$382 million down on that of 2019. That was mainly due to operating income dropping US\$355 million and non-operating income that was US\$149 million more negative.

The operating income decrease was essentially due to the **forestry business**, where Arauco had lower revenue from lower pulp prices in 2020.

The **fuels business** had a drop in operating income, mainly at Terpel and Copec Chile, due to the effects of the sanitary crisis on fuel demand, lower margins from the revaluation of inventories and local currency depreciation on consolidating the results in US dollars. That was partly offset by a higher industrial margin in Chile. Mapco posted an operating income increase on account of higher margins. Abastible had lower operating income on the previous year at its operations in Peru, Ecuador and Chile.

The company's **gross earnings** dropped 29.7% amounting to US\$1,233 million, which mainly came from Arauco, with US\$533 million; Copec, with US\$476 million; Abastible, with US\$161 million; Igemar, with US\$41 million; and Sonacol, with US\$22 million.

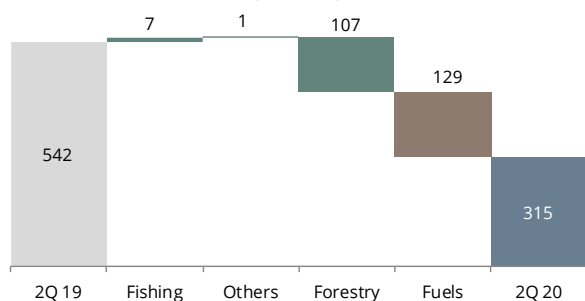
**Non-operating income** was more negative than in 2019, mainly due to less favorable exchange rate differences of US\$45 million, higher other expenses of US\$57 million, lower other revenue and decreased income of associates.



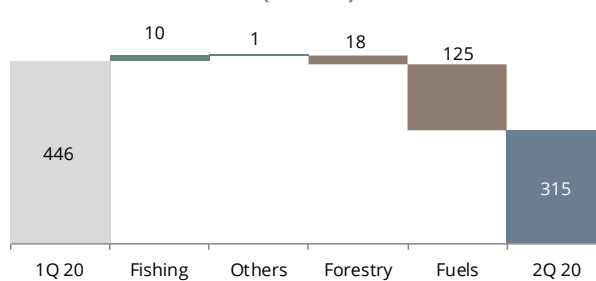
Figures in US\$ million

	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Var 20 / 19
<b>EBITDA</b>								
Forestry	197	215	304	(35.1%)	(8.2%)	413	666	(38.0%)
Fuels	102	227	231	(55.8%)	(55.0%)	329	461	(28.7%)
<i>Copec</i>	51	176	164	(68.8%)	(71.0%)	227	339	(33.0%)
<i>Abastible</i>	43	37	50	(14.8%)	15.3%	80	89	(10.2%)
<i>Sonacol</i>	8	14	17	(51.3%)	(39.8%)	22	33	(34.5%)
Fishing	19	9	12	60.3%	117.7%	27	16	71.7%
Others	(3)	(4)	(5)	30.1%	15.5%	(8)	(10)	(28.3%)
<b>TOTAL</b>	<b>315</b>	<b>446</b>	<b>542</b>	<b>(41.9%)</b>	<b>(29.5%)</b>	<b>761</b>	<b>1,132</b>	<b>(32.8%)</b>
<b>CAPEX</b>								
Forestry	384	445	342	12.3%	(13.8%)	830	737	12.6%
Fuels	46	93	89	(48.2%)	(50.3%)	140	179	(22.0%)
Fishing	2	1	0	N/A	175.9%	4	23	(83.6%)
Others	4	45	34	(88.8%)	(91.6%)	49	35	38.8%
<b>TOTAL</b>	<b>437</b>	<b>585</b>	<b>466</b>	<b>(6.2%)</b>	<b>(25.4%)</b>	<b>1,022</b>	<b>974</b>	<b>4.9%</b>

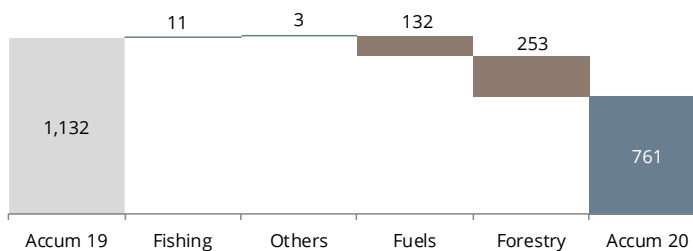
EBITDA change by business (2Q 20 v/s 2Q 19)  
(MMUS\$)



EBITDA change by business (2Q 20 v/s 1Q 20)  
(MMUS\$)



EBITDA change by business (Accum 20 v/s Accum 19)  
(MMUS\$)



## ARAUCO

**2Q20 / 2Q19.** Arauco posted a loss of US\$56 million, which was US\$113 million lower YoY. That was largely due to operating income falling US\$99 million because of pulp price decreases and lower panel volumes. Non-operating income dropped US\$65 million.

Consolidated **revenue** was down 22.3%, explained by lower pulp and timber prices. Pulp revenue fell 14.6% from a 24.5% price decrease, partly offset by volumes increasing 10.2%. The wood products business revenues dropped 29.1%, due to panel volumes and prices decreasing 23.3% and 5.0%, respectively. Furthermore, the sawn timber volume and prices dropped 14.2% and 3.6%, respectively. The unit production costs of bleached softwood, bleached hardwood and unbleached softwood dropped 3.2%, 1.2% and 3.3%, respectively.

There was a greater **non-operating income** loss, because of other expenses related to a fixed asset write-off provision of pulp line 1 of the Arauco mill and impairment due to the close of line 3 of the Albany panel mill, lower other revenue associated with the sale of Puertos y Logística S.A. in 2019, and more unfavorable income in associates, mainly Sonae Arauco. That was partly offset by higher other financial income and lower financial costs.

Changes	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20 / 19
Volume			
Pulp	10.2%	10.2%	0.2%
Panels	(23.3%)	(24.4%)	(8.3%)
Sawn timber*	(14.2%)	(2.6%)	(12.1%)
Prices			
Pulp	(24.5%)	0.8%	(25.7%)
Panels	(5.0%)	(0.2%)	(5.2%)
Sawn timber*	(3.6%)	2.9%	(5.3%)

\*Includes Plywood

### Market Status

#### Pulp

The second quarter of 2020 was marked by the effects of the COVID-19 pandemic. Its fallout was evident in all the geographies in which the company operates and throughout the quarter, unlike the first quarter when it was focused on Asia. The global sanitary situation boosted higher pulp demand by the tissue industry, which was not enough to offset the drop in demand for other uses. Moreover, some integrated paper producers, due to the decrease in their respective markets, decided to stop their paper production and start producing and selling pulp in the market.

In **China**, the quarter started out with quite strong demand from tissue producers. However, as the quarantine measures were eased, demand started to drop. Furthermore, due to the start of summer in the Northern Hemisphere, demand for these products was also hit. Other industries that use pulp, like the printing paper and packaging industries, witnessed lower domestic demand and exports throughout the quarter. Inventories in China and the prices in such market remained relatively stable.

In **Europe**, prices remained stable despite the effects of COVID-19. Final consumer demand from the tissue industry was quite strong. By mid-May when there was greater control of the sanitary situation, demand for these kinds of products dropped sharply. The printing and writing paper industry was depressed due to the quarantine throughout the quarter. Integrated producers, who before the pandemic produced different types of paper, stopped their paper mills and started to sell pulp in the market, which generated quite a large spot supply.

ARAUCO	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	1,050	1,127	1,352	(22.3%)	(6.9%)	2,177	2,740	(20.5%)
Pulp**	498	451	583	(14.6%)	10.4%	949	1,235	(23.2%)
Wood Products**	520	647	734	(29.1%)	(19.5%)	1,167	1,439	(18.9%)
Forestry	32	30	35	(7.9%)	7.9%	62	65	(5.9%)
Others	0	0	0	(100.0%)	(100.0%)	0	0	(62.2%)
<b>EBITDA*</b>	<b>197</b>	<b>215</b>	<b>304</b>	<b>(35.1%)</b>	<b>(8.2%)</b>	<b>413</b>	<b>666</b>	<b>(38.0%)</b>
EBIT	(3)	23	96	(103.4%)	(114.2%)	19	258	(92.5%)
Non operating income	(72)	(62)	(7)	(963.2%)	(16.0%)	(134)	(28)	(384.3%)
<b>Net income</b>	<b>(56)</b>	<b>(29)</b>	<b>57</b>	<b>(197.7%)</b>	<b>(90.1%)</b>	<b>(85)</b>	<b>183</b>	<b>(146.7%)</b>

Figures in US\$ million

\*A dj. EBITDA informed by Arauco was US\$205 million for 2Q20, US\$ 195 million for 1Q20, US\$343 million for 2Q19

A dj. EBITDA = Net Income + fin. co.sts - fin. income + tax + dep & amort + fair value cost of timber harvested - gain from changes in biological assets + exchange rate differences

\*\*Includes energy sales

## Wood products

### Sawn Timber and Remanufactured Products

As in the first few months of the year, low dynamism continued in the second quarter compared to the previous year, and the quarter was marked by the sanitary situation and low economic growth in relevant geographies.

