

# 3Q20 Earnings Release

November 13<sup>th</sup>, 2020

## 3Q20 Results Conference Call

Thursday, November 19, 2020  
10:00 EST (NY Time)  
12:00 Santiago Time

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### 3Q20 / 2Q20

Net income rose US\$129 million QoQ, on account of higher operating income in the liquid fuels business, related to less effects of COVID-19 on volumes, and a better performance of the forestry business. Moreover, non-operating income was less unfavorable.

### 3Q20 / 3Q19

The company posted net income of US\$98 million, increasing on earnings of US\$22 million YoY, explained by less negative non-operating income and offset by lower operating income at Copec, due to the impact of COVID-19 on volume.

### 2020 / 2019

Year-to-date, there were earnings of US\$72 million, US\$306 million down on YTD 2019. That was due to the forestry business, in which Arauco had lower pulp revenue, and the fuels business because of reduced volumes due to the sanitary crisis. There was also a decrease in non-operating income.

### EBITDA

EBITDA in 3Q20 was US\$468 million, increasing 48.6% QoQ, mainly because of increases at Arauco and Copec. YoY dropped 4.3%, explained by lower fuel volumes, partly offset by a better performance of Arauco's wood products business.

### Highlights

In the forestry business, the Arauco mill modernization and expansion (MAPA, according to the Spanish acronym) project had progress of 63%, and is now projected to start operations at the beginning of 4Q21. The Mina Justa project had progress of 92% as of September 25, 2020.

### Net Debt / EBITDA

Net debt remained at 4.6 times Ebitda. It should be highlighted that this indicator has risen lately due to the effects of low pulp prices on EBITDA, the fallout of COVID-19 on fuel volumes and a period of heavy investment.

	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	4,544	3,277	6,240	(27.2%)	38.7%	13,225	18,076	(26.8%)
EBIT	171	31	185	(7.4%)	459.4%	378	746	(49.4%)
<b>EBITDA*</b>	<b>468</b>	<b>315</b>	<b>489</b>	<b>(4.3%)</b>	<b>48.6%</b>	<b>1,229</b>	<b>1,621</b>	<b>(24.2%)</b>
Non operating income	(45)	(90)	(116)	61%	50.1%	(262)	(184)	(42.3%)
Total profit	102	(40)	38	172.6%	356.4%	74	421	(82.3%)
<b>Profit attributable to controllers</b>	<b>98</b>	<b>(32)</b>	<b>22</b>	<b>346.3%</b>	<b>408.5%</b>	<b>72</b>	<b>378</b>	<b>(80.9%)</b>
Profit attributable to minority	5	(8)	16	(69.2%)	158.2%	2	42	(95.3%)
EBITDA Margin	10.3%	9.6%	7.8%	31.4%	7.2%	9.3%	9.0%	3.6%
EBITDA / Net interest expenses	4.9	4.0	5.3	(8.6%)	21.9%	4.5	6.0	(24.6%)

\* EBITDA = Operating Income + Depreciation + Amortization + Fair value cost of timber harvested

Figures in US\$ million

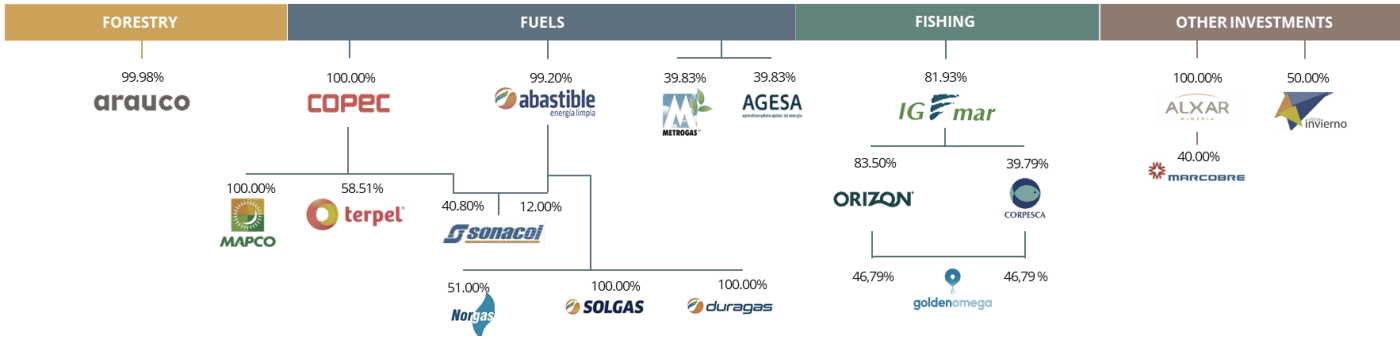
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## SIMPLIFIED OWNERSHIP STRUCTURE



## HIGHLIGHTS

### Development of the MAPA project

MAPA project progress as of the end of September 2020 was 63.2%. Arauco has already received the main equipment and parts to complete the project, and the construction and assembly of equipment continues.

During the last quarter measures were intensified to prevent contagions of COVID-19. Arauco have also received visits of government health authorities to inspect on the sanitary conditions of the project.

In July Arauco started to implement a strategy of active search of COVID-19 contagions. Recently, Arauco installed 5 test centers on site with a capacity of performing up to 1,000 PCR exams per day, with the ability of delivering test results in a matter of hours. This new system was inspected by local health authorities. To date, almost 50,000 PCR tests have been applied to workers of the project, with a positivity rate significantly lower than the national average informed by the Health Ministry in the daily COVID-19 report.

The government has recently authorized construction projects -such as MAPA- to continue even in quarantined zones, using defined procedures and notifications including complying with robust and strict sanitary standards (most of which have been in place in the Project since March 2020).

Building on the COVID-19 pandemic conditions has meant a great challenge. In coordination with our contractors and subcontractors, measures have been enacted by generating protocols and reorganizing MAPA Project work systems. In accordance with the contractors, it is now estimated that the startup will take place at the beginning of the fourth quarter of 2021. At that point the existing eucalyptus line (Line 1) will be permanently shut down in accordance with the environmental permit.

### Mina Justa project

The Mina Justa project had construction progress of 92% as of September 25, 2020. Works are expected to be completed in 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 at Ica in 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.

### Sanitary Crisis due to COVID-19

As the restrictions due to the COVID-19 pandemic are relaxed and economic activity improves, fuels markets are being progressively lifted.

- At Terpel, in 3TQ20 the interannual volume dropped 28%, which was less than the 46% decrease in 2Q20. To date, gas station volumes are very close to the levels before the outbreak of the pandemic.
- At Copec Chile, in 3Q20 the interannual volume fell 21%, which was less than the 26% decrease in 2Q20. To date, gas station volumes are recovering to the levels prior to the outbreak of the pandemic.
- At MAPCO, in 3Q20 the interannual volume was down 7%, which was less than the 23% decrease in 2Q20.

### Capital Contribution to Arauco

A capital increase of US\$250 million was subscribed and paid in September 2020, in accordance with the extraordinary shareholders' meeting in May. The balance to complete the US\$700 million, will be paid in 2021, depending on Arauco's financial needs.

The aim of the capital increase is to help finance projects and bolster the company's financial standing.

### 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 could generate non recurring effects in net income and help strengthen the company's balance sheet during a period of heavy investment.

### Empresas Copec closed an international loan

In August 2020, Empresas Copec secured a US\$360 million 3-year syndicated term loan, with a bullet structure and a club deal format comprising international banks. The proceeds will boost the company's liquidity.

## CONSOLIDATED RESULTS

**3Q20 / 3Q19.** Net income attributable to the controller's owners was US\$98 million in 3Q20, increasing US\$76 million YoY. That was mainly because of less negative non-operating income of US\$71 million, partly offset by operating income decreasing US\$14 million.

The **fuels business** had lower operating income, mainly at Copec Chile and Terpel, on account of the effects of the coronavirus on mobility and economic activity, which led to sales volumes dropping 21.2% and 27.5%, respectively. Mapco posted an operating income increase from higher margins, partly offset by lower volumes. Abastible's operating income decreased YoY but increased 6% measured in Chilean pesos.

In the **forestry business**, Arauco posted an operating income increase, related to higher margins in the panel business, offset by lower pulp prices and volumes in the third quarter of 2020.

The company's **gross margin** fell 13.4% amounting to US\$718 million, which mainly came from Arauco for US\$335 million; with Copec accounting for US\$260 million; Abastible for US\$104 million; Igemar for US\$15 million; and Sonacol for US\$4 million.

**Non-operating income** was less negative than in the third quarter of 2019, essentially because of favorable exchange rate differences, higher other earnings and the greater income of associates. That was partly offset by lower financial income and decreased other income.

