
# 2Q23 Earnings Release

***August 17th, 2023***

**2Q23 Results Webcast**
**Wednesday, August 23th, 2023**
11:00 EST (NY Time)
11:00 Santiago Time

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**EBITDA**

EBITDA in 2Q23 was US$ 441 million, which compared to 1Q23 and 2Q22 represents a drop of 28.4% and 56.0%, respectively, as a consequence of lower results in the forestry and energy sectors.

**2Q23 / 2Q22**

A profit of US$ 59 was recorded in the quarter, which compares negatively with the profit of US$ 382 million reported in 2Q22. This is explained by a lower operating result in the forestry sector, due to a drop in prices and higher pulp costs, added to decreased volumes of panels and timbers. Meanwhile, the energy sector recorded declines, explained by Copec Chile and Terpel, as a result of lower volumes, a negative inventory revaluation effect and a drop in the industrial margin.

**2Q23 / 1Q23**

Profit decreased US$ 96 million compared to the previous quarter, as a result of lower operating results in the forestry business, associated with lower pulp, panels and sawn timber prices, together with higher costs of bleached hardwood and bleached softwood. This was offset by an increase in pulp, panels and sawn timber volumes. Meanwhile, the energy sector also showed a decline, due to a lower result in Copec Chile and Terpel.

**2023 / 2022**

Profit decreased 78.7% compared to 2022, due to lower operating and non-operating income. The forestry sector fell as a result of a drop in volumes and prices in the pulp and wood products business. The energy sector recorded a lower operating income due to a drop in the results of Copec Chile and Terpel, explained by a decrease in margins. This was partially offset by a better operating result in Abastible.

**Highlights**

Fitch Ratings and S&P ratifie Empresas Copec on its BBB rating and stable outlook. MAPA reached 325 thousand tons produced as of July 2023. Regarding ESG, Arauco issued sustainable bonds and Copec becomes a majority shareholder in Ampere Energy. In addition, Copec's Wind Ventures was highlighted as the best Venture Capital in Chile.

**Net Debt/ EBITDA**

At the end of 2Q23, the level of indebtedness reached 3.5x, which compares with the 2.7x and 1.9x reported in 1Q23 and 2Q22, respectively. The increase during the last quarter is explained by a lower EBITDA generated during the last twelve months, due to a drop in the forestry and energy businesses, and a higher level of net debt.

| | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Revenues | 7.070 | 7.500 | 7.392 | (4,4%) | (5,7%) | 14.570 | 14.178 | 2,8% |
| EBIT | 73 | 338 | 681 | (89,3%) | (78,4%) | 411 | 1.344 | (69,4%) |
| **EBITDA*** | **441** | **616** | **1.004** | **(56,0%)** | **(28,4%)** | **1.058** | **1.944** | **(45,6%)** |
| Adjusted EBITDA** | 535 | 515 | 1.018 | (47,4%) | 3,9% | 1.050 | 2.088 | (49,7%) |
| Non operating income | (13) | (189) | (114) | 88,6% | 93,1% | (202) | (40) | (409,7%) |
| Total profit | 64 | 165 | 403 | (84,0%) | (60,9%) | 229 | 1.045 | (78,1%) |
| **Profit attributable to controllers** | **59** | **155** | **382** | **(84,7%)** | **(62,2%)** | **214** | **1.001** | **(78,7%)** |
| Profit attributable to minority | 6 | 10 | 22 | (72,5%) | (38,9%) | 16 | 44 | (64,2%) |
| | | | | | | | | |
| EBITDA Margin | 6,2% | 8,2% | 13,6% | (54,0%) | (24,1%) | 7,3% | 13,7% | (47,1%) |
| Net Debt / EBITDA | 3,5 | 2,7 | 1,9 | 80,5% | 26,4% | 3,5 | 1,9 | 80,5% |

Figures of 1Q22, 2Q22, 1Q23 and 2Q23 are presented net of Mapco's EBITDAs, which amount to US$ 16 million, US$ 24 million, US$ 13 million and US$ 21 million, respectively
Figure of 1Q23 includes adjustment for non-operating depreciation
* EBITDA = Operating Income + Depreciation + Amortization + Fair value cost of timber harvested
Figures in US$ million