Regarding remanufactured products, the good results in the United States are consolidating, due to a robust retail sector and the recovery of the construction industry. Supply has been hit by COVID-19 and the tariff difficulties for some competitors in such market.

### Plywood

Prices increased in the first half of 2020 compared to the last quarter of 2019, related to greater demand in markets like the United States and Europe. Regarding this, the highlight was the strength of the retail sector in North America.

Production was affected by COMD-19 and tariffs on Asian producers, which generated less competition in North America.

### Panels (MDF, PB and Melamine)

The Latin American market had a challenging first half of 2020. The pandemic really hit economic activity due to quarantine and production restrictions. At present there is a perception of recovery in South America from the reopening of markets and government measures to boost consumption and economic activity. Depreciation of local currencies impacted results in US dollars in some countries.

**2Q20 / 1Q20.** Arauco posted a loss of US\$56 million, which was worse than the loss of US\$29 million the previous quarter, due to unfavorable operating and non-operating income.

**Operating income** was down US\$26 million QoQ, on account of panel and sawn timber sale volumes dropping 24.4% and 2.6%, respectively. That was partly offset by pulp volumes and prices increasing 10.2% and 0.8%, respectively. Bleached and unbleached softwood costs rose 1.1% and 4.2%, respectively, whereas bleached hardwood costs dropped 3.2%.

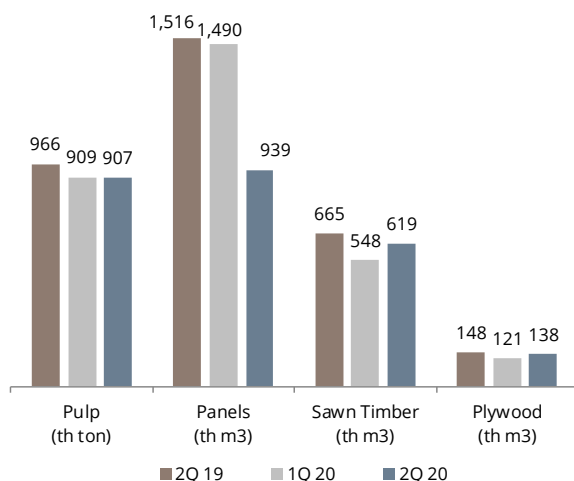
**Non-operating income** was US\$10 million less negative, mainly because of exchange rate differences and lower income in associates, mainly Sonae Arauco. That was partly offset by higher financial income and lower financial costs.

**2020 / 2019.** Arauco posted a loss of US\$85 million, US\$269 million down on the previous year. That was mainly due to operating income decreasing US\$239 million, related to lower pulp revenue from price decreases. Besides this, wood products sales dropped, and non-operating income fell US\$106 million.

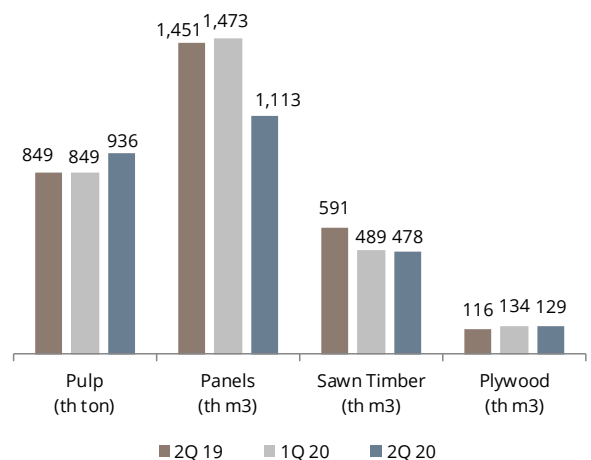
Consolidated **revenue** was down 20.5%, mainly explained by lower pulp and wood products sales. Pulp revenue dropped 23.2% because of a 25.7% price decrease but volumes remained stable. Wood products revenues fell 18.9%, mainly due to sawn timber volumes and prices dropping 12.1% and 3.6%, respectively. Panel volumes and prices also dropped 8.3% and 5.2%, respectively. There were lower unit production costs of bleached softwood, unbleached softwood and bleached hardwood of 4.7%, 2.8% and 0.7%, respectively.

There was a higher **non-operating income** loss, on account of greater other expenses related to the fixed asset write-off provision of pulp line 1 of the Arauco mill, which will be closed once the new line 3 starts up, and mill stoppage expenditure, more unfavorable exchange rate differences, higher financial costs and lower income from the interest in associates.

Production by Business



Sales Volumes by Business



## COPEC

**2Q20 / 2Q20.** Copec posted a loss of Ch\$15,507 million in 2Q20, which was down on earnings of Ch\$27,734 million in 2Q19. There was a drop in operating income because of the lower sales volumes from the effects of the coronavirus on mobility. That was partly offset by more favorable non-operating income.

Consolidated **EBITDA** was Ch\$43,618 million, dropping 61.7% and mainly because of lower volumes. There were decreases at Terpel and Copec Chile, partly offset by a higher EBITDA at Mapco related to better margins.

EBITDA in **Chile** was down 65.0%, mainly due to volumes dropping 25.9% with decreases of 28.7% in the dealer channel and 22.6% in the industrial channel. Margins also declined, mainly related to the effect of the revaluation of inventories. The liquid fuel market share was 59.5% as of May 2020, which is an increase on the 57.8% reported as of June 2019.

**Terpel's** EBITDA dropped 108.6%, due to lower volumes and margins and the latter because of losses from the revaluation of inventories and higher provisions of accounts receivable and mainly in the aviation segment. Liquid fuel sales volumes were down 46.0% in consolidated terms, explained by decreases of 45.4% in Colombia, 51.5% in Panamá, 37.8% in Ecuador, 79.8% in the Dominican Republic, and 58.2% in Peru. The NGV business volumes dropped 55.6% in Colombia and 68.4% in Peru.

**Mapco's** EBITDA was US\$34 million and higher than the US\$15 million in the second quarter of 2019, due to better margins. Physical sales were 431 thousand m<sup>3</sup>, decreasing 22.9%.

Consolidated **non-operating income** variation was favorable. There was greater other revenue, higher exchange rate differences and increased monetary correction income. That was partly offset by lower income in associates, mainly at Air BP, explained by the provision of accounts receivable in the aviation segment, as well as the reclassification of Sonacol as an assets held for sale.

COPEC CONSOLIDATED (Including Terpel & Mapco)	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	1,859,279	3,180,904	2,899,563	(35.9%)	(41.5%)	5,040,183	5,720,703	(11.9%)
<b>EBITDA</b>	<b>43,618</b>	<b>141,590</b>	<b>113,829</b>	<b>(61.7%)</b>	<b>(69.2%)</b>	<b>185,208</b>	<b>230,708</b>	<b>(19.7%)</b>
EBIT	(6,158)	92,634	68,631	(109.0%)	(106.6%)	86,476	143,740	(39.8%)
Non operating income	(26,842)	(16,931)	(27,178)	1.2%	(58.5%)	(43,773)	(29,174)	(50.0%)
<b>Net income</b>	<b>(15,507)</b>	<b>49,526</b>	<b>27,734</b>	<b>(155.9%)</b>	<b>(131.3%)</b>	<b>34,020</b>	<b>78,842</b>	<b>(56.9%)</b>
Copec Chile physical sales (thousand of m3)	1,878	2,627	2,534	(25.9%)	(28.5%)	4,505	5,131	(12.2%)
Gas stations channel	989	1,450	1,386	(28.7%)	(31.8%)	2,440	2,822	(13.6%)
Industrial channel	888	1,177	1,147	(22.6%)	(24.5%)	2,065	2,309	(10.6%)
Copec Chile market share	59.5%	58.6%	57.8%	3.0%	1.5%	58.9%	58.0%	1.6%