Income Statement	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	4,544	3,277	6,240	(27.2%)	38.7%	13,225	18,076	(26.8%)
Cost of sales	(3,826)	(2,770)	(5,410)	29.3%	(38.1%)	(11,275)	(15,493)	27.2%
Administration & distribution expenses	(546)	(476)	(644)	15.1%	(14.9%)	(1,573)	(1,837)	14.4%
<b>Operating Income</b>	<b>171</b>	<b>31</b>	<b>185</b>	<b>(7.4%)</b>	<b>459.4%</b>	<b>378</b>	<b>746</b>	<b>(49.4%)</b>
Other income	61	68	65	(6.0%)	(9.4%)	202	227	(11.1%)
Other expenses	(48)	(63)	(52)	7.0%	24.1%	(174)	(120)	(44.5%)
Other gains (losses)	2	(3)	(7)	128.0%	162.9%	(2)	1	(223.2%)
Financial cost	(105)	(99)	(106)	1.4%	(6.0%)	(311)	(316)	1.6%
Financial revenues	8	20	14	(41.4%)	(58.1%)	39	45	(14.4%)
Share of profits of associates	13	5	(0)	4910.0%	171.4%	14	19	(25.6%)
Foreign exchange differences	25	(16)	(27)	192.1%	258.5%	(22)	(29)	22.7%
Other results	(2)	(2)	(3)	41.0%	(21.0%)	(7)	(11)	32.0%
<b>Non Operational income</b>	<b>(45)</b>	<b>(90)</b>	<b>(116)</b>	<b>61.2%</b>	<b>50.1%</b>	<b>(262)</b>	<b>(184)</b>	<b>(42.3%)</b>
Income tax expense	(24)	19	(32)	24.4%	(225.2%)	(41)	(141)	70.7%
Total profit	102	(40)	38	172.6%	356.4%	74	421	(82.3%)
<b>Profit attributable to controllers</b>	<b>98</b>	<b>(32)</b>	<b>22</b>	<b>346.3%</b>	<b>408.5%</b>	<b>72</b>	<b>378</b>	<b>(80.9%)</b>
<b>Profit attributable to minority</b>	<b>5</b>	<b>(8)</b>	<b>16</b>	<b>(69.2%)</b>	<b>158.2%</b>	<b>2</b>	<b>42</b>	<b>(95.3%)</b>
EBIT	171	31	185	(7.4%)	459.4%	378	746	(49.4%)
Depreciation & Amortization	211	209	214	(1.4%)	0.8%	623	631	(1.2%)
Fair value cost of timber harvested	86	75	90	(4.8%)	14.0%	228	245	(6.7%)
<b>EBITDA</b>	<b>468</b>	<b>315</b>	<b>489</b>	<b>(4.3%)</b>	<b>48.6%</b>	<b>1,229</b>	<b>1,621</b>	<b>(24.2%)</b>

Figures in US\$ million

**3Q20 / 2Q20.** Net income rose US\$129 million QoQ, explained by higher operating income and less negative non-operating income.

The **forestry business** had a 50.1% increase in EBITDA due to a better performance of the wood products business, partly offset by lower pulp volumes.

The **fuels business** EBITDA increased 62.4% measured in US dollars, explained by increases of 111.7% and 26.3% at Copec and Abastible, respectively.

**Non-operating** income was US\$45 million less negative, because of favorable exchange rate differences, lower other expenses and the higher income of associates. That was partly offset by more unfavorable financial income.

**2020 / 2019. Net income** attributable to the controller's owners YTD, net of minority interests, amounted to US\$72 million and was US\$306 million down on that YTD 2019. That was mainly due to operating income dropping US\$368 million and non-operating income that was US\$77 million more negative.

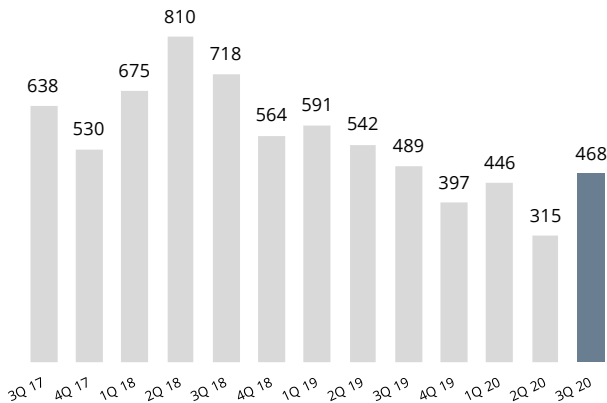
The **operating income** decrease was partly due to the forestry business, where Arauco had lower revenue from pulp price and volume decreases in 2020.

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. MAPCO posted an operating income increase on account of higher margins. Abastible had lower operating income on the previous year, explained by its operations in Chile and Ecuador, along with functional currency depreciation.

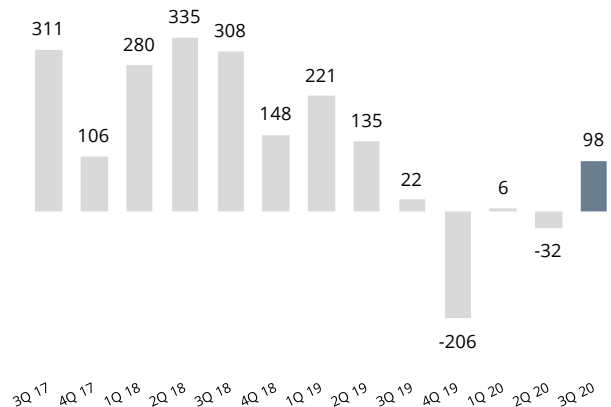
The company's **gross earnings** dropped 24.5% amounting to US\$1,950 million, which mainly came from Arauco for US\$868 million; with Copec accounting for US\$735 million; Abastible for US\$265 million; Igemar for US\$56 million; and Sonacol for US\$25 million.

**Non-operating income** was more negative than in the first nine months of 2019, due to higher other expenses of US\$53 million and lower other revenue of US\$25 million.

**EBITDA**



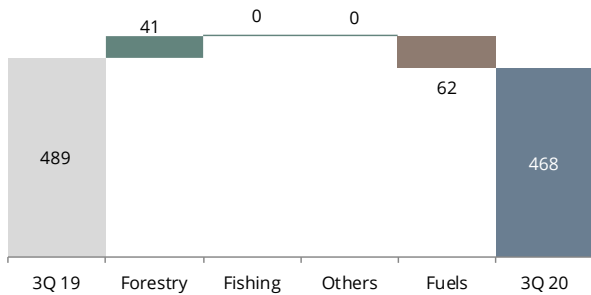
**Net Income**



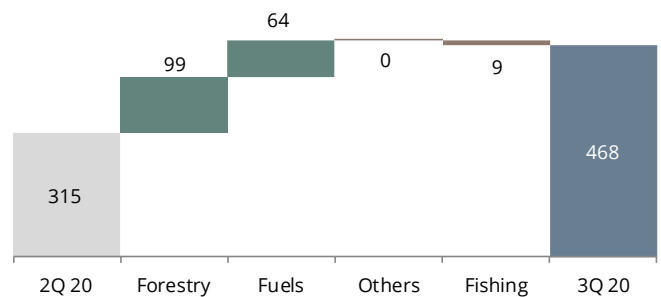
Figures in US\$ million

	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Var 20 / 19
<b>EBITDA</b>								
Forestry	296	197	256	15.9%	50.1%	709	922	(23.1%)
Fuels	166	102	228	(27.4%)	62.4%	494	689	(28.3%)
<i>Copec</i>	108	51	155	(30.2%)	111.7%	336	494	(32.1%)
<i>Abastible</i>	54	43	56	(4.1%)	26.3%	134	145	(7.8%)
<i>Sonacol</i>	3	8	17	(79.0%)	(57.3%)	25	50	(49.3%)
Fishing	9	19	9	3.4%	(50.2%)	37	25	47.0%
Others	(4)	(3)	(4)	6.6%	(2.7%)	(11)	(14)	(22.5%)
<b>TOTAL</b>	<b>468</b>	<b>315</b>	<b>489</b>	<b>(4.3%)</b>	<b>48.6%</b>	<b>1,229</b>	<b>1,621</b>	<b>(24.2%)</b>
<b>CAPEX</b>								
Forestry	454	384	281	61.5%	18.1%	1,284	1,018	26.1%
Fuels	54	46	133	(59.9%)	15.6%	193	312	(38.2%)
Fishing	2	2	2	39.8%	90.0%	6	25	(75.8%)
Others	16	4	45	(64.5%)	318.3%	65	81	(19.0%)
<b>TOTAL</b>	<b>526</b>	<b>437</b>	<b>461</b>	<b>14.0%</b>	<b>20.3%</b>	<b>1,548</b>	<b>1,435</b>	<b>7.8%</b>

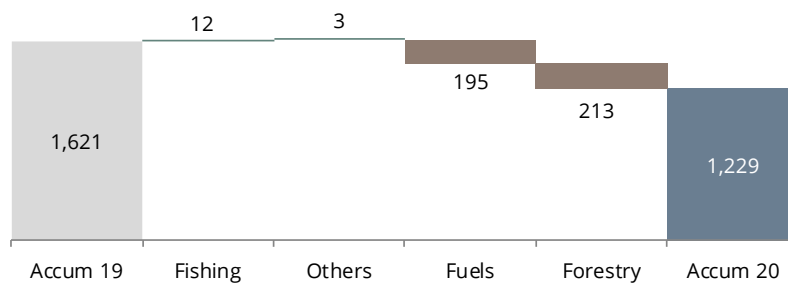
EBITDA change by business (3Q 20 v/s 3Q 19)  
(MMUS\$)



EBITDA change by business (3Q 20 v/s 2Q 20)  
(MMUS\$)



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



## ARAUCO

**3Q20 / 3Q19.** Arauco posted net income of US\$36 million, which was US\$66 million up YoY. That was largely due to operating income increasing US\$51 million, related to higher margins in the timber business and offset by lower pulp volumes and prices, and non-operating income rose US\$47 million.

Consolidated **revenue** was down 13.3%, mainly explained by pulp decreases. Pulp revenue fell 23.4% due to volume and prices decreases of 16.5% and 8.9%, respectively. The timber business revenues dropped 5.4%, due to panel volumes and prices decreasing 3.1% , offset by sawn timber volumes rising 5.0%. The unit production costs of bleached hardwood, bleached softwood and raw softwood dropped 5.1%, 5.0% and 2.0%, respectively.

There was a lower **non-operating** income loss, because of favorable exchange rate differences, higher other revenue, the greater income of associates and lower other expenses.