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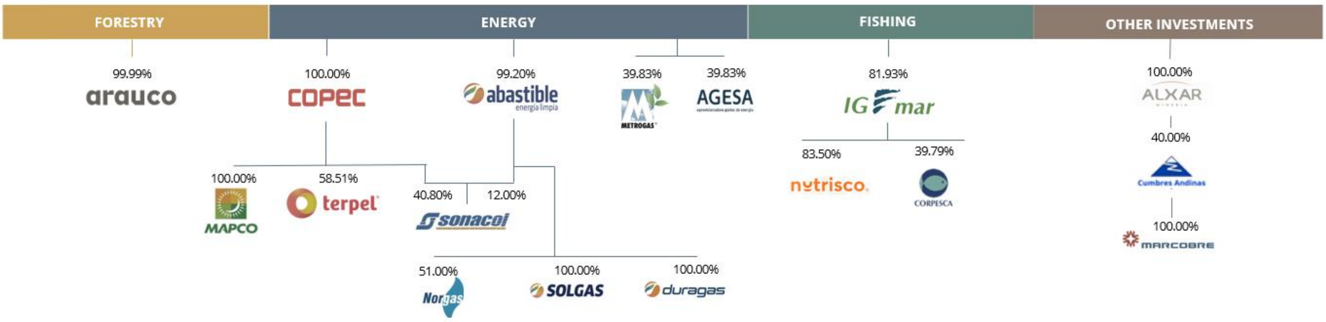
## SIMPLIFIED OWNERSHIP STRUCTURE




## HIGHLIGHTS

### MAPA's update

MAPA's sales volumes have increased in the last months, along with a positive response from clients.

Production continues to increase as expected, without significant problems, reaching approximately 325 thousand tons as of July 31, 2023, of which, 82.1% or 267 thousand tons were *prime* pulp. Full capacity is expected to be achieved in the first quarter of 2024.

### Valdivia mill resumed operations

On August 8, the Valdivia pulp mill resumed operations, after the fire that damaged the drying machine on May 26, 2022, which caused the stoppage of its operations for 3 months in 2022 and 4 months in 2023. In addition, a portion of the compensation was received from the insurance company on June 30 and it is expected to receive more during 2023.

The Valdivia Mill has an annual production capacity of 550 thousand tons of dissolving pulp. In addition, the Valdivia Mill produces renewable electricity, feeding significant surpluses into the National Electric System.

### Closure of Horcones II sawmill

On July 28, Arauco reported the closure of the Horcones II sawmill, due to the difficult situation of the timber business in Chile.

The Horcones II sawmill is located in the Arauco Region, was built in 1999 and began operations in the year 2000. It specializes in the production of thin logs and the supply of raw material for the production of pallets. The facility had a capacity of 300 thousand m3 of sawn timber, which represents 10% of the total capacity of this product for Arauco.

### Terpel successfully completes bonds issuances

On July 27, 2023 Terpel issued bonds for a total amount of COP 418,723 million, with the following characteristics:

a. Series C5, amounting to COP 106,973 million, 5 years maturity and a rate of CPI + 5.14%.
b. Series C15, amounting to COP 311,750 million, 16 years maturity and a rate pf CPI + 5,29%.

These bonds have AAA credit rating, the highest by Fitch Ratings Colombia, ratifying Terpel's leadership and financial strength.

The proceeds from the issuance will be used for debt refinancing.

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

The rating agencies maintained Empresas Copec's local (AA) and international (BBB) ratings, with a stable outlook.

This rating reflects a healthy credit profile, as well as the strong business position of its main subsidiaries Arauco, Copec and Abastible, among others.

## ESG HIGHLIGHTS

### Arauco issued sustainable bonds in the local market

During the second quarter of 2023, Arauco issued three Sustainable Bonds in the local market, with the following terms:

1. On April 25: series Y, for 2 million Unidades de Fomento (UF, Chile's inflation-indexed currency), 9 years maturity and a rate of 3,1% annual.
2. On April 25: series Z, for 5 million UF, 21 years maturity and a rate of 3,2% annual.
3. On June 13: series AB, for 5 million UF, 23 years maturity and a rate of 3,2% annual.

These series have a Chilean credit rating of AA/Stable, according to Fitch Chile and Feller Rate.

The proceeds of the placements will be used for general corporate purposes of the Company and/or its subsidiaries.

The aforementioned bonds are classified as "sustainable", since regardless of the destination of the proceeds, Arauco will allocate an equivalent amount to one or more green projects selected for the purpose of this issuance in accordance with the "Sustainability Bond Framework" subscribed by the company and published on its website.

Green and social projects may include: (i) projects with disbursements made within 36 months prior to the date of issuance of the bonds and (ii) projects with disbursements made after the date of issuance of the bonds and up to the maturity date of the bonds.