Figures in millions of Chilean pesos

TERPEL	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	2,641,596	5,316,782	5,385,512	(50.9%)	(50.3%)	7,958,378	10,483,722	(24.1%)
<b>EBITDA</b>	<b>(18,907)</b>	<b>153,715</b>	<b>220,533</b>	<b>(108.6%)</b>	<b>(112.3%)</b>	<b>134,808</b>	<b>442,649</b>	<b>(69.5%)</b>
EBIT	(113,331)	65,262	130,336	(187.0%)	(273.7%)	(48,070)	275,941	(117.4%)
Non operating income	(54,848)	(49,391)	(71,022)	22.8%	(11.0%)	(104,239)	(124,762)	16.4%
Net income								
<b>Profit attributable to controllers</b>	<b>(147,363)</b>	<b>6,089</b>	<b>33,868</b>	<b>(535.1%)</b>	<b>(2520.2%)</b>	<b>(141,274)</b>	<b>96,122</b>	<b>(247.0%)</b>
Profit attributable to minority interest	(4.9)	0.4	(0.3)	(1,801.9%)	(1,487.6%)	(4.6)	(2.9)	(59.0%)
Terpel physical sales (thousand of m3)	1,382	2,433	2,560	(46.0%)	(43.2%)	3,815	5,057	(24.6%)
Colombia	1,046	1,813	1,917	(45.4%)	(42.3%)	2,859	3,767	(24.1%)
Panama	126	248	261	(51.5%)	(49.0%)	375	529	(29.1%)
Ecuador	189	290	304	(37.8%)	(34.7%)	478	606	(21.0%)
Dominican Republic	11	54	56	(79.8%)	(79.0%)	65	113	(42.0%)
Peru	9	28	22	(58.2%)	(67.1%)	38	42	(10.7%)
Gazel NGV physical sales (thousand of m3)	35	73	84	(58.9%)	(52.3%)	107	165	(35.1%)
Colombia	28	55	62	(55.6%)	(49.8%)	83	122	(32.2%)
Peru	7	17	22	(68.4%)	(60.4%)	24	43	(43.5%)

Figures in millions of Colombian pesos

UNITED STATES (Mapco)	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	320	386	487	(34.2%)	(17.0%)	706	885	(20.2%)
<b>EBITDA</b>	<b>34</b>	<b>15</b>	<b>15</b>	<b>126.1%</b>	<b>131.8%</b>	<b>48</b>	<b>28</b>	<b>71.6%</b>
Mapco physical sales (thousand of m3)	431	485	559	(22.9%)	(11.1%)	915	1,066	(14.1%)

Figures in US\$ million



**2Q20 / 1Q20.** Net income in the quarter dropped Ch\$65,033 million QoQ, due to lower operating and non-operating income.

**Operating income** was down Ch\$98,792 million in Chile and Colombia, because of lower volumes and margins, the latter mainly related to a revaluation of inventories and provisions of accounts receivable. That was offset by Mapco, which greatly improved its margins.

Volumes in Chile dropped 28.5%. Terpel's volumes fell 42.3% in Colombia, 49.0% in Panama, 34.7% in Ecuador, 79.0% in the Dominican Republic and 67.1% in Peru. The NGV volumes fell 49.8% in Colombia and 60.4% in Peru. Mapco had a 11.1% decrease in physical sales.

**Non-operating income** was down Ch\$9,911 million, associated with higher losses by associates, mainly at Air BP.

**2020 / 2019.** Copec had net income of Ch\$34,019 million, which was down on the Ch\$78,842 million as of June 2019. There was an operating income decrease and a higher non-operating income loss.

The consolidated **EBITDA** dropped 19.7% to Ch\$185,208 million, mainly due to lower volumes from the fallout of the sanitary crisis and the negative effects of the revaluation of inventories in Chile and Colombia. EBITDA was down at Terpel and Copec Chile, partly offset by an increase at Mapco.

EBITDA in **Chile** dropped 3.2%, mainly as a result of the unfavorable effects of the revaluation of inventories and a 12.2% drop in volume, with decreases of 13.6% in the gas station channel and 10.6% in the industrial channel. That was partly offset by a higher industrial margin. The liquid fuel market share is therefore 58.9% as of May 2020, which is an increase on the 58.0% as of June 2019.

**Terpel's** EBITDA was down 69.5%, because of lower volumes and margins, the latter related to inventory revaluation losses. Liquid fuel sales volumes dipped 24.6% in consolidated terms, explained by decreases of 24.1% in Colombia, 29.1% in Panama, 21.0% in Ecuador, 42.0% in the Dominican Republic, and 10.7% in Peru. The NGV volume dropped 32.2% in Colombia and 43.5% in Peru.

**Mapco's** EBITDA was US\$48 million and up on the US\$28 million attained as of June 2019, with physical sales of 915 thousand m<sup>3</sup>, which was a 14.1% decrease.

Consolidated **non-operating income** was more unfavorable, due to lower income from associates, a drop in other revenue, on account of a high comparative base from the sale of real estate assets in the first semester of 2019, and higher financial costs, partly offset by favorable exchange rate differences.

## ABASTIBLE

**2Q20 / 2Q19.** Abastible posted earnings of Ch\$18,240 million, which were down on net income of Ch\$19,205 million YoY. That was due to decreased operating and non-operating income, offset by lower tax.

In consolidated terms, **EBITDA** increased 3.3% to Ch\$35,520 million. There was a better EBITDA in Chile and Colombia with increases of 7.1% and 18.6%, respectively. That was partly offset by EBITDA in Peru and Ecuador dropping 54.9% and 9.8%, respectively.

**Non-operating income** fell, mainly because of unfavorable income in associates due to the classification of Sonacol and Gasmar as available-for-sale assets.

Liquefied gas **volumes** in Chile, Peru and Ecuador in 2Q20 dropped 3.1%, 23.4% and 6.5% YoY, amounting to 135 thousand tons, 75 thousand tons and 108 thousand tons, respectively. Volumes in Colombia rose 1.8% to 52 thousand tons.

**2Q20 / 1Q20.** Abastible posted earnings of Ch\$18,240 million that were up on the loss of Ch\$2,293 million the prior quarter, explained by higher operating income and favorable tax, partly offset by lower non-operating income.

**Operating income** increased Ch\$6,883 million, mainly due to higher volumes in Chile from the lower temperatures. The change in non-operating income was unfavorable, explained by higher other expenses.

Sales **volumes** increased 23.1% in Chile. Peru, Ecuador and Colombia had decreases of 21.6%, 6.5% and 7.1%, respectively.

**2020 / 2019.** Abastible posted net income of Ch\$15,947 million, which was a decrease on net income of Ch\$29,796 million reported the previous year. That was due to a greater non-operating income loss, mainly explained by decreased earnings in associates, lower other earnings, higher other expenses and lower operating earnings.

In consolidated terms, **EBITDA** increased 6.4% to Ch\$64,086 million. There was a better EBITDA in Colombia and Peru with increases of 14.1% and 5.1%, respectively. Operations in Chile and Ecuador had EBITDA decreases of 1.6% and 4.9%, respectively.

YTD, liquefied gas sales **volumes** in Chile and Colombia increased 2.3% and 8.3%, respectively, on those in the same period of last year, amounting to 245 thousand tons and 107 thousand tons, respectively. Sales volumes in Peru and Ecuador dropped 8.2% and 0.7% to 171 thousand tons and 223 thousand tons, respectively.

ABASTIBLE CONS. (Includes Chile, Colombia, Peru, Ecuador)	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	186,022	194,801	199,494	(6.8%)	(4.5%)	380,823	381,929	(0.3%)
<b>EBITDA</b>	<b>35,520</b>	<b>28,566</b>	<b>34,391</b>	<b>3.3%</b>	<b>24.3%</b>	<b>64,086</b>	<b>60,246</b>	<b>6.4%</b>
EBIT	23,448	16,565	25,280	(7.2%)	41.6%	40,013	42,181	(5.1%)
Non operating income	(5,598)	(3,777)	(1,643)	(240.8%)	(48.2%)	(9,375)	(1,695)	(453.1%)
<b>Net income</b>	<b>18,240</b>	<b>(2,293)</b>	<b>19,205</b>	<b>(5.0%)</b>	<b>895.5%</b>	<b>15,947</b>	<b>29,796</b>	<b>(46.5%)</b>
Abastible Chile LPG physical sales (thousand of tons)	135	110	140	(3.1%)	23.1%	245	240	2.3%

Figures in million chilean peso \$

NORGAS (Colombia)	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	117,448	132,131	138,872	(15.4%)	(11.1%)	249,579	275,555	(9.4%)
<b>EBITDA</b>	<b>31,010</b>	<b>27,103</b>	<b>26,141</b>	<b>18.6%</b>	<b>14.4%</b>	<b>58,113</b>	<b>50,927</b>	<b>14.1%</b>
IN Colombia LPG physical sales (thousand of tons)	52	55	51	1.8%	(7.1%)	107	99	8.3%