Changes	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20 / 19
Volume			
Pulp	(16.5%)	(5.1%)	(6.0%)
Panels	(3.1%)	40.2%	(6.4%)
Sawn timber*	5.0%	20.2%	(6.5%)
Prices			
Pulp	(8.9%)	(2.2%)	(20.2%)
Panels	(3.1%)	(1.8%)	(4.5%)
Sawn timber*	(0.7%)	2.1%	(3.6%)

\*Includes Plywood

### Market Status

#### Pulp

The third quarter of 2020 started out affected by the seasonality of summer in the Northern Hemisphere, but along the way markets began to show signs of recovery. That is because integrated paper producers and dissolving pulp producers, that sold virgin fiber in the second quarter, swung back to their traditional products. On the other hand, demand in the tissue industry normalized regarding the good second quarter, which was partly offset by the reactivation of the printing and writing paper industry. Pulp inventories increased by 4 and 2 days for softwood and hardwood, respectively, in August compared to June.

In **China**, the quarter also had a challenging start due to seasonality, which mainly affected the tissue industry with price decreases and an increase in inventories of final products, which normalized by late in the quarter. The printing and writing paper industry improved slightly due to the gradual return of in-person classes in schools. On the other hand, the packaging industry improved on account of an increase in exports and e-commerce. Altogether, hardwood prices dropped 2.1% in the quarter, whereas softwood prices rose 1.8%, mainly driven by the improvement of the printing and writing paper industry.

As the lockdown measures were eased in **Europe**, the economy has started to recover and particularly in the printing, writing and specialty paper segments, driven by customer mills that resumed production. That was in addition to the tissue industry, specifically products for hotels and restaurants, that also started to improve slightly, but there are other tissues in the away-from-home segment that are still depressed. COVID-19 cases started to increase late in the quarter, leading to new restrictions on mobility. Prices remained unchanged throughout the quarter.

ARAUCO	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	1,203	1,050	1,387	(13.3%)	14.6%	3,380	4,127	(18.1%)
Pulp**	468	498	611	(23.4%)	(6.1%)	1,416	1,846	(23.3%)
Wood Products**	699	520	739	(5.4%)	34.4%	1,866	2,178	(14.3%)
Forestry	36	32	38	(4.2%)	13.0%	98	103	(5.3%)
Others	0	0	0	(100.0%)	N/A	0	0	(72.5%)
<b>EBITDA*</b>	<b>296</b>	<b>197</b>	<b>256</b>	<b>15.9%</b>	<b>50.1%</b>	<b>709</b>	<b>922</b>	<b>(23.1%)</b>
EBIT	83	(3)	32	158.7%	2671.1%	102	290	(64.8%)
Non operating income	(25)	(72)	(72)	64.7%	64.8%	(160)	(100)	(60.1%)
<b>Net income</b>	<b>36</b>	<b>(56)</b>	<b>(29)</b>	<b>222.7%</b>	<b>164.5%</b>	<b>(49)</b>	<b>154</b>	<b>(132.1%)</b>

Figures in US\$ million

\*Adj. EBITDA informed by Arauco was US\$291million for 3Q20, US\$206 million for 2Q20, and US\$238 million for 3Q19

Adj. EBITDA = Net Income + fin. costs - 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

The third quarter marked a turning point for **sawn timber** regarding the trend of the first six months of 2020, with greater market demand starting to be evident. The scenario for the fourth quarter of the year may be similar to that in the third quarter, with higher demand than that in the first half of the year. The greatest challenge may be related to the logistical supply in some markets.

Regarding **remanufactured products**, the good results in the United States continue, explained by a very strong retail sector and the recovery of the construction industry. Regarding supply, some competitors had additional tariffs in this country. The fallout of the sanitary crisis has also hit demand, but there is still a supply shortfall which has allowed Arauco to carry on improving its market share.

### Plywood

The trend of early this year consolidated in the third quarter, with an improvement of sales compared to 2019. That is explained by greater demand in some markets like the United States, Europe and Oceania, in addition to logistical complications for competitors due to the effects of COVID-19. The good results may continue in the last quarter of the year, despite the higher exports and especially from Brazil, which could have a greater impact in 2021.

### Panels (MDF, PB and Melamine)

The Latin American market had a good start to 2020, with volume and price increases in some markets, but was really hit in the second quarter by COVID-19 and quarantine. Recovery of the region was evident in the third quarter due to the reopening of markets and some measures of different governments that have boosted consumption. This volume and price improvement may continue in the last quarter of the year.

**3Q20 / 2Q20.** Arauco posted net income of US\$36 million, which was up on the loss of US\$56 million the previous quarter, due to favorable operating and non-operating income.

**Operating income** was up US\$86 million QoQ, on account of panel and sawn timber sale volumes increasing 40.2% and 20.2%, respectively. That was partly offset by the panel price drop, and pulp volumes and prices decreasing 5.1% and 2.2%, respectively. Raw softwood, bleached softwood and bleached hardwood costs dropped 3.4%, 2.3% and 0.7%, respectively.

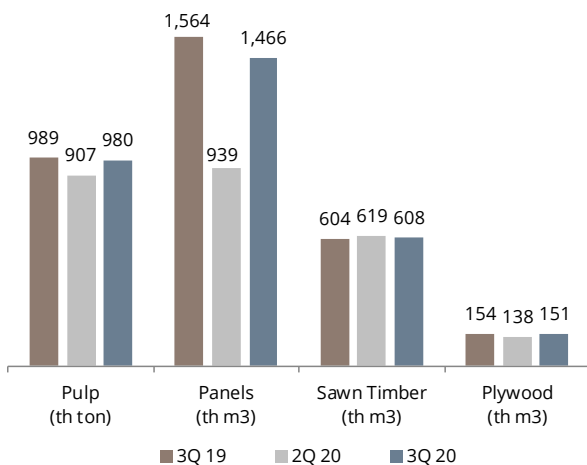
**Non-operating** income was US\$47 million less negative, mainly because of favorable exchange rate differences and lower other expenses. That was offset by lower other revenue and decreased financial income.

**2020 / 2019.** Arauco posted a loss of US\$49 million, US\$203 million down on the previous year. That was mainly due to operating income decreasing US\$188 million, principally related to lower pulp revenue from price and volume decreases. Non-operating income fell US\$60 million.

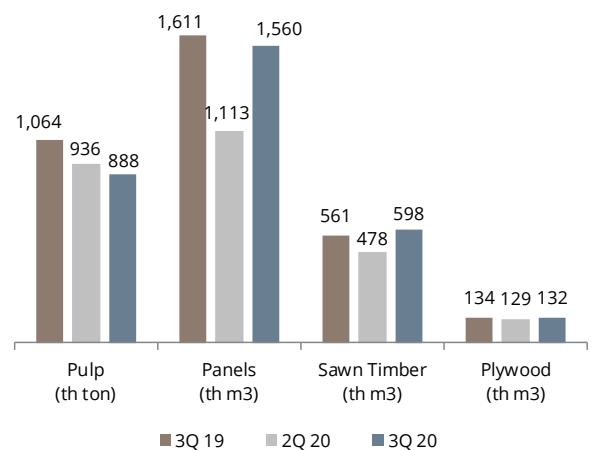
Consolidated **revenue** was down 18.1%, mainly explained by lower pulp and wood products. Pulp revenue dropped 23.3% because of price and volume decreases of 20.2% and 6.0%, respectively. Timber revenues fell 14.3%, due to sawn timber volumes and prices dropping 6.5% and 3.6%, respectively. Panel volumes and prices also dropped 6.4% and 4.5%, respectively. There were lower unit sale costs of bleached softwood, raw softwood and bleached hardwood of 4.8%, 2.5% and 2.3%, 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, along with mill stoppage expenditure, higher financial costs and lower income from the interest in associates.

Production by Business



Sales Volumes by Business



## COPEC

**3Q20 / 3Q19.** Copec posted net income of Ch\$13,805 million in 3Q20, which was down on earnings of Ch\$31,413 million in 3Q19. There was a drop in operating income, because of a lower sales volume from the effects of the coronavirus on mobility, and non-operating income was less favorable.

The consolidated **EBITDA** was Ch\$78,672 million, dropping 30.1% 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.

The EBITDA in **Chile** decreased 36.4%, mainly due to volumes dropping 21.2%. Dealer channel and industrial channel were down 17.0% and 26.3%, respectively. Margins also declined, mainly related to the effect of the inventory revaluation. The liquid fuel market share was 59.2% as of July 2020, which is an increase on the 57.7% reported as of September 2019.

**Terpel's** EBITDA dropped 37.2%, due to decreased volumes and a lower effect of revaluation of inventories, due to a high comparative base. Liquid fuel sales volumes were down 27.5% in consolidated terms, explained by decreases of 27.6% in Colombia, 34.1% in Panama, 14.6% in Ecuador, 56.9% in the Dominican Republic, and 45.6% in Peru. The vehicular natural gas (NGV) business volume dropped 37.8% in Colombia and 38.2% in Peru.

**Mapco's** EBITDA was US\$20 million and higher than the US\$18 million recorded the previous year, due to better margins. Physical sales were 514 thousand m<sup>3</sup>, decreasing 7.4%.

Consolidated **non-operating income** was unfavorable. There was lower income in associates, mainly due to the reclassification of Sonacol as an available-for-sale asset and higher other expenses.