### Copec becomes majority shareholder of Ampere Energy

Copec announced the control of the company Ampere Energy, leader in the field of smart energy storage in Spain, which is expanding its geographic presence in Latin America and other markets.

Copec entered the Valencia-based firm in the second half of 2019, by acquiring 13.5% and now reaches a 65.2% share. The acquisition has the goal to accelerate energy transition process and expand its international positioning in the sector.

### Abastible's Roda-e enters the Peruvian market

Abastible's subsidiary, focused on providing integrated solutions in energy efficiency, renewable energy and sustainability, announced the expansion of its operations in Peru, from where it will be able to continue consolidating its presence and contribution to the energy transition in the region.

The announcement took place during the seminar "Energy transition 2023" organized by Solgas, a meeting that addressed trends and best practices in sustainable and efficient supply, with the participation of national and international companies and organizations.

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

The survey, conducted by CIE Innovación ESE Business and El Mercurio's Innovation section, analyzed 36 CVC's investment strategies, policies and processes, highlighting those with the greatest maturity in their fund. In addition to leading the overall ranking, WIND also led the Energy sector.

The study highlights its strategic focus and commitment to Copec's transformation, being able to identify and support companies that are at the forefront of trends in energy, mobility and convenience, generating a positive economic and social impact in the countries where the subsidiary operates.

WIND Ventures is focused on driving innovation in the New Energy, New Mobility and New Convenience sectors. Since its creation in 2019, it has invested more than US$100 million in 22 startups nationally and internationally.

# CONSOLIDATED RESULTS

**2Q23 / 2Q22.** In the second quarter of 2023, **income** attributable to owners of the controlling interest, net of minority interests, reached US$ 59 million, lower by US$ 323 million compared to the result recorded in the second quarter of 2022. This is explained by a drop of US$ 608 million in the operating income and is partially offset by a higher non-operating income of US$ 101 million.

In the **forestry sector**, Arauco recorded a decrease in operating income, due to a drop in pulp, panels and sawn timber prices, together with a drop in volumes in the two latter businesses. The foregoing is added to cost increases for all fibers, partly associated with the start-up of MAPA. All this was partly offset by an increase in panel and sawn timber sales volumes.

The lower operating income in the **energy sector** is explained by a decrease in the results of Copec Chile and Terpel. This is mainly related to higher distribution costs, together with a drop in margins in Copec Chile and Terpel, associated to a negative inventory revaluation effect, a drop in the industrial margin and a decline in volumes. Meanwhile, Abastible reported higher operating income compared to the previous year, reflecting an improvement in the performance of its operations in Chile, Colombia and Peru. This was partly offset by a lower performance in Ecuador.

The Company's **gross profit** decreased 42.1%, reaching US$ 797 million. This was mainly contributed by affiliates Copec, with US$ 406 million; Arauco, with US$ 213 million; Abastible, with US$ 107 million; Igemar, with US$ 54 million; and Sonacol, with US$ 11 million.

**Non-operating income** was favorable compared to that reported in the second quarter of 2022 due to an increase in other income, associated to a compensation of insurance due to the fire in the Valdivia plant and higher equity earnings of associates, partially offset by higher net financial costs. In addition, there is an increase in earnings from discontinued operations, due to an increase in Mapco's results.