Figures in million colombian peso \$

SOLGAS (Peru)	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	160,232	260,478	290,891	(44.9%)	(38.5%)	420,710	571,872	(26.4%)
<b>EBITDA</b>	<b>10,364</b>	<b>23,861</b>	<b>22,968</b>	<b>(54.9%)</b>	<b>(56.6%)</b>	<b>34,225</b>	<b>32,559</b>	<b>5.1%</b>
Solgas Perú LPG physical sales (thousand of tons)*	75	96	98	(23.4%)	(21.6%)	171	186	(8.2%)

Figures in thousand soles peruanos

DURAGAS (Ecuador)	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	25	29	31	(18.4%)	(12.1%)	54	61	(11.5%)
<b>EBITDA</b>	<b>3.1</b>	<b>2.5</b>	<b>3.4</b>	<b>(9.8%)</b>	<b>24.8%</b>	<b>5.6</b>	<b>5.9</b>	<b>(4.9%)</b>
Duragas Ecuador LPG physical sales (thousand of tons)	108	115	115	(6.5%)	(6.5%)	223	225	(0.7%)

Figures in US\$ thousands

\* Starting this quarter, wholesale physical volumes will be excluded

## PESQUERA IQUIQUE-GUANAYE (IGEMAR)

**2Q20 / 2Q19.** Igemar posted net income of US\$9.8 million in 2Q20, which was higher than earnings of US\$7.2 million YoY. That is explained by greater operating income, partly offset by lower non-operating income.

The **operating income** increase is explained by higher gross earnings and lower distribution costs.

11.2 thousand tons of fishmeal and 5.5 thousand tons of fish oil were sold in the quarter, decreasing 3.1% and 11.3% respectively. The company sold 1.1 million cases of canned fish and 10.6 thousand tons of frozen fish, increasing 92.2% and 24.1%, respectively. The total fish processed amounted to 106.5 thousand tons, dropping 2.3% YoY.

In the quarter, canned and frozen fish prices dropped 12.1% and 9.0%, respectively, whereas fishmeal and fish oil prices increased 2.5% and 34.9%.

**Non-operating income** was in line with the second quarter of 2019, explained by the lower income of associates and partly offset by favorable exchange rate differences.

**2Q20 / 1Q20.** Net income rose US\$14.6 million QoQ, due to higher operating and non-operating income.

The greater **operating income** is explained by fishmeal, fish oil and canned fish sales volumes increasing 85.2%, 702.2% and 11.5%, respectively, and fishmeal and fish oil price increases of 13.5% and 23.1%.

**Non-operating income** rose on account of favorable exchange rate differences and higher income in associates, mainly from the net income of Caleta Vitor.

**2020 / 2019.** YTD, Igemar had earnings attributable to the controller's owners of US\$5.0 million, and lower than the earnings of US\$5.6 million recognized YTD 2019. Non-operating income dropped, due to the lower income of the associates Corpesca and Caleta Vitor, along with a higher exchange rate difference loss.

**Operating income** increased by US\$10.0 million, mainly due to higher fishmeal, canned fish and frozen fish volumes. That was partly offset by lower fish oil volumes.

Fishmeal, canned fish and frozen fish prices dropped 1.9%, 13.4% and 20.0%, respectively, in the quarter. The fish oil price increased 33.3%.

The company had **sales** of 17.2 thousand tons of fishmeal, 2.1 million cases of canned fish and 21.4 thousand tons of frozen fish, increasing 8.4%, 60.5% and 56.7%, respectively. Fish oil sales were 6,155 tons, dropping 14.6% on the previous year.

The total fish **processed** was 182.8 thousand tons, a 3.1% decrease.

IGEMAR CONSOLIDATED	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	70.3	49.8	56.9	23.4%	41.1%	120.1	99.1	21.2%
<b>EBITDA</b>	<b>18.8</b>	<b>8.6</b>	<b>11.7</b>	<b>60.3%</b>	<b>117.7%</b>	<b>27.4</b>	<b>16.0</b>	<b>71.7%</b>
EBIT	15.3	5.3	9.1	68.1%	187.7%	20.7	10.6	94.1%
Non operating income	0.0	(10.2)	0.2	(78.2%)	100.4%	(10.1)	(5.5)	(83.7%)
<b>Net income</b>	<b>9.8</b>	<b>(4.8)</b>	<b>7.2</b>	<b>36.9%</b>	<b>305.7%</b>	<b>5.0</b>	<b>5.6</b>	<b>(10.4%)</b>
Physical sales								
Fishmeal (tons)	11,190	6,043	11,550	(3.1%)	85.2%	17,233	15,902	8.4%
Fish Oil (tons)	5,473	682	6,173	(11.3%)	702.2%	6,155	7,204	(14.6%)
Canned Fish (cases)	1,108,755	994,415	576,810	92.2%	11.5%	2,103,170	1,310,685	60.5%
Frozen Fish (tons)	10,569	10,808	8,518	24.1%	(2.2%)	21,377	13,643	56.7%
Total fish processed (tons)	106,457	76,355	109,012	(2.3%)	39.4%	182,812	188,636	(3.1%)

Figures in US\$ million

## OTHER AFFILIATES

### Sonacol

Sonacol had net income of Ch\$3,072 million in 2Q20, down on the Ch\$6,474 million in 2Q19, explained by a lower gross margin related to a decrease in the transported volume.

Net income was Ch\$9,027 million YTD, which was down on the Ch\$12,718 million YTD 2019. That is explained by lower operating income due to a 19.1% volume decrease compared to the same period of the previous year. It should be highlighted that Sonacol is currently classified as an "asset held for sale" on the balance sheet of Empresas Copec.

### OTHER ASSOCIATED COMPANIES

#### Metrogas & AGESA

Metrogas posted net income of Ch\$20,850 million in 2Q20, a 16.5% increase YoY. YTD, it reported net income of Ch\$18,125 million, down on earnings of Ch\$19,342 million in the same period of the previous year.

AGESA had net income of US\$8.8 million in 2Q20, which was a US\$10.6 million decrease YoY. YTD, it posted net income of US\$23.8 million, 34.1% down on that in the same period of 2019.

### Corpesca and Caleta Vitor

Corpesca posted net income of US\$0.1 million in 2Q20, which was down on that of US\$8.2 million in 2Q19. YTD, it had a loss of US\$8.5 million, worse than the loss of US\$2.6 million YTD 2019 and which was mainly due to lower other revenue.

Caleta Vitor had net income of US\$3.1 million in 2Q20. YTD, net income of US\$3.1 million as of June 2020 is down on that of US\$6.0 million reported in the second quarter of 2019. This is mainly explained by unfavorable exchange rate differences that were partly offset by higher income from associates.

### Laguna Blanca (Mina Invierno)

Inversiones Laguna Blanca S.A. posted a loss of US\$4.5 million in 2Q20 due to the final shut-down of its operations.

Net income from other affiliates and associates	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	2Q20 / 1Q20	Accum 20	Accum 19	Chg. 20 / 19
Sonacol*	3,072	5,955	6,474	(52.5%)	(48.4%)	9,027	12,718	(29.0%)
Camino Nevado	(4.1)	(0.4)	(17.4)	76.2%	(977.9%)	(4.5)	(25.9)	82.5%
Laguna Blanca**	(2.0)	(2.5)	(32.2)	93.8%	19.9%	(4.5)	(44.5)	90.0%
Metrogas*	20,850	(2,725)	17,896	16.5%	865.1%	18,125	19,342	(6.3%)
Agesa	8.8	15.0	19.3	(54.6%)	(41.4%)	23.8	36.1	(34.1%)
Corpesca	0.1	(8.6)	8.2	(99.0%)	100.9%	(8.5)	(2.6)	(229.5%)
Caleta Vitor	3.1	0.0	3.3	(7.4%)	11259.3%	3.1	6.3	(50.8%)

Figures in million US\$

\* Figures in millions chilean pesos

\*\* Parent company of Mina Invierno, formerly named Isla Riesco

## CONSOLIDATED BALANCE SHEET ANALYSIS

Consolidated **current assets** in 2Q20 dropped 8.6% on those as of December 31, 2019. That is explained by lower trade receivables and inventories and mainly at Copec, along with a decrease in cash and cash equivalents from disbursements related to the MAPA project. It should be highlighted that as of the close of 2019 the account of assets held for sale has increased, due to the reclassification of Sonacol, Gasmar and some mining assets.