COPEC CONSOLIDATED (Including Terpel & Mapco)	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	2,119,118	1,859,279	3,184,545	(33.5%)	14.0%	7,159,301	8,905,249	(19.6%)
<b>EBITDA</b>	<b>78,672</b>	<b>43,618</b>	<b>112,524</b>	<b>(30.1%)</b>	<b>80.4%</b>	<b>263,880</b>	<b>343,232</b>	<b>(23.1%)</b>
EBIT	29,988	(6,158)	68,617	(56.3%)	587.0%	116,464	212,358	(45.2%)
Non operating income	(18,538)	(26,842)	(9,799)	(89.2%)	30.9%	(62,311)	(38,972)	(59.9%)
<b>Net income</b>	<b>13,805</b>	<b>(15,507)</b>	<b>31,413</b>	<b>(56.1%)</b>	<b>189.0%</b>	<b>47,824</b>	<b>110,255</b>	<b>(56.6%)</b>
Copec Chile physical sales (thousand of m <sup>3</sup> )	2,047	1,878	2,599	(21.2%)	9.0%	6,551,356	7,730,095	(15.2%)
Gas stations channel	1,176	989	1,417	(17.0%)	18.9%	3,615,472	4,239,432	(14.7%)
Industrial channel	871	888	1,182	(26.3%)	(2.0%)	2,935,884	3,490,663	(15.9%)
Copec Chile market share	59.2%	59.7%	57.7%	2.5%	(1.0%)	59.1%	57.9%	2.1%

Figures in millions of Chilean pesos

TERPEL	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	3,818,934	2,641,596	5,929,303	(35.6%)	44.6%	11,777,313	16,413,025	(28.2%)
<b>EBITDA</b>	<b>174,605</b>	<b>(18,907)</b>	<b>278,101</b>	<b>(37.2%)</b>	<b>1023.5%</b>	<b>309,413</b>	<b>720,750</b>	<b>(57.1%)</b>
EBIT	80,110	(113,331)	188,581	(57.5%)	170.7%	32,040	464,522	(93.1%)
Non operating income	(61,384)	(54,848)	(44,036)	(39.4%)	(11.9%)	(165,623)	(168,798)	1.9%
Net income								
<b>Profit attributable to controllers</b>	<b>23,959</b>	<b>(147,363)</b>	<b>93,360</b>	<b>(74.3%)</b>	<b>116.3%</b>	<b>(117,315)</b>	<b>189,482</b>	<b>(161.9%)</b>
Profit attributable to minority interest	2.4	(4.9)	0.6	329.2%	148.0%	(2.2)	(2.3)	5.0%
Terpel physical sales (thousand of m <sup>3</sup> )	1,956	1,382	2,698	(27.5%)	41.5%	5,771	7,755	(25.6%)
Colombia	1,456	1,046	2,011	(27.6%)	39.2%	4,315	5,778	(25.3%)
Panama	178	126	271	(34.1%)	40.9%	553	799	(30.8%)
Ecuador	280	189	328	(14.6%)	48.2%	759	934	(18.8%)
Dominican Republic	25	11	58	(56.9%)	118.8%	90	170	(47.0%)
Peru	17	9	31	(45.6%)	78.3%	55	73	(25.4%)
Gazel NGV physical sales (thousand of m <sup>3</sup> )	53	35	86	(37.9%)	54.0%	160	251	(36.1%)
Colombia	40	28	64	(37.8%)	44.0%	123	186	(34.1%)
Peru	13	7	22	(38.2%)	94.3%	38	64	(41.7%)

Figures in millions of Colombian pesos

UNITED STATES (Mapco)	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Revenues	388	320	473	(18.1%)	21.0%	1,094	1,358	(19.5%)
<b>EBITDA</b>	<b>20</b>	<b>34</b>	<b>18</b>	<b>16.4%</b>	<b>(39.4%)</b>	<b>69</b>	<b>46</b>	<b>50.4%</b>
Mapco physical sales (thousand of m <sup>3</sup> )	514	431	556	(7.4%)	19.5%	1,429	1,622	(11.8%)

Figures in US\$ million



**3Q20 / 2Q20.** Net income in the quarter rose higher Ch\$29,311 million QoQ, due to lower operating and non-operating income.

**Operating income** increased Ch\$36,146 million on account of a volume recovery at Terpel and Copec Chile, along with a less unfavorable effect of the revaluation of inventories. That was offset by a drop in income at Mapco related to lower margins.

**Volumes** in Chile increased 9.0%. Terpel's volumes rose 39.2% in Colombia, 40.9% in Panama, 48.2% in Ecuador, 118.8% in the Dominican Republic, and 78.3% in Peru. The NGV volumes increased 44.0% in Colombia and 94.3% in Peru. Mapco had a 19.5% increase in physical sales.

**Non-operating income** was Ch\$8,304 million more favorable, associated with lower losses in associates from the provisions of the aviation segment in the second quarter, along with positive exchange rate differences.

**2020 / 2019.** Copec had net income of Ch\$47,824 million, which was down on the Ch\$110,255 million as of September 2019, explained by lower operating income and a higher non-operating income loss, partly offset by lower tax.

Consolidated **EBITDA** dropped 23.1% and amounted to Ch\$263,880 million, mainly due to a volume decrease from the lower mobility because 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 11.8%, mainly as a result of the unfavorable effects of the revaluation of inventories and a 15.2% drop in volume, with decreases of 14.7% in the dealer channel and 15.9% in the industrial channel. The liquid fuel market share is therefore 59.1% as of July 2020 (latest data available), which is an increase on the 57.9% as of September 2019.

**Terpel's EBITDA** was down 57.1%, because of lower volumes and margins, the latter related to inventory revaluation losses. Liquid fuel sales volumes dipped 25.6% in consolidated terms, explained by decreases of 25.3% in Colombia, 30.8% in Panama, 18.8% in Ecuador, 47.0% in the Dominican Republic, and 25.4% in Peru. The NGV volume dropped 34.1% in Colombia and 41.7% in Peru.

**Mapco's EBITDA** was US\$69 million and up on the US\$46 million attained as of September 2019 due to better margins. Physical sales were 1,429 thousand m3, which was a 11.8% decrease.

Consolidated **non-operating** income was more unfavorable, due to lower income from the interest in associates, mainly explained by Copec Aviation (former Air BP) and Sonacol, and a drop in other revenue, on account of a high comparative base due to the sale of real estate assets in the first half of 2019, partly offset by favorable exchange rate differences.

## ABASTIBLE

**3Q20 / 3Q19.** Abastible posted earnings of Ch\$22,858 million, which were up on net income of Ch\$14,904 million YoY. That was due to higher operating income and offset by lower non-operating income.

In consolidated terms, the **EBITDA** increased 8.5% to Ch\$42,641 million. There was a better EBITDA particularly in Chile and Colombia with increases of 8.5% and 9.4%, respectively. The EBITDA of Ecuador was in line with the previous year.

**Non-operating** income fell, mainly because of unfavorable income in associates due to the reclassification of Sonacol and Gasmar as available-for-sale assets, partly offset by higher other revenue.

Liquefied gas volumes in Colombia and Ecuador in 3Q20 rose 13.4% and 2.6%, amounting to 61 thousand tons and 126 thousand tons, respectively. Volumes in Chile and Peru dropped 0.9% and 14.4% to 148 thousand tons and 95 thousand tons, respectively.

**3Q20 / 2Q20.** Abastible posted earnings of Ch\$22,858 million that were up on those of Ch\$18,240 million the prior quarter, explained by higher operating and non-operating income.

**Operating income** increased Ch\$7,017 million, mainly due to higher volumes in all countries. The change in **non-operating** income was favorable, explained by higher other revenue.

Sales **volumes** increased 9.3% in Chile, 17.6% in Colombia, 26.5% in Peru and 17.1% in Ecuador.

**2020 / 2019.** Abastible posted net income of Ch\$38,806 million, which was a decrease on net income of Ch\$44,700 million reported the previous year. That was due to a greater non-operating income loss, on account of decreased earnings in associates, lower other earnings and higher other expenses. Operating income remained stable.

In consolidated terms, **EBITDA** increased 7.2% to Ch\$106,726 million. There was a better EBITDA in Colombia and Chile with increases of 12.4%, 5.7%, respectively. Operations in Ecuador had an EBITDA decrease of 3.0%.

Year-to-date, liquefied gas sales **volumes** in Chile, Colombia and Ecuador increased 1.1%, 10.1%, and 0.5%, respectively, on those in the same period of last year, amounting to 393 thousand tons, 168 thousand tons, and 350 thousand tons, respectively. Sales volumes in Peru dropped 10.5% to 266 thousand tons.

ABASTIBLE CONS. (Includes Chile, Colombia, Peru, Ecuador)	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	225,821	186,022	219,202	3.0%	21.4%	606,644	601,131	0.9%
<b>EBITDA</b>	<b>42,641</b>	<b>35,520</b>	<b>39,317</b>	<b>8.5%</b>	<b>20.0%</b>	<b>106,726</b>	<b>99,563</b>	<b>7.2%</b>
EBIT	30,466	23,448	28,737	6.0%	29.9%	70,479	70,918	(0.6%)
Non operating income	(2,755)	(5,598)	(883)	(212.2%)	50.8%	(12,130)	(2,578)	(370.6%)
<b>Net income</b>	<b>22,858</b>	<b>18,240</b>	<b>14,904</b>	<b>53.4%</b>	<b>25.3%</b>	<b>38,806</b>	<b>44,700</b>	<b>(13.2%)</b>
Abastible Chile LPG physical sales (thousand of tons)	148	135	149	(0.9%)	9.3%	393	389	1.1%

Figures in million chilean pesos

NORGAS (Colombia)	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	144,766	117,448	131,404	10.2%	23.3%	394,345	406,958	(3.1%)
<b>EBITDA</b>	<b>32,511</b>	<b>31,010</b>	<b>29,726</b>	<b>9.4%</b>	<b>4.8%</b>	<b>90,624</b>	<b>80,653</b>	<b>12.4%</b>
IN Colombia LPG physical sales (thousand of tons)	61	52	53	13.4%	17.6%	168	152	10.1%

Figures in million colombian pesos

SOLGAS (Peru)	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	246,532	160,232	369,115	(33.2%)	53.9%	667,242	940,987	(29.1%)
<b>EBITDA</b>	<b>22,199</b>	<b>10,364</b>	<b>17,019**</b>	<b>30.4%</b>	<b>114.2%</b>	<b>56,424</b>	<b>49,578</b>	<b>13.8%</b>
Solgas Perú LPG physical sales (thousand of tons)*	95	75	111	(14.4%)	26.5%	266	298	(10.5%)

Figures in thousand soles peruanos

DURAGAS (Ecuador)	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	32	25	32	(0.6%)	26.1%	85	92	(7.8%)
<b>EBITDA</b>	<b>3.7</b>	<b>3.1</b>	<b>3.7</b>	<b>(0.0%)</b>	<b>18.1%</b>	<b>9.3</b>	<b>9.6</b>	<b>(3.0%)</b>
Duragas Ecuador LPG physical sales (thousand of tons)	126	108	123	2.6%	17.1%	350	348	0.5%

Figures in US\$ thousands

\* Wholesale physical volumes are excluded

\*\*Solgas's 3Q19 Ebitda has been readjusted to 32.736 thousands Peruvian soles. Empresas Copec will maintain its historical data.