| Income Statement | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Revenues | 7,070 | 7,500 | 7,392 | (4.4%) | (5.7%) | 14,570 | 14,178 | 2.8% |
| Cost of sales | (6,273) | (6,549) | (6,016) | (4.3%) | 4.2% | (12,822) | (11,505) | (11.4%) |
| Administration & distribution expenses | (724) | (613) | (695) | (4.2%) | (18.0%) | (1,337) | (1,329) | (0.7%) |
| **Operating Income** | **73** | **338** | **681** | **(89.3%)** | **(78.4%)** | **411** | **1,344** | **(69.4%)** |
| Other income | 169 | 85 | 103 | 63.1% | 98.6% | 254 | 194 | 30.5% |
| Other expenses | (59) | (220) | (70) | 15.5% | 73.1% | (279) | (107) | (160.4%) |
| Other gains (losses) | (4) | (6) | (1) | (466.6%) | 28.9% | (10) | (1) | (805.1%) |
| Financial cost | (177) | (155) | (92) | (92.9%) | (13.8%) | (332) | (177) | (87.3%) |
| Financial revenues | 41 | 36 | 22 | 82.1% | 13.6% | 76 | 39 | 94.4% |
| Share of profits of associates | 66 | 69 | (26) | 350.0% | (4.6%) | 135 | 62 | 119.4% |
| Foreign exchange differences | (42) | 18 | (24) | (78.5%) | (334.0%) | (24) | (12) | (107.8%) |
| Other results | (7) | (17) | (28) | 76.3% | 60.5% | (23) | (38) | 39.6% |
| **Non Operational income** | **(13)** | **(189)** | **(114)** | **88.6%** | **93.1%** | **(202)** | **(40)** | **(409.7%)** |
| Income tax expense | (2) | 15 | (173) | 99.0% | (111.2%) | 14 | (309) | 104.4% |
| Profit from discontinued operations | 6 | 1 | 9 | (33.2%) | 783.5% | 7 | 49 | (85.8%) |
| Total profit | 64 | 165 | 403 | (84.0%) | (60.9%) | 229 | 1,045 | (78.1%) |
| **Profit attributable to controllers** | **59** | **155** | **382** | **(84.7%)** | **(62.2%)** | **214** | **1,001** | **(78.7%)** |
| **Profit attributable to minority** | **6** | **10** | **22** | **(72.5%)** | **(38.9%)** | **16** | **44** | **(64.2%)** |
| | | | | | | | | |
| EBIT | 73 | 338 | 681 | (89.3%) | (78.4%) | 411 | 1,344 | (69.4%) |
| Depreciation & Amortization, and adjustments | 247 | 193 | 201 | 23.1% | 27.9% | 440 | 399 | 10.3% |
| Fair value cost of timber harvested | 121 | 85 | 123 | (1.0%) | 42.6% | 206 | 201 | 2.8% |
| **EBITDA** | **441** | **616** | **1,004** | **(56.0%)** | **(28.4%)** | **1,058** | **1,944** | **(45.6%)** |

Figures in US$ million


**2Q23 / 1Q23. Profit** decreased by US$ 96 million compared to the previous quarter, explained by a lower operating income, partially offset by a higher non-operating income.

The **forestry sector** decreased its EBITDA by 45.0%, as a result of lower pulp, panels and sawn timber prices, added to higher bleached hardwood and bleached softwood costs, partly offset by lower unbleached softwood costs.

The **energy sector** decreased its EBITDA by 20.2% measured in dollars, explained by decreases in Copec of 30.4%, offset by an increase of 44.3% and 3.4% in Abastible and Sonacol.

**Non-operating** income was less unfavorable by 93.1% due to an increase in other income from insurance compensation at the Valdivia Mill, and a decrease in other expenses, associated with plant closure and forestry fires that took place in the first quarter of 2023.

**2023 / 2022.** In the **forestry sector**, Arauco reported a drop in operating income as a result of lower volumes and prices in the pulp and wood businesses. It should be noted that there were cost increases associated, in part, with the start-up of MAPA. This was partially offset by lower distribution costs.

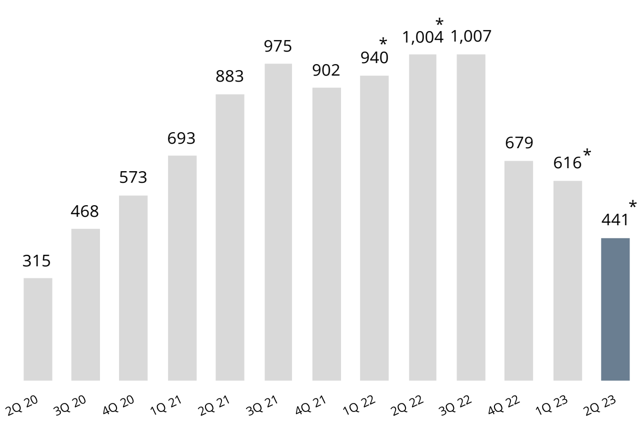
The lower **operating income** in energy is explained by a decrease in the results of Copec Chile and Terpel. This is mainly explained by lower margins in both companies, associated with a negative inventory revaluation effect and a drop in industrial margins in Chile. Meanwhile, Abastible acknowledged a higher operating income compared to the previous year, reflecting an improvement in the performance of its operations in Chile, Colombia and Peru.

**Non-operating income** was unfavorable compared to the first half of 2022, due to an increase in other expenses as a result of plant stoppages and claims in Arauco. In addition, there were higher financial costs in Arauco and Copec.