**Non-current assets** in 2Q20 dropped 0.9% on those at the close of 2019. That was mainly due to a drop in right-of-use assets and mainly at Abastible, lower intangible assets other than goodwill at Copec and non-current biological assets. All that was only partly offset by an increase in deferred tax assets and other non-current financial assets.

Total **current liabilities** fell 10.7% compared to those at the close of 2019. There was a drop in accounts payable and principally at Copec and Arauco. That was partly offset by higher other current financial liabilities at the same subsidiaries.

**Non-current liabilities** rose 1.5%, due to higher non-current financial liabilities at Arauco and Copec, partly offset by a decrease in deferred tax liabilities and current leases at Arauco and Copec.

Altogether, the company's **shareholders' equity** dropped 5.4% on that as of December 31, 2019, mainly because of lower other reserves from foreign exchange changes in the first few months of 2020.

The financial expenses coverage dropped due to a lower EBITDA.

## CASH FLOW STATEMENT ANALYSIS

The **operating cash flow** as of June 2020 increased on the previous year, due to lower payments to suppliers at Copec and Arauco. That was partly offset by decreased charges from sales at the same subsidiaries.

The **investing cash flow** had higher cash outlays, largely due to the investment in property, plant and equipment at Arauco and explained by the development of the MAPA project, and the sale in 2019 of the interest that Arauco and Empresas Copec had in Puertos y Logística S.A. That was partly offset by a lower cash flow to gain control of subsidiaries or other businesses, on account of the purchase of the assets of Masisa Mexico in the first quarter of 2019.

Simplified Balance Sheet Statement	Jun-20	Dec-19	Chg. 20 / 19
Current assets	6,423	7,034	(8.7%)
Non-current assets	17,970	18,134	(0.9%)
<b>TOTAL ASSETS</b>	<b>24,392</b>	<b>25,168</b>	<b>(3.1%)</b>
Short term financial debt	1,027	796	29.1%
Other current liabilities	1,737	2,298	(24.4%)
<b>Total current liabilities</b>	<b>2,764</b>	<b>3,094</b>	<b>(10.7%)</b>
Long term financial debt	8,027	7,689	4.4%
Other non-current liabilities	3,032	3,211	(5.6%)
<b>Total non-current liabilities</b>	<b>11,058</b>	<b>10,900</b>	<b>1.5%</b>
<b>TOTAL LIABILITIES</b>	<b>13,823</b>	<b>13,994</b>	<b>(1.2%)</b>
Non-controlling interests	433	507	(14.5%)
Shareholder's Equity	10,141	10,667	(4.9%)
<b>TOTAL EQUITY</b>	<b>10,574</b>	<b>11,174</b>	<b>(5.4%)</b>
Leverage*	0.65	0.55	17.8%
Net financial debt	6,852	6,145	11.5%
ROCE**	3.9%	6.3%	(2.4pp)

Figures in US\$ million

\* Leverage = Net financial debt / Total equity

\*\* ROCE = (Annualized EBIT + Gain from changes in fair value of biological assets + Financial income) / (Total current assets - Total current liabilities + Non-current biological assets + Property, Plant and Equipment - Net non-current assets classified as held for sale)

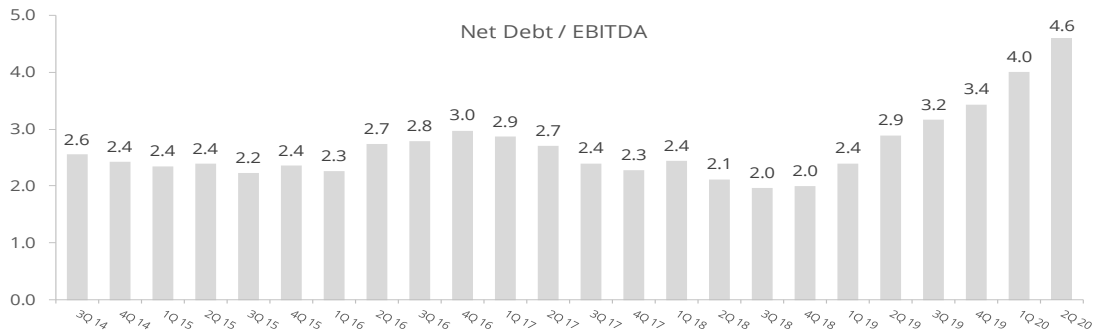
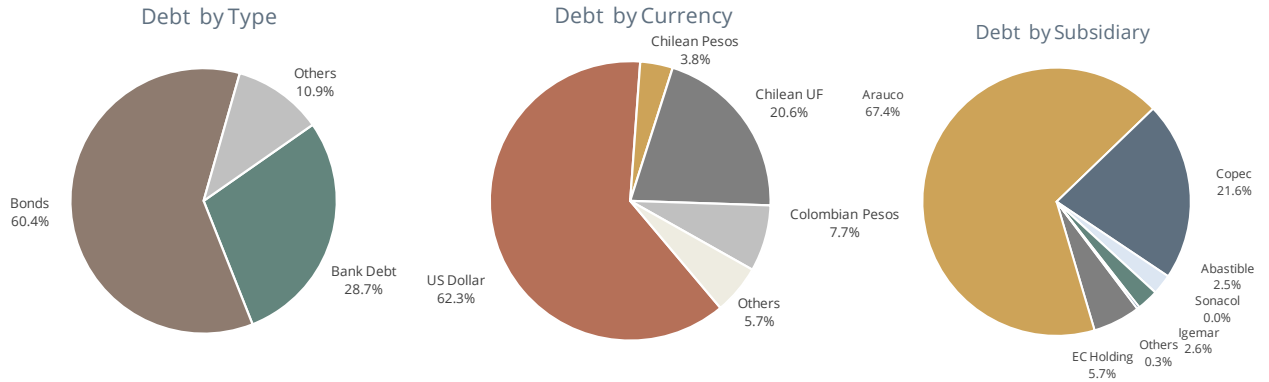
The **financing cash flow** had a negative change, mainly explained by lower proceeds from long-term loans, principally at Arauco. That was offset by a lower dividends paid.

CASH FLOW STATEMENT	Jun-20	Jun-19
Cash flows from (used in) operating activities	559	550
Cash flows from (used in) investing activities	(969)	(737)
Cash flows from (used in) financing activities	334	446
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(76)</b>	<b>259</b>

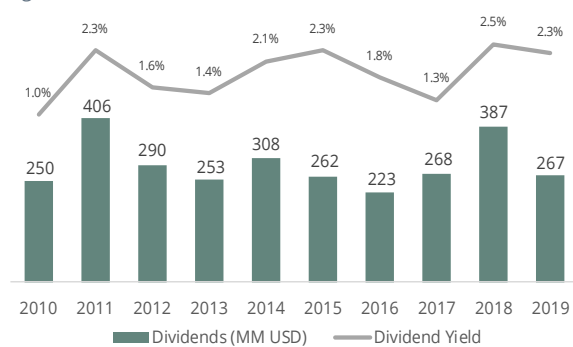
Figures in million US\$

## DEBT ANALYSIS

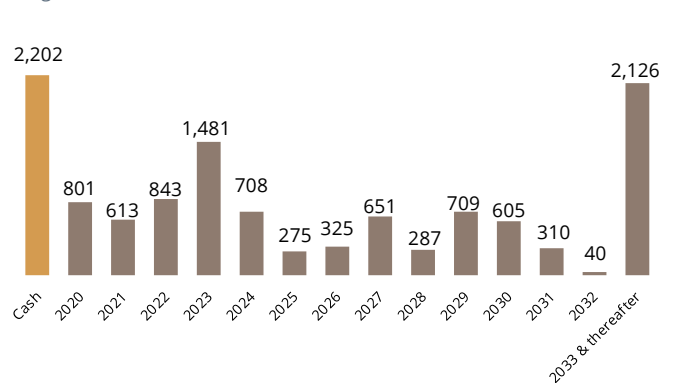
Total financial debt: MMU\$ 9,770  
 Cash and equivalents: MMU\$ 2,202  
 Net debt: MMU\$ 7,568



### Dividend distribution and dividend yield\*



### Financial debt maturities



\*Dividend Yield is calculated based on dividends paid per calendar year. Market value and exchange rate at the end of each period

\*\* Dividends paid by Empresas Copec on a calendar year basis

### International Risk Rating

Fitch Ratings: BBB / stable  
 Standard and Poor's: BBB- / stable

### Domestic Risk Rating

Feller-Rate: AA / stable / 1<sup>st</sup> Class Level 1  
 Fitch Ratings: AA- / stable / 1<sup>st</sup> Class Level 1