## PESQUERA IQUIQUE-GUANAYE (IGEMAR)

**3Q20 / 3Q19.** Igemar posted a loss of US\$1.8 million in 3Q20, which was better than the loss of US\$7.8 million on 3Q19. That is mainly explained by higher non-operating income.

**Non-operating income** was more favorable due to positive exchange rate differences and a lower loss of associates. That was partly offset by a drop in other earnings.

**Operating income** increased US\$0.8 million, explained by a higher gross profit and lower distribution and administration costs.

708 thousand cases of canned fish were sold in the quarter, increasing 16.0%. 9.7 thousand tons of fishmeal, 1.9 thousand tons of fish oil and 4.5 thousand tons of frozen fish were sold in the quarter, decreasing 4.6%, 28.0% and 9.5%, respectively. The total fish processed amounted to 17.2 thousand tons, increasing 12.4% YoY.

In the quarter, fishmeal, canned and frozen fish **prices** dropped 0.5%, 3.3% and 4.6%, respectively, whereas fish oil prices increased 13.9%.

**3Q20 / 2Q20.** Net income dropped US\$11.6 million QoQ, due to lower operating and non-operating income.

The lower **operating income** is explained by fishmeal, fish oil, canned fish and frozen fish sales volumes dropping 13.4%, 65.8%, 36.1% and 57.3%, respectively. There were also fishmeal and fish oil price decreases of 4.6% and 8.4%, respectively.

**Non-operating** income fell on account of lower income in associates, mainly from the net income of Caleta Vitor, and higher other expenses.

**2020 / 2019.** YTD, Igemar had earnings of US\$3.2 million, and up on the loss of US\$2.2 million recognized YTD 2019. **Operating income** rose due to a higher gross margin, and there was an increase in **non-operating income**, explained by a lower exchange rate difference loss and other expenses. That was partly offset by higher tax.

Fishmeal, canned fish and frozen fish **prices** dropped 1.3%, 5.9% and 20.5%, respectively, in the quarter. The fish oil price increased 28.0%.

The company had sales of 26.9 thousand tons of fishmeal, 2.8 million cases of canned fish and 25.9 thousand tons of frozen fish, increasing 3.3%, 46.3% and 39.0%, respectively. Fish oil sales were 8.0 thousand tons, dropping 18.1% on the previous year.

The total **fish processed** was 182.8 thousand tons, a 10.3% decrease.

IGEMAR CONSOLIDATED	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Sales	47.1	70.3	47.8	(1.5%)	(32.9%)	167.2	146.9	13.8%
<b>EBITDA</b>	<b>9.4</b>	<b>18.8</b>	<b>9.0</b>	<b>3.4%</b>	<b>(50.2%)</b>	<b>36.7</b>	<b>25.0</b>	<b>47.0%</b>
EBIT	5.8	15.3	5.0	17.4%	(61.9%)	26.5	15.6	69.7%
Non operating income	(7.6)	0.0	(15.2)	50.4%	(16877.8%)	(17.7)	(20.7)	14.7%
<b>Net income</b>	<b>(1.8)</b>	<b>9.8</b>	<b>(7.8)</b>	<b>77.0%</b>	<b>(118.4%)</b>	<b>3.2</b>	<b>(2.2)</b>	<b>247.2%</b>
Physical sales								
Fishmeal (tons)	9,694	11,190	10,161	(4.6%)	(13.4%)	26,928	26,063	3.3%
Fish Oil (tons)	1,872	5,473	2,600	(28.0%)	(65.8%)	8,027	9,805	(18.1%)
Canned Fish (cases)	707,957	1,108,755	610,278	16.0%	(36.1%)	2,811,127	1,920,963	46.3%
Frozen Fish (tons)	4,511	10,569	4,985	(9.5%)	(57.3%)	25,888	18,628	39.0%
Total fish processed (tons)	17,156	106,457	15,258	12.4%	(83.9%)	182,812	203,894	(10.3%)

Figures in US\$ million

## OTHER AFFILIATES

### Sonacol

Sonacol had net income of Ch\$4,103 million in 3Q20, down on the Ch\$6,785 million in 3Q19, explained by a lower volume pipelined.

Net income was Ch\$13,130 million YTD, which was down on the Ch\$19,503 million YTD 2019. That is explained by lower operating income due to a 21.8% 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\$28,206 million in 3Q20, a 24.6% increase YoY. YTD, it reported net income of Ch\$46,332 million, up on earnings of Ch\$41,973 million in the same period of the previous year.

**Agesa** had net income of US\$7.7 million in 3Q20, which was a US\$2.8 million increase YoY. YTD, it posted net income of US\$31.5 million, 23.1% down on that in the same period of 2019.

### Corpesca and Caleta Vitor

**Corpesca** posted a loss of US\$7.8 million in 3Q20, which was worse than the loss of US\$6.4 million in 3Q19. YTD, it had a loss of US\$16.3 million, worse than the loss of US\$8.9 million YTD 2019 and which was mainly due to lower other revenue.

**Caleta Vitor** had net income of US\$4.6 million in 3Q20. YTD, net income of US\$7.7 million as of September 2020 is up on earnings of US\$6.9 million reported as of September 2019. This is mainly explained by higher income from the interest in associates and lower tax, offset by unfavorable exchange rate differences.

### Laguna Blanca (Mina Invierno)

Inversiones Laguna Blanca S.A. posted an accrued loss of US\$7.0 million in 3Q20 due to the final shutdown of its operations.

Net income from other affiliates and associates	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	3Q20 / 2Q20	Accum 20	Accum 19	Chg. 20 / 19
Sonacol*	4,103	3,072	6,785	(39.5%)	33.6%	13,130	19,503	(32.7%)
Camino Nevado	(3.9)	(4.1)	(7.9)	50.4%	4.8%	(8.5)	(33.8)	75.0%
Laguna Blanca**	(2.5)	(2.0)	(12.0)	79.0%	(26.5%)	(7.0)	(56.5)	87.6%
Metrogas*	28,206	20,850	22,631	24.6%	35.3%	46,332	41,973	10.4%
Agesa	7.7	8.8	4.9	57.3%	(12.0%)	31.5	41.0	(23.1%)
Corpesca	(7.8)	0.1	(6.4)	(22.2%)	(9936.7%)	(16.3)	(8.9)	(82.2%)
Caleta Vitor	4.6	3.1	1.2	278.7%	50.4%	7.7	7.5	2.7%

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 3Q20 dropped 10.2% 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 at Arauco from disbursements related to the MAPA project. It should be highlighted that at the close of 2019 Sonacol and Gasmar were classified as assets held for sale.

**Non-current assets** in 3Q20 rose 0.4% on those at the close of 2019. That was mainly due to a sharp increase in property, plant and equipment at Arauco, explained by investment in the MAPA project, partly offset by a decrease at Copec.

Total **current liabilities** fell 20.2% compared to those at the close of 2019. There was a decrease in accounts payable and principally at Copec, explained by a drop in sales and lower other financial liabilities at Arauco. That was partly offset by higher current financial liabilities and mainly at Abastible.

**Non-current liabilities** rose 4.4%, due to higher non-current financial liabilities at Arauco and the parent company Empresas Copec, which closed a bank loan of US\$360 million in the third quarter of 2020, of which US\$250 million were used in a capital increase in Arauco. That was partly offset by a decrease in deferred tax liabilities at Copec and Abastible.

Altogether, the company's shareholders' **equity** dropped 4.4% on that as of December 31, 2019, mainly because of lower other reserves from foreign exchange changes in the first few months of 2020.

Coverage of financial expenses dropped due to a lower EBITDA.

## CASH FLOW STATEMENT ANALYSIS

**Operating cash flow** as of September 2020 increased on the previous year, due to lower payments to suppliers at Copec and Arauco, along with a drop in tax and mainly at Arauco. That was partly offset by decreased charges from sales at Copec and Arauco.