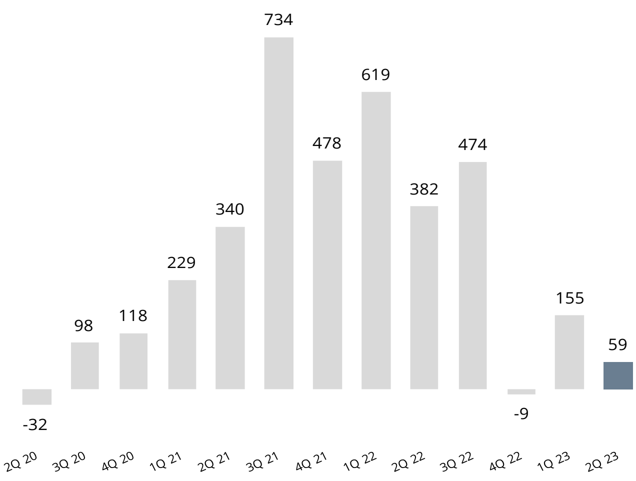
Thus, the Company's **gross profit** decreased 34.6%, reaching US$1,749 million. This was mainly contributed by the affiliates Copec, with US$ 828 million; Arauco, with US$ 619 million; Abastible, with US$ 193 million; Igemar, with US$ 92 million; and Sonacol, with US$ 22 million.

It should be noted that Mapco has been reclassified as an asset held for sale for all periods presented. Its contribution to the result is presented in the line profit from discontinued operations.

**EBITDA**




**Net Income**




*Figures of 1Q22, 2Q22, 1Q23 and 2Q23 are presented net of Mapco's EBITDAs, which amount to US$ 16 million, US$ 24 million, US$ 13 million and US$ 21 million, respectively.
Figure of 1Q23 includes adjustment for non-operating depreciation.

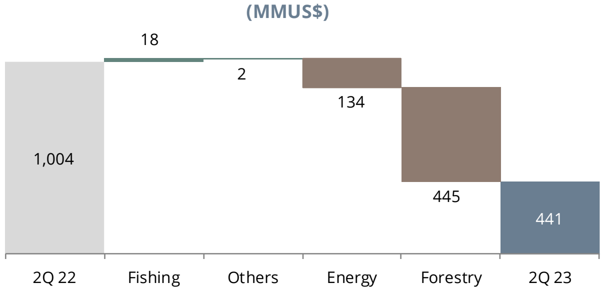
Figures in US$ million


| | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Var 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| **EBITDA** | | | | | | | | |
| Forestry | 164 | 298 | 609 | (73.1%) | (45.0%) | 462 | 1,204 | (61.6%) |
| Energy | 243 | 304 | 376 | (35.5%) | (20.2%) | 547 | 714 | (23.4%) |
| *Copec* | 177 | 255 | 322 | (44.9%) | (30.4%) | 432 | 616 | (29.9%) |
| *Abastible* | 51 | 35 | 38 | 33.1% | 44.3% | 86 | 65 | 32.5% |
| *Sonacol* | 14 | 14 | 16 | (13.3%) | 3.4% | 28 | 32 | (13.2%) |
| Fishing | 40 | 20 | 22 | 81.7% | 96.9% | 60 | 35 | 69.9% |
| Others | (5) | (6) | (3) | (45.1%) | 11.8% | (11) | (8) | 26.0% |
| **TOTAL** | **441** | **616** | **1,004** | **(56.0%)** | **(28.4%)** | **1,058** | **1,944** | **(45.6%)** |
| | | | | | | | | |
| **CAPEX** | | | | | | | | |
| Forestry | 375 | 335 | 395 | (5.2%) | 11.9% | 709 | 820 | (13.6%) |
| Energy | 92 | 115 | 112 | (18.3%) | (20.1%) | 207 | 217 | (4.5%) |
| Fishing | 106 | 2 | 9 | 1,101.2% | 4,798.2% | 108 | 17 | 517.3% |
| Others | 0 | 0 | 0 | - | - | 0 | 1 | (100.0%) |
| **TOTAL** | **572** | **452** | **516** | **10.7%** | **26.6%** | **1,024** | **1,055** | **(3.0%)** |

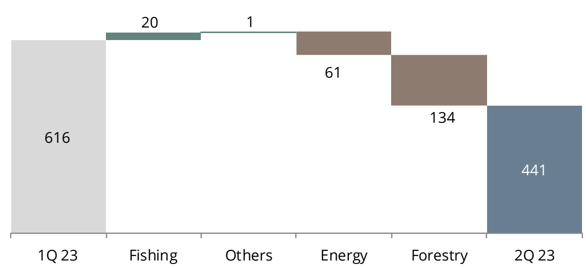