## BREAKDOWN BY OPERATING SEGMENTS (Accumulated as of June 2020)

Figures as of June 2020	Arauco	Copec	Abastible	Sonacol	Igemar	Others*	Subtotal	Elimin.	Total
Revenues from external clients	2,176,990	5,906,389	459,058	18,827	120,059	230	8,681,553	-	8,681,553
Revenues between segments	50	33,658	2,320	10,085	-	479	46,592	(46,592)	-
Interest Income	19,519	3,958	741	16	220	5,868	30,322	-	30,322
Interest Expense	(137,704)	(54,681)	(7,774)	(1,425)	(4,279)	(919)	(206,782)	-	(206,782)
<b>Interest expense, net</b>	<b>(118,185)</b>	<b>(50,723)</b>	<b>(7,033)</b>	<b>(1,409)</b>	<b>(4,059)</b>	<b>4,949</b>	<b>(176,460)</b>	-	<b>(176,460)</b>
<b>Income (loss) from the reporting segment</b>	<b>(85,643)</b>	<b>25,664</b>	<b>23,869</b>	<b>15,687</b>	<b>6,995</b>	<b>(14,663)</b>	<b>(28,091)</b>	-	<b>(28,091)</b>
EBIT	19,453	103,641	48,477	21,787	20,661	(7,765)	206,254	-	206,254
Depreciation	243,500	89,556	26,258	-	6,466	240	366,020	-	366,020
Amortization	7,342	34,033	4,920	-	268	1	46,564	-	46,564
Fair value cost of timber harvested	142,285	-	-	-	-	-	142,285	-	142,285
<b>EBITDA</b>	<b>412,580</b>	<b>227,230</b>	<b>79,655</b>	<b>21,787</b>	<b>27,395</b>	<b>(7,524)</b>	<b>761,123</b>	-	<b>761,123</b>
Share in income (loss) of associates	(488)	(5,775)	848	-	(1,805)	7,844	624	-	624
Income (expense) from income taxes	29,111	(26,971)	(13,249)	(4,166)	(3,538)	1,729	(17,084)	-	(17,084)
<b>Investments by segment</b>									
Payments for acq. prop., plant and equip.	682,830	91,589	23,203	5,368	3,785	-	806,775	-	806,775
Acquisition other long term assets	120,071	-	-	-	-	-	120,071	-	120,071
Payments for acq. affiliates and associates	15,212	2,137	1,574	-	-	49,240	68,163	-	68,163
Purchase of intangible assets	11,565	13,851	1,783	-	-	-	27,199	-	27,199
<b>Other Payments for Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total investments</b>	<b>829,678</b>	<b>107,577</b>	<b>26,560</b>	<b>5,368</b>	<b>3,785</b>	<b>49,240</b>	<b>1,022,208</b>	-	<b>1,022,208</b>
<b>Country of origin of operating revenue</b>									
Operating revenues - local (chile)	1,179,944	3,130,740	216,740	18,827	120,059	230	4,666,540	-	4,666,540
Operating revenues - foreign (foreign companies)	997,046	2,775,649	242,318	-	-	-	4,015,013	-	4,015,013
<b>Total operating revenues</b>	<b>2,176,990</b>	<b>5,906,389</b>	<b>459,058</b>	<b>18,827</b>	<b>120,059</b>	<b>230</b>	<b>8,681,553</b>	-	<b>8,681,553</b>
<b>Assets by segment</b>	<b>15,987,271</b>	<b>5,263,929</b>	<b>1,226,761</b>	<b>250,287</b>	<b>510,442</b>	<b>1,153,784</b>	<b>24,392,474</b>	-	<b>24,392,474</b>
Equity method investments	288,141	4,168	6,155	-	184,579	554,277	1,037,320	-	1,037,320
Liabilities by segments	9,056,273	3,531,976	769,053	162,935	298,690	3,827	13,822,754	-	13,822,754
<b>Country of origin of non-current assets</b>									
Nacionalidad activos no corrientes	8,302,304	1,602,276	470,828	-	369,791	775,006	11,520,205	-	11,520,205
Foreign	4,077,741	1,876,815	495,049	-	-	-	6,449,605	-	6,449,605
<b>Total non current assets</b>	<b>12,380,045</b>	<b>3,479,091</b>	<b>965,877</b>	<b>-</b>	<b>369,791</b>	<b>775,006</b>	<b>17,969,810</b>	-	<b>17,969,810</b>

\*Includes Alxar, Empresas Copec parent company and others  
Figures in thousand US\$

## Breakdown by country

	Chile	Colombia	USA/Canada	Panama	Argentina	Brazil	Uruguay	Ecuador	Dominican Republic	Peru	México	Spain	Total
Revenues	4,666,540	1,686,756	1,095,626	210,271	176,172	176,011	168,363	91,090	152,813	123,140	134,771	-	8,681,553
Non current assets	11,520,205	815,998	790,074	631,454	750,708	698,008	1,717,738	278,441	261,481	377,824	124,136	3,743	17,969,810

Figures in thousand US\$

## BREAKDOWN BY OPERATING SEGMENTS (Accumulated as of June 2019)

Figures as of June 2019	Arauco	Copec	Abastible	Sonacol	Igemar	Others*	Subtotal	Elimin.	Total
Revenues from external clients	2,739,756	8,411,697	558,649	26,836	99,078	269	11,836,285	-	11,836,285
Revenues between segments	-	48,202	3,736	14,545	2	562	67,047	(67,047)	-
Interest Income	14,845	4,828	1,187	60	360	9,712	30,992	-	30,992
Interest Expense	(126,940)	(64,343)	(10,771)	(1,886)	(5,017)	(1,408)	(210,365)	-	(210,365)
<b>Interest expense, net</b>	<b>(112,095)</b>	<b>(59,515)</b>	<b>(9,584)</b>	<b>(1,826)</b>	<b>(4,657)</b>	<b>8,304</b>	<b>(179,373)</b>	-	<b>(179,373)</b>
<b>Income (loss) from the reporting segment</b>	<b>183,527</b>	<b>127,581</b>	<b>48,037</b>	<b>18,820</b>	<b>6,983</b>	<b>(1,723)</b>	<b>383,225</b>	-	<b>383,225</b>
EBIT	258,203	212,480	62,112	28,379	10,645	(11,015)	560,804	-	560,804
Depreciation	247,101	88,865	25,248	4,875	5,118	515	371,722	-	371,722
Amortization	6,242	37,717	1,352	-	188	12	45,511	-	45,511
Fair value cost of timber harvested	154,421	-	-	-	-	-	154,421	-	154,421
<b>EBITDA</b>	<b>665,967</b>	<b>339,062</b>	<b>88,712</b>	<b>33,254</b>	<b>15,951</b>	<b>(10,488)</b>	<b>1,132,458</b>	-	<b>1,132,458</b>
Share in income (loss) of associates	9,657	9,622	7,585	-	1,786	(9,500)	19,150	-	19,150
Income (expense) from income taxes	(46,965)	(42,239)	(11,578)	(7,018)	1,850	(3,079)	(109,029)	-	(109,029)
<b>Investments by segment</b>									
Payments for acq. prop., plant and equip.	443,637	100,183	52,125	10,092	3,100	2	609,139	-	609,139
Acquisition other long term assets	133,051	-	246	-	-	-	133,297	-	133,297
Payments for acq. affiliates and associates	151,332	-	-	-	20,000	35,480	206,812	-	206,812
Purchase of intangible assets	8,788	15,288	859	-	-	-	24,935	-	24,935
<b>Total investments</b>	<b>736,808</b>	<b>115,471</b>	<b>53,230</b>	<b>10,092</b>	<b>23,100</b>	<b>35,482</b>	<b>974,183</b>	-	<b>974,183</b>
<b>Country of origin of operating revenue</b>									
Operating revenues - local (chile)	1,312,618	4,237,206	256,930	26,836	99,078	269	5,932,937	-	5,932,937
Operating revenues - foreign (foreign companies)	1,427,138	4,174,491	301,719	-	-	-	5,903,348	-	5,903,348
<b>Total operating revenues</b>	<b>2,739,756</b>	<b>8,411,697</b>	<b>558,649</b>	<b>26,836</b>	<b>99,078</b>	<b>269</b>	<b>11,836,285</b>	-	<b>11,836,285</b>
<b>Assets by segment</b>	<b>15,926,592</b>	<b>5,852,230</b>	<b>1,360,354</b>	<b>302,600</b>	<b>545,073</b>	<b>1,297,016</b>	<b>25,283,865</b>	-	<b>25,283,865</b>
Equity method investments	304,971	56,641	59,212	-	201,484	556,361	1,178,669	-	1,178,669
Liabilities by segments	8,452,055	3,963,824	859,205	196,973	306,752	49,463	13,828,272	-	13,828,272
<b>Country of origin of non-current assets</b>									
Nacionalidad activos no corrientes	7,550,934	1,849,939	582,273	290,315	390,781	854,436	11,518,678	-	11,518,678
Foreign	4,545,730	1,928,050	557,260	-	-	-	7,031,040	-	7,031,040
<b>Total non current assets</b>	<b>12,096,664</b>	<b>3,777,989</b>	<b>1,139,533</b>	<b>290,315</b>	<b>390,781</b>	<b>854,436</b>	<b>18,549,718</b>	-	<b>18,549,718</b>