**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	Sep-20	Dec-19	Chg. 20 / 19
Current assets	6,318	7,034	(10.2%)
Non-current assets	18,212	18,134	0.4%
<b>TOTAL ASSETS</b>	<b>24,530</b>	<b>25,168</b>	<b>(2.5%)</b>
Short term financial debt	762	925	(17.7%)
Other current liabilities	1,709	2,169	(21.2%)
<b>Total current liabilities</b>	<b>2,470</b>	<b>3,094</b>	<b>(20.2%)</b>
Long term financial debt	8,962	8,348	7.4%
Other non-current liabilities	2,417	2,552	(5.3%)
<b>Total non-current liabilities</b>	<b>11,379</b>	<b>10,900</b>	<b>4.4%</b>
<b>TOTAL LIABILITIES</b>	<b>13,850</b>	<b>13,994</b>	<b>(1.0%)</b>
Non-controlling interests	432	507	(14.7%)
Shareholder's Equity	10,248	10,667	(3.9%)
<b>TOTAL EQUITY</b>	<b>10,680</b>	<b>11,174</b>	<b>(4.4%)</b>
Leverage*	0.63	0.55	14.3%
Net financial debt	6,716	6,145	9.3%
ROCE**	4.0%	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)

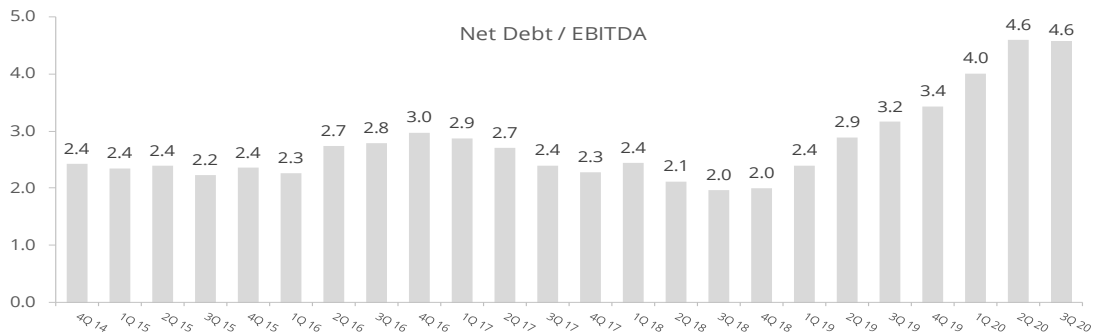
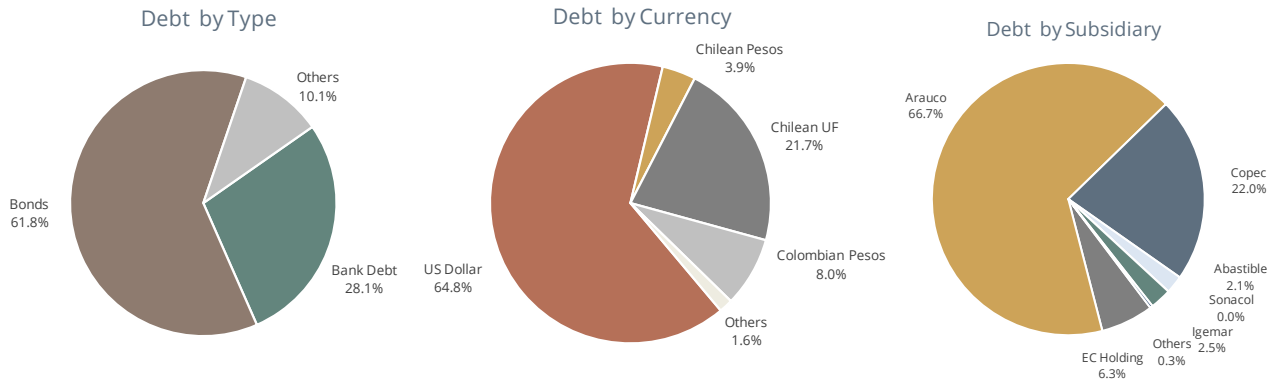
**Financing cash flow** had a negative change, mainly explained by lower proceeds from long-term loans at Arauco. That was offset by the proceeds of a loan taken out by Empresas Copec and lower dividends paid.

CASH FLOW STATEMENT	Sep-20	Sep-19
Cash flows from (used in) operating activities	1,346	972
Cash flows from (used in) investing activities	(1,508)	(1,162)
Cash flows from (used in) financing activities	156	212
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6)</b>	<b>22</b>

Figures in million US\$

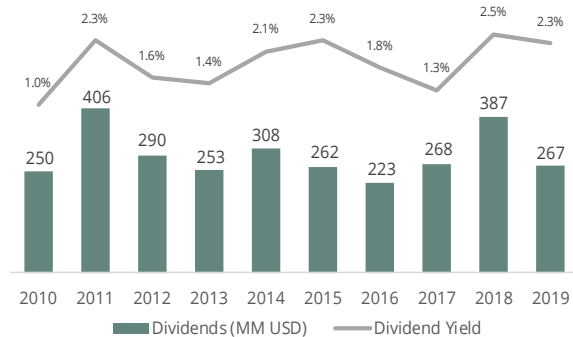
## DEBT ANALYSIS

Total financial debt: MMU\$ 9,724  
 Cash and equivalents: MMU\$ 2,301  
 Net debt: MMU\$ 7,423



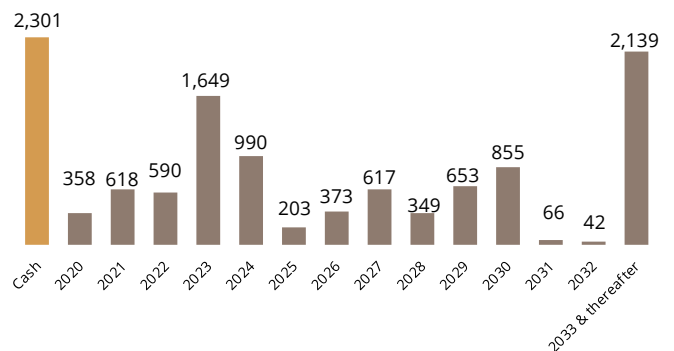
### Dividend distribution and dividend yield\*

Figures in US\$ million



### Financial debt maturities

Figures in US\$ million



\*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 September 2020)

Figures as of September 2020	Arauco	Copec	Abastible	Sonacol	Igemar	Others*	Subtotal	Elimin.	Total
Revenues from external clients	3,379,899	8,893,878	755,630	28,440	167,172	342	13,225,361	-	13,225,361
Revenues between segments	54	46,643	3,283	14,667	-	732	65,379	(65,379)	-
Interest Income	23,683	6,152	1,161	17	301	7,260	38,574	-	38,574
Interest Expense	(202,099)	(85,800)	(12,346)	(2,068)	(6,349)	(2,668)	(311,330)	-	(311,330)
<b>Interest expense, net</b>	<b>(178,416)</b>	<b>(79,648)</b>	<b>(11,185)</b>	<b>(2,051)</b>	<b>(6,048)</b>	<b>4,592</b>	<b>(272,756)</b>	-	<b>(272,756)</b>
<b>Income (loss) from the reporting segment</b>	<b>(49,594)</b>	<b>45,060</b>	<b>55,967</b>	<b>16,442</b>	<b>5,329</b>	<b>1,067</b>	<b>74,271</b>	-	<b>74,271</b>
EBIT	102,267	146,853	88,169	25,283	26,504	(11,416)	377,660	-	377,660
Depreciation	367,209	137,322	37,683	-	9,831	350	552,395	-	552,395
Amortization	11,428	51,334	7,662	-	410	1	70,835	-	70,835
Fair value cost of timber harvested	228,072	-	-	-	-	-	228,072	-	228,072
<b>EBITDA</b>	<b>708,976</b>	<b>335,509</b>	<b>133,514</b>	<b>25,283</b>	<b>36,745</b>	<b>(11,065)</b>	<b>1,228,962</b>	-	<b>1,228,962</b>
Share in income (loss) of associates	818	(4,605)	1,212	-	(3,272)	19,891	14,044	-	14,044
Income (expense) from income taxes	7,726	(23,660)	(17,027)	(6,129)	(3,498)	1,306	(41,282)	-	(41,282)
<b>Investments by segment</b>									
Payments for acq. prop., plant and equip.	1,100,445	129,236	29,742	6,319	5,956	-	1,271,698	-	1,271,698
Acquisition other long term assets	153,243	-	-	-	-	-	153,243	-	153,243
Payments for acq. affiliates and associates	15,252	6,008	1,299	-	-	315,185	337,744	(249,945)	87,799
Purchase of intangible assets	14,631	18,985	1,438	-	-	-	35,054	-	35,054
<b>Other Payments for Investments</b>	-	-	-	-	-	-	-	-	-
<b>Total investments</b>	<b>1,283,571</b>	<b>154,229</b>	<b>32,479</b>	<b>6,319</b>	<b>5,956</b>	<b>315,185</b>	<b>1,797,739</b>	<b>(249,945)</b>	<b>1,547,794</b>
<b>Country of origin of operating revenue</b>									
Operating revenues - local (chile)	1,831,738	4,576,941	370,588	28,440	167,172	342	6,975,221	-	6,975,221
Operating revenues - foreign (foreign companies)	1,548,161	4,316,937	385,042	-	-	-	6,250,140	-	6,250,140
<b>Total operating revenues</b>	<b>3,379,899</b>	<b>8,893,878</b>	<b>755,630</b>	<b>28,440</b>	<b>167,172</b>	<b>342</b>	<b>13,225,361</b>	-	<b>13,225,361</b>
<b>Assets by segment</b>	<b>15,992,046</b>	<b>5,273,796</b>	<b>1,194,655</b>	<b>259,585</b>	<b>484,045</b>	<b>1,325,520</b>	<b>24,529,647</b>	-	<b>24,529,647</b>
Equity method investments	298,367	4,410	6,407	-	183,518	592,790	1,085,492	-	1,085,492
Liabilities by segments	8,763,694	3,520,279	722,089	168,566	273,567	401,504	13,849,699	-	13,849,699
<b>Country of origin of non-current assets</b>									
Nacionalidad activos no corrientes	8,556,661	1,611,200	476,071	-	372,334	816,602	11,832,868	-	11,832,868
Foreign	4,046,781	1,856,353	475,562	-	-	-	6,378,696	-	6,378,696
<b>Total non current assets</b>	<b>12,603,442</b>	<b>3,467,553</b>	<b>951,633</b>	-	<b>372,334</b>	<b>816,602</b>	<b>18,211,564</b>	-	<b>18,211,564</b>

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

## Breakdown by country

	Chile	Colombia	USA/Canada	Panama	Argentina	Brazil	Uruguay	Ecuador	Dominican Republic	Peru	México	Spain	Total
Revenues	6,975,221	2,580,336	1,725,820	316,726	279,935	296,007	250,214	333,809	53,790	193,431	220,072	-	13,225,361
Non current assets	11,834,899	789,243	781,839	641,883	752,082	676,218	1,713,417	272,241	256,809	365,074	123,977	3,882	18,211,564