\*Includes Albar, Empresas Copec parent company and others

Figures in thousand US\$

## Breakdown by country

	Chile	Colombia	USA/Canada	Panama	Argentina	Brazil	Uruguay	Ecuador	Dominican Republic	Peru	Mexico	Total
Revenues	5,932,937	2,570,306	1,582,018	371,314	198,212	245,959	228,632	144,882	213,997	290,793	57,235	11,836,285
Non current assets	11,519,911	916,014	1,410,977	262,931	812,931	1,030,395	1,740,966	61,498	3,580	668,111	122,404	18,549,718

Figures in thousand US\$



## FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION	Jun-20	Jun-19	Chg. 20 / 19
Revenue	8,681,553	11,836,285	(26.7%)
Cost of sales	(7,448,917)	(10,082,193)	(26.1%)
<b>Gross profit</b>	<b>1,232,636</b>	<b>1,754,092</b>	(29.7%)
Other income	140,346	161,577	(13.1%)
Distribution costs	(566,669)	(668,736)	(15.3%)
Administrative expenses	(459,713)	(524,552)	(12.4%)
Other expense	(125,643)	(68,509)	83.4%
Other gains (losses)	(3,675)	8,490	(143.3%)
Finance income	30,322	30,992	(2.2%)
Financial costs	(206,782)	(210,365)	(1.7%)
Share of profit (loss) of associates and joint ventures accounted for using equity method	624	19,150	(96.7%)
Foreign exchange differences	(46,954)	(2,229)	2006.5%
Gains (losses) on net monetary position	(5,499)	(7,656)	(28.2%)
<b>Profit (loss) before tax</b>	<b>(11,007)</b>	<b>492,254</b>	(102.2%)
Income tax expense	(17,084)	(109,029)	(84.3%)
<b>Profit (loss) from continuing operations</b>	<b>(28,091)</b>	<b>383,225</b>	(107.3%)
<b>Profit (loss)</b>	<b>(28,091)</b>	<b>383,225</b>	(107.3%)
<b>Profit (loss), attributable to</b>			
Profit (loss), attributable to owners of parent	(25,260)	356,542	(107.1%)
Profit (loss), attributable to non-controlling interests	(2,831)	26,683	(110.6%)
<b>Total profit (loss)</b>	<b>(28,091)</b>	<b>383,225</b>	(107.3%)

Figures in thousand US\$

## FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME	Jun-20	Jun-19	Chg. 20 / 19
<b>Profit (loss)</b>	(28,091)	383,225	(107.3%)
Other comprehensive income, before tax, actuarial gain (losses) to defined benefit plans	0	0	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profile, before tax	0	0	-
<b>Other comprehensive income that will not be reclassified to profile</b>	(531)	329	(261.4%)
<b>Components of other comprehensive income, before tax</b>	0	0	0.0%
<b>Exchange differences on translation</b>	0	0	0.0%
Gains (losses) on exchange differences on translation, before tax	(472,175)	42,533	(1210.1%)
Reclassification adjustments on exchange differences on translation, before tax	0	0	-
Other comprehensive income, before tax, exchange differences on translation	(472,175)	42,533	(1210.1%)
<b>Available-for-sale financial assets</b>	0	0	0.0%
Gains (losses) on remeasuring available-for-sale financial assets, before tax	0	527	(100.0%)
Reclassification adjustments on available-for-sale financial assets, before tax	0	0	-
Other comprehensive income, before tax, available-for-sale financial assets	0	527	(100.0%)
<b>Cash flow hedges</b>	0	0	0.0%
Gains (losses) on cash flow hedges, before tax	(99,039)	16,359	(705.4%)
Reclassification adjustments on cash flow hedges, before tax	(20,854)	(12,907)	(61.6%)
Other comprehensive income, before tax, cash flow hedges	0	0	-
Other comprehensive income, before tax, gains (losses) from investments in equity instruments	(119,893)	3,452	(3573.1%)
Other comprehensive income, before tax, gains (losses) on revaluation	0	0	-
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(3,939)	(6,926)	43.1%
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(152)	(111)	(36.9%)
<b>Other comprehensive income, before tax</b>	(599,128)	50,455	(1287.5%)
<b>Income tax relating to components of other comprehensive income</b>	0	0	-
<b>Income tax relating to defined benefit plans of other comprehensive income</b>	0	0	-
Income tax relating to components of other comprehensive income	0	0	-
Income tax relating to exchange differences on translation of other comprehensive income	0	0	-
Income tax relating to investments in equity instruments of other comprehensive income	1,237	(217100.0%)	157.0%
Income tax relating to available-for-sale financial assets of other comprehensive income	0	0	-
Income tax relating to cash flow hedges of other comprehensive income	28,231	(918)	3175.3%
Income tax relating to changes in revaluation surplus of other comprehensive income	0	0	-
Income tax relating to defined benefit plans of other comprehensive income	221	(95)	332.6%
Reclassification adjustments on income tax relating to components of other comprehensive income	0	0.0%	-
Aggregated income tax relating to components of other comprehensive income	29,689	(3,184)	1032.4%
Other comprehensive income	(569,970)	47,600	(1297.4%)
<b>Total comprehensive income</b>	<b>(598,061)</b>	<b>430,825</b>	<b>(238.8%)</b>
<b>Comprehensive income attributable to</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Comprehensive income, attributable to owners of parent</b>	<b>(547,448)</b>	<b>395,859</b>	<b>(238.3%)</b>
<b>Comprehensive income, attributable to non-controlling interests</b>	<b>(50,613)</b>	<b>34,966</b>	<b>(244.7%)</b>

Figures in thousand US\$

## FINANCIAL STATEMENTS

BALANCE SHEET - ASSETS	Jun-20	Dec-19	Chg. 20 / 19
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,064,069	2,214,887	(6.8%)
Other current financial assets	138,270	124,918	10.7%
Other current non-financial assets	229,400	211,141	8.6%
Trade and other receivables, current	1,444,878	1,675,937	(13.8%)
Trade and other current receivables	31,547	84,516	(62.7%)
Inventories	1,668,648	1,823,893	(8.5%)
Current biological assets	276,606	275,792	0.3%
Current tax assets	231,461	263,957	(12.3%)
<b>Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners</b>	<b>6,084,879</b>	<b>6,675,041</b>	<b>(8.8%)</b>
Non-current assets or disposal groups classified as held for sale	337,785	359,349	(6.0%)
Non-current assets or disposal groups classified as held for sale or for distribution to owners	<b>337,785</b>	<b>359,349</b>	<b>(6.0%)</b>
<b>Total current assets</b>	<b>6,422,664</b>	<b>7,034,390</b>	<b>(8.7%)</b>
<b>Non-current assets</b>			
Other non-current financial assets	142,339	108,072	31.7%
Other non-current non-financial assets	183,145	180,604	1.4%
Trade and other receivables, Non current	15,022	19,870	(24.4%)
Non-current receivables to related parties	7,650	7,456	2.6%
Investments accounted for using equity method	1,037,320	1,026,173	1.1%
Intangible assets other than goodwill	904,252	977,805	(7.5%)
Goodwill	398,919	413,693	(3.6%)
Property, plant and equipment	10,664,239	11,486,350	(7.2%)
Assets by right of use	728,173	0	
Non-current biological assets	3,323,730	3,393,634	(2.1%)
Investment property	25,722	35,300	(27.1%)
Deferred tax assets	539,299	484,563	11.3%
<b>Total non-current assets</b>	<b>17,969,810</b>	<b>18,133,520</b>	<b>(0.9%)</b>
<b>Total assets</b>	<b>24,392,474</b>	<b>25,167,910</b>	<b>(3.1%)</b>

## FINANCIAL STATEMENTS

BALANCE SHEET - LIABILITIES AND EQUITY	Jun-20	Dec-19	Chg. 20 / 19
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other current financial liabilities	1,027,400	795,723	29.1%
Liabilities on current leasings	118,476	129,228	(8.3%)
Trade and other current payables	1,319,364	1,793,854	(26.5%)
Other current payables to related parties	10,973	6,197	77.1%
Other short-term provisions	19,238	18,999	1.3%
Current tax liabilities	42,780	25,102	70.4%
Current provisions for employee benefits	11,668	11,810	(1.2%)
Other current financial liabilities	48,426	126,369	(61.7%)
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>2,598,325</b>	<b>2,907,282</b>	<b>(10.6%)</b>
Liabilities included in disposal groups classified as held for sale	166,049	186,860	(11.1%)
<b>Total current liabilities</b>	<b>2,764,374</b>	<b>3,094,142</b>	<b>(10.7%)</b>
<b>Non-current payables</b>			
Other non-current financial liabilities	8,026,670	7,689,047	4.4%
Liabilities on non current leasings	597,749	658,704	(9.3%)
Non-current payables	852	3,189	(73.3%)
Non-current liabilities	1,644	0	
Other long-term provisions	69,830	80,556	(13.3%)
Deferred tax liabilities	2,105,199	2,169,305	(3.0%)
Non-current provisions for employee benefits	109,669	113,753	(3.6%)
Other non-current non-financial liabilities	146,767	185,176	(20.7%)
<b>Total non-current liabilities</b>	<b>11,058,380</b>	<b>10,899,730</b>	<b>1.5%</b>
<b>Total liabilities</b>	<b>13,822,754</b>	<b>13,993,872</b>	<b>(1.2%)</b>
<b>Equity</b>			
Issued capital	686,114	686,114	0.0%
Retained earnings	11,279,450	11,283,478	(0.0%)
Other reserves	(1,824,421)	(1,302,233)	40.1%
<b>Equity attributable to owners of parent</b>	<b>10,141,143</b>	<b>10,667,359</b>	<b>(4.9%)</b>
Non-controlling interests	433,074	506,679	(14.5%)
<b>Total equity</b>	<b>10,574,217</b>	<b>11,174,038</b>	<b>(5.4%)</b>
<b>Total equity and liabilities</b>	<b>24,396,971</b>	<b>25,167,910</b>	<b>(3.1%)</b>

## FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS	Jun-20	Jun-19	Chg. 20 / 19
<b>Cash flows from (used in) operating activities</b>			
<b>Classes of cash receipts from operating activities</b>			
Receipts from sales of goods and rendering of services	9,919,555	12,981,109	(23.6%)
Receipts from premiums and claims, annuities and other policy benefits	175	344	(49.1%)
Other cash receipts from operating activities	404,296	201,037	101.1%
Payments to suppliers for goods and services	(8,864,122)	(11,542,601)	23.2%
Payments to and on behalf of employees	(522,523)	(557,034)	6.2%
Payments for premiums and claims, annuities and other policy benefits	(8,333)	(8,223)	(1.3%)
Payments from manufacturing or acquiring assets to lease to others and subsequently sold	0	0	
Other cash payments from operating activities	(254,729)	(136,742)	(86.3%)
Dividends received	6,839	1,771	286.2%
Interest paid	(139,073)	(113,421)	(22.6%)
Interest received	18,685	22,782	(18.0%)
Income taxes refund (paid)	(6,301)	(299,730)	97.9%
Other inflows (outflows) of cash	4,132	359	1051.0%
<b>Net cash flows from (used in) operating activities</b>	<b>558,601</b>	<b>549,651</b>	<b>1.6%</b>

## FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (continuation)	Jun-20	Jun-19	Chg. 20 / 19
<b>Cash flows from (used in) investing activities</b>			
Cash flows from losing control of subsidiaries or other businesses	2,000	117,376	(1)
Cash flows used in obtaining control of subsidiaries or other businesses	(4,170)	(150,862)	97.2%
Cash flows used in the purchase of non-controlling interests	(64,452)	(55,950)	(15.2%)
Other cash receipts from sales of equity or debt instruments of other entities	7,090	0	
Other cash payments to acquire equity or debt instruments of other entities	459	0	
Loans to related parties	0	(5,271)	100.0%
Proceeds from sales of property, plant and equipment	5,487	55,191	(90.1%)
Purchase of property, plant and equipment	(806,775)	(609,139)	(32.4%)
Purchase of intangible assets	(27,199)	(24,935)	(9.1%)
Proceeds from other long-term assets	6,007	2,927	105.2%
Purchase of other long-term assets	(120,071)	(133,297)	9.9%
Cash advances and loans made to other parties	(345)	14	(2564.3%)
Cash receipts from repayment of advances and loans made to other parties	100	7	1328.6%
Cash receipts from future contracts, forward contracts, option contracts and swap contracts	11,685	168	6855.4%
Dividends received	4,045	17,837	(77.3%)
Interest received	44	33	33.3%
Other inflows (outflows) of cash	17,178	48,699	(64.7%)
<b>Net cash flows from (used in) investing activities</b>	<b>(968,917)</b>	<b>(737,202)</b>	<b>(31.4%)</b>

## FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (continuation)	Jun-20	Jun-19	Chg. 20 / 19
<b>Cash flows from (used in) financing activities</b>			
Proceeds from issuing shares	0	8,230	(100.0%)
Proceeds from long term borrowings	537,459	1,073,536	(49.9%)
Proceeds from short term borrowings	505,085	428,168	18.0%
<b>Proceeds from borrowings</b>	<b>1,042,544</b>	<b>1,501,704</b>	<b>(30.6%)</b>
Payments of borrowings	(489,392)	(639,204)	23.4%
Payments of finance lease liabilities	(65,868)	(57,395)	(14.8%)
Payments of lease liabilities	(2,273)	0	
Loan payments to related parties	0	(546)	100.0%
Dividends paid	(84,532)	(289,383)	70.8%
Interest paid	(53,494)	(72,143)	25.9%
Other inflows (outflows) of cash	(13,053)	(5,125)	(154.7%)
<b>Net cash flows from (used in) financing activities</b>	<b>333,932</b>	<b>446,138</b>	<b>(25.2%)</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>(76,384)</b>	<b>258,587</b>	<b>(129.5%)</b>
Effect of exchange rate changes on cash and cash equivalents	(74,434)	9,178	(911.0%)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(150,818)</b>	<b>267,765</b>	<b>(156.3%)</b>
Cash and cash equivalents at beginning of period	2,214,887	1,713,803	29.2%
<b>Cash and cash equivalents at end of period</b>	<b>2,064,069</b>	<b>1,981,568</b>	<b>4.2%</b>

## EXHIBIT

### Adjusted EBITDA Calculation

As from 1Q13, Empresas Copec presents an alternative calculation of EBITDA, denominated "adjusted EBITDA". The methodology, adopted by the subsidiary Arauco in 2012, better suits the IFRS definition of the indicator, and has the advantage of including the profits from associates. These may be especially relevant for Empresas Copec, given the importance some associates may acquire.

	2Q 20	1Q 20	2Q 19	2Q20 / 2Q19	Accum 20	Accum 19	Chg. 20 / 19
<b>Net Income</b>	(40)	12	147	(127.1%)	(28)	383	(107.3%)
(-) Financial Costs	(99)	(108)	(111)	(11.5%)	(207)	(210)	(1.7%)
(-) Financial Income	20	11	16	21.2%	30	31	(2.2%)
(-) Income Tax	19	(36)	(60)	(132.1%)	(17)	(109)	(84.3%)
(+) Depr & Amort	209	204	211	(1.1%)	413	417	(1.1%)
(+) Fair value cost of timber harvested	75	67	80	(5.4%)	142	154	(7.9%)
(-) Gain from changes in fair value of biological assets	36	52	37	(3.5%)	88	74	18.5%
(-) Exchange rate differences	(16)	(31)	(13)	23.3%	(47)	(2)	2006.5%
(-) Others*	(36)	(26)	(12)	192.2%	(62)	(15)	311.6%
<b>Adjusted EBITDA</b>	<b>320</b>	<b>421</b>	<b>581 **</b>	<b>(45.0%)</b>	<b>741</b>	<b>1,186 **</b>	<b>(37.5%)</b>

\*2Q20 includes MM US\$ 34.5 due to provision of property, plant and equipment in Arauco. 1Q20 includes MM US\$ 18.1 due to provision of property, plant and equipment in Arauco. 2Q19 includes MM US\$ 12.4 due to provision of property, plant and equipment in Arauco.

Figures in US\$ million

\*\* Includes the income from the sale of Puertos y Logística S.A. in 2019.

Traditional calculated EBITDA (EBITDA Operating Income+ Depreciation + Amortization + Fair value cost of timber harvested), and adjusted EBITDA may differ given the methodological differences.