Figures in thousand US\$

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

Figures as of September 2019	Arauco	Copec	Abastible	Sonacol	Igemar	Others*	Subtotal	Elimin.	Total
Revenues from external clients	4,126,791	12,894,658	866,322	40,466	146,922	673	18,075,832	-	18,075,832
Revenues between segments	120	60,443	8,412	21,662	3	833	91,473	(91,473)	-
Interest Income	22,328	7,216	1,805	89	478	13,149	45,065	-	45,065
Interest Expense	(192,718)	(96,289)	(15,066)	(2,741)	(7,604)	(1,988)	(316,406)	-	(316,406)
<b>Interest expense, net</b>	<b>(170,390)</b>	<b>(89,073)</b>	<b>(13,261)</b>	<b>(2,652)</b>	<b>(7,126)</b>	<b>11,161</b>	<b>(271,341)</b>	-	<b>(271,341)</b>
<b>Income (loss) from the reporting segment</b>	<b>153,932</b>	<b>182,865</b>	<b>71,763</b>	<b>28,445</b>	<b>(1,702)</b>	<b>(14,524)</b>	<b>420,779</b>	-	<b>420,779</b>
EBIT	290,218	309,463	103,197	42,563	15,621	(15,056)	746,006	-	746,006
Depreciation	377,204	128,654	39,612	7,320	9,094	760	562,644	-	562,644
Amortization	9,717	56,173	2,071	-	281	15	68,257	-	68,257
Fair value cost of timber harvested	244,567	-	-	-	-	-	244,567	-	244,567
<b>EBITDA</b>	<b>921,706</b>	<b>494,290</b>	<b>144,880</b>	<b>49,883</b>	<b>24,996</b>	<b>(14,281)</b>	<b>1,621,474</b>	-	<b>1,621,474</b>
Share in income (loss) of associates	3,881	14,705	12,567	-	(2,529)	(9,753)	18,871	-	18,871
Income (expense) from income taxes	(36,636)	(70,465)	(27,683)	(10,528)	3,395	891	(141,026)	-	(141,026)
<b>Investments by segment</b>									
Payments for acq. prop., plant and equip.	652,523	157,953	76,802	15,487	4,653	10	907,428	-	907,428
Acquisition other long term assets	177,703	-	3,024	-	-	-	180,727	-	180,727
Payments for acq. affiliates and associates	172,291	32,657	-	-	20,000	80,560	305,508	-	305,508
Purchase of intangible assets	15,266	24,965	1,362	-	-	-	41,593	-	41,593
<b>Total investments</b>	<b>1,017,783</b>	<b>215,575</b>	<b>81,188</b>	<b>15,487</b>	<b>24,653</b>	<b>80,570</b>	<b>1,435,256</b>	-	<b>1,435,256</b>
<b>Country of origin of operating revenue</b>									
Operating revenues - local (chile)	1,945,678	6,484,887	396,604	40,466	146,922	673	9,015,230	-	9,015,230
Operating revenues - foreign (foreign companies)	2,181,113	6,409,771	469,718	-	-	-	9,060,602	-	9,060,602
<b>Total operating revenues</b>	<b>4,126,791</b>	<b>12,894,658</b>	<b>866,322</b>	<b>40,466</b>	<b>146,922</b>	<b>673</b>	<b>18,075,832</b>	-	<b>18,075,832</b>
<b>Assets by segment</b>	<b>15,562,711</b>	<b>5,578,947</b>	<b>1,324,051</b>	<b>283,874</b>	<b>512,507</b>	<b>1,283,651</b>	<b>24,545,741</b>	-	<b>24,545,741</b>
Equity method investments	284,815	53,760	60,637	-	192,674	589,985	1,181,871	-	1,181,871
Liabilities by segments	8,196,282	3,738,682	827,243	185,363	287,286	49,547	13,284,403	-	13,284,403
<b>Country of origin of non-current assets</b>									
Nacionalidad activos no corrientes	7,553,586	1,787,569	554,322	272,481	379,546	880,683	11,428,187	-	11,428,187
Foreign	4,406,450	1,912,902	533,455	-	-	-	6,852,807	-	6,852,807
<b>Total non current assets</b>	<b>11,960,036</b>	<b>3,700,471</b>	<b>1,087,777</b>	<b>272,481</b>	<b>379,546</b>	<b>880,683</b>	<b>18,280,994</b>	-	<b>18,280,994</b>

\*Includes Abar, 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	Spain	Total
Revenues	9,015,230	3,959,018	2,421,610	556,809	297,025	387,753	336,532	426,894	126,772	251,654	296,535	-	18,075,832
Non current assets	11,428,187	857,774	853,931	611,201	799,370	920,229	1,708,519	295,144	260,843	418,006	127,790	-	18,280,994

Figures in thousand US\$



## FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION	Sep-20	Sep-19	Chg. 20 / 19
Revenue	13,225,361	18,075,832	(26.8%)
Cost of sales	(11,274,872)	(15,492,550)	(27.2%)
<b>Gross profit</b>	<b>1,950,489</b>	<b>2,583,282</b>	(24.5%)
Other income	201,734	226,913	(11.1%)
Distribution costs	(871,271)	(1,035,835)	(15.9%)
Administrative expenses	(701,558)	(801,441)	(12.5%)
Other expense	(173,688)	(120,183)	44.5%
Other gains (losses)	(1,681)	1,364	(223.2%)
Finance income	38,574	45,065	(14.4%)
Financial costs	(311,330)	(316,406)	(1.6%)
Share of profit (loss) of associates and joint ventures accounted for using equity method	14,044	18,871	(25.6%)
Foreign exchange differences	(22,352)	(28,932)	(22.7%)
Gains (losses) on net monetary position	(7,408)	(10,893)	(32.0%)
<b>Profit (loss) before tax</b>	<b>115,553</b>	<b>561,805</b>	(79.4%)
Income tax expense	(41,282)	(141,026)	(70.7%)
<b>Profit (loss) from continuing operations</b>	<b>74,271</b>	<b>420,779</b>	(82.3%)
<b>Profit (loss)</b>	<b>74,271</b>	<b>420,779</b>	(82.3%)
<b>Profit (loss), attributable to</b>			
Profit (loss), attributable to owners of parent	72,267	378,392	(80.9%)
Profit (loss), attributable to non-controlling interests	2,004	42,387	(95.3%)
<b>Total profit (loss)</b>	<b>74,271</b>	<b>420,779</b>	(82.3%)

Figures in thousand US\$

## FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME	Sep-20	Sep-19	Chg. 20 / 19
<b>Profit (loss)</b>	74,271	420,779	(82.3%)
<b>Other comprehensive income that will not be reclassified to profile</b>	2,317	940	146.5%
Gains (losses) on exchange differences on translation, before tax	(445,415)	(163,363)	(172.7%)
Other comprehensive income, before tax, exchange differences on translation	(445,415)	(163,363)	(172.7%)
Gains (losses) on remeasuring available-for-sale financial assets, before tax	0	527	(100.0%)
Other comprehensive income, before tax, available-for-sale financial assets	0	527	(100.0%)
Gains (losses) on cash flow hedges, before tax	(55,151)	2,251	(2550.1%)
Reclassification adjustments on cash flow hedges, before tax	(53,065)	(15,465)	(243.1%)
Other comprehensive income, before tax, gains (losses) from investments in equity instruments	(108,216)	(13,214)	(718.9%)
Other comprehensive income, before tax, gains (losses) on revaluation	4,968	0	-
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	8	(3,271)	100.2%
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(120)	(177)	32.2%
<b>Other comprehensive income, before tax</b>	(549,949)	(150,340)	(265.8%)
Income tax relating to investments in equity instruments of other comprehensive income	1,356	(646700.0%)	121.0%
Income tax relating to cash flow hedges of other comprehensive income	24,094	3,763	540.3%
Income tax relating to defined benefit plans of other comprehensive income	154	(265)	158.1%
Aggregated income tax relating to components of other comprehensive income	25,604	(2,969)	962.4%
Other comprehensive income	(522,028)	(152,369)	(242.6%)
<b>Total comprehensive income</b>	<b>(447,757)</b>	<b>268,410</b>	<b>(266.8%)</b>
<b>Comprehensive income attributable to</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Comprehensive income, attributable to non-controlling interests</b>	<b>(38,707)</b>	<b>32,634</b>	<b>(218.6%)</b>

Figures in thousand US\$

## FINANCIAL STATEMENTS

BALANCE SHEET - ASSETS	Sep-20	Dec-19	Chg. 20 / 19
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,164,384	2,214,887	(2.3%)
Other current financial assets	136,676	124,918	9.4%
Other current non-financial assets	206,400	211,141	(2.2%)
Trade and other receivables, current	1,349,944	1,675,937	(19.5%)
Trade and other current receivables	48,795	84,516	(42.3%)
Inventories	1,597,564	1,823,893	(12.4%)
Current biological assets	270,343	275,792	(2.0%)
Current tax assets	194,154	263,957	(26.4%)
<b>Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners</b>	<b>5,968,260</b>	<b>6,675,041</b>	<b>(10.6%)</b>
Non-current assets or disposal groups classified as held for sale	349,823	359,349	(2.7%)
Non-current assets or disposal groups classified as held for sale or for distribution to owners	<b>349,823</b>	<b>359,349</b>	<b>(2.7%)</b>
<b>Total current assets</b>	<b>6,318,083</b>	<b>7,034,390</b>	<b>(10.2%)</b>
<b>Non-current assets</b>			
Other non-current financial assets	125,213	108,072	15.9%
Other non-current non-financial assets	173,405	180,604	(4.0%)
Trade and other receivables, Non current	15,317	19,870	(22.9%)
Non-current receivables to related parties	7,723	7,456	3.6%
Investments accounted for using equity method	1,085,492	1,026,173	5.8%
Intangible assets other than goodwill	881,022	977,805	(9.9%)
Goodwill	394,296	413,693	(4.7%)
Property, plant and equipment	10,951,660	11,486,350	(4.7%)
Assets by right of use	712,612	0	
Non-current biological assets	3,300,249	3,393,634	(2.8%)
Investment property	26,745	35,300	(24.2%)
Deferred tax assets	537,830	484,563	11.0%
<b>Total non-current assets</b>	<b>18,211,564</b>	<b>18,133,520</b>	<b>0.4%</b>
<b>Total assets</b>	<b>24,529,647</b>	<b>25,167,910</b>	<b>(2.5%)</b>

## FINANCIAL STATEMENTS

BALANCE SHEET - LIABILITIES AND EQUITY	Sep-20	Dec-19	Chg. 20 / 19
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other current financial liabilities	644,643	795,723	(19.0%)
Liabilities on current leaseings	116,942	129,228	(9.5%)
Trade and other current payables	1,341,823	1,793,854	(25.2%)
Other current payables to related parties	7,314	6,197	18.0%
Other short-term provisions	21,267	18,999	11.9%
Current tax liabilities	43,544	25,102	73.5%
Current provisions for employee benefits	11,406	11,810	(3.4%)
Other current financial liabilities	111,425	126,369	(11.8%)
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>2,298,364</b>	<b>2,907,282</b>	<b>(20.9%)</b>
Liabilities included in disposal groups classified as held for sale	172,128	186,860	(7.9%)
<b>Total current liabilities</b>	<b>2,470,492</b>	<b>3,094,142</b>	<b>(20.2%)</b>
<b>Non-current payables</b>			
Other non-current financial liabilities	8,372,349	7,689,047	8.9%
Liabilities on non current leaseings	590,118	658,704	(10.4%)
Non-current payables	888	3,189	(72.2%)
Non-current liabilities	1,713	0	
Other long-term provisions	68,726	80,556	(14.7%)
Deferred tax liabilities	2,087,788	2,169,305	(3.8%)
Non-current provisions for employee benefits	113,554	113,753	(0.2%)
Other non-current non-financial liabilities	144,071	185,176	(22.2%)
<b>Total non-current liabilities</b>	<b>11,379,207</b>	<b>10,899,730</b>	<b>4.4%</b>
<b>Total liabilities</b>	<b>13,849,699</b>	<b>13,993,872</b>	<b>(1.0%)</b>
<b>Equity</b>			
Issued capital	686,114	686,114	0.0%
Retained earnings	11,345,275	11,283,478	0.5%
Other reserves	(1,783,550)	(1,302,233)	37.0%
<b>Equity attributable to owners of parent</b>	<b>10,247,839</b>	<b>10,667,359</b>	<b>(3.9%)</b>
Non-controlling interests	432,109	506,679	(14.7%)
<b>Total equity</b>	<b>10,679,948</b>	<b>11,174,038</b>	<b>(4.4%)</b>
<b>Total equity and liabilities</b>	<b>24,529,647</b>	<b>25,167,910</b>	<b>(2.5%)</b>

## FINANCIAL STATEMENTS

<b>STATEMENT OF CASH FLOWS</b>	<b>Sep-20</b>	<b>Sep-19</b>	<b>Chg. 20 / 19</b>
<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	14,191,747	19,900,240	(28.7%)
Receipts from premiums and claims, annuities and other policy benefits	425	696	(38.9%)
Receipts from leasing and subsequent sale of those assets	535	0	
Other cash receipts from operating activities	600,722	345,765	73.7%
Payments to suppliers for goods and services	(12,203,191)	(17,752,383)	31.3%
Payments to and on behalf of employees	(753,046)	(814,761)	7.6%
Payments for premiums and claims, annuities and other policy benefits	(10,955)	(10,289)	(6.5%)
Other cash payments from operating activities	(326,169)	(173,412)	(88.1%)
Dividends paid	(8,158)	0	
Dividends received	8,784	2,810	212.6%
Interest paid	(191,363)	(168,820)	(13.4%)
Interest received	23,983	37,290	(35.7%)
Income taxes refund (paid)	6,712	(389,897)	101.7%
Other inflows (outflows) of cash	5,866	(5,013)	217.0%
<b>Net cash flows from (used in) operating activities</b>	<b>1,345,892</b>	<b>972,226</b>	<b>38.4%</b>

## FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (continuation)	Sep-20	Sep-19	Chg. 20 / 19
<b>Cash flows from (used in) investing activities</b>			
Cash flows from losing control of subsidiaries or other businesses	3,500	117,376	(1)
Cash flows used in obtaining control of subsidiaries or other businesses	(3,895)	(171,821)	97.7%
Cash flows used in the purchase of non-controlling interests	(69,114)	(133,687)	48.3%
Other cash receipts from sales of equity or debt instruments of other entities	7,090	19,175	(63.0%)
Other cash payments to acquire equity or debt instruments of other entities	459	0	
Other cash payments to acquire interests in joint ventures	(15,249)	0	
Loans to related parties	(1,250)	(12,821)	90.3%
Proceeds from sales of property, plant and equipment	7,578	58,589	(87.1%)
Purchase of property, plant and equipment	(1,271,698)	(907,428)	(40.1%)
Purchase of intangible assets	(35,054)	(41,593)	15.7%
Proceeds from other long-term assets	8,112	4,033	101.1%
Purchase of other long-term assets	(153,243)	(180,727)	15.2%
Cash advances and loans made to other parties	(335)	9	(3822.2%)
Cash receipts from repayment of advances and loans made to other parties	164	33	397.0%
Cash receipts from future contracts, forward contracts, option contracts and swap contracts	11,685	0	
Dividends received	4,045	24,914	(83.8%)
Interest received	28	51	(45.1%)
Other inflows (outflows) of cash	(537)	61,936	(100.9%)
<b>Net cash flows from (used in) investing activities</b>	<b>(1,507,714)</b>	<b>(1,161,961)</b>	<b>(29.8%)</b>

## FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (continuation)	Sep-20	Sep-19	Chg. 20 / 19
<b>Cash flows from (used in) financing activities</b>			
Proceeds from issuing shares	55	8,230	(99.3%)
Proceeds from long term borrowings	1,001,970	1,426,741	(29.8%)
Proceeds from short term borrowings	527,399	495,796	6.4%
<b>Proceeds from borrowings</b>	<b>1,529,369</b>	<b>1,922,537</b>	<b>(20.5%)</b>
Payments of borrowings	(1,101,703)	(1,226,102)	10.1%
Payments of finance lease liabilities	(45,426)	(84,346)	46.1%
Payments of lease liabilities	(55,731)	0	
Proceeds from government grants	2,864	0	
Dividends paid	(81,554)	(297,456)	72.6%
Interest paid	(78,968)	(103,727)	23.9%
Other inflows (outflows) of cash	(13,388)	(7,078)	(89.1%)
<b>Net cash flows from (used in) financing activities</b>	<b>155,518</b>	<b>212,058</b>	<b>(26.7%)</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>(6,304)</b>	<b>22,323</b>	<b>(128.2%)</b>
Effect of exchange rate changes on cash and cash equivalents	(44,199)	(28,235)	(56.5%)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(50,503)</b>	<b>(5,912)</b>	<b>(754.2%)</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>2,164,384</b>	<b>1,707,891</b>	<b>26.7%</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.

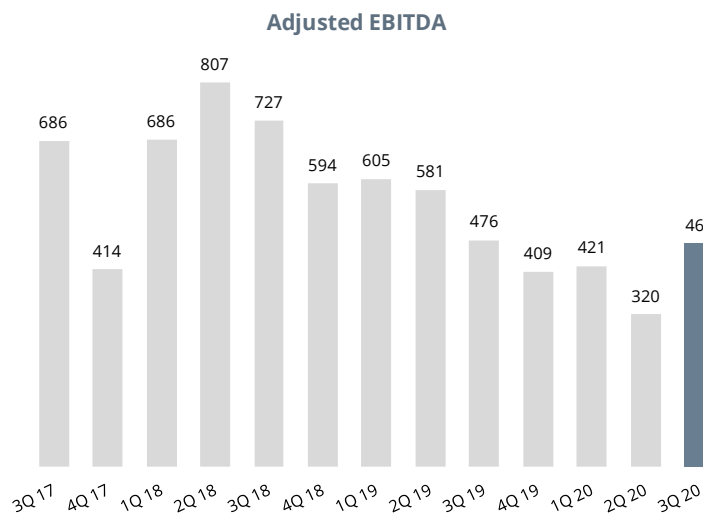
	3Q 20	2Q 20	3Q 19	3Q20 / 3Q19	Accum 20	Accum 19	Chg. 20 / 19
<b>Net Income</b>	102	(40)	38	172.6%	74	421	(82.3%)
(-) Financial Costs	(105)	(99)	(106)	(1.4%)	(311)	(316)	(1.6%)
(-) Financial Income	8	20	14	(41.4%)	39	45	(14.4%)
(-) Income Tax	(24)	19	(32)	(24.4%)	(41)	(141)	(70.7%)
(+) Depr & Amort	211	209	214	(1.4%)	623	631	(1.2%)
(+) Fair value cost of timber harvested	86	75	90	(4.8%)	228	245	(6.7%)
(-) Gain from changes in fair value of biological assets	42	36	36	16.0%	130	111	17.7%
(-) Exchange rate differences	25	(16)	(27)	(192.1%)	(22)	(29)	(22.7%)
(-) Others*	(15)	(36)	(20)	(23.4%)	(77)	(35)	120.9%
<b>Adjusted EBITDA</b>	<b>468</b>	<b>320</b>	<b>476</b>	<b>(1.6%)</b>	<b>1,209</b>	<b>1,662</b> **	<b>(27.3%)</b>

\*3Q20 includes MM US\$ 14.0 related to loss from fires. 2Q20 includes MM US\$ 34.5 due to provision of property, plant and equipment in Arauco. 3Q19 includes MM US\$ 19.9 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.



Figures in US\$ million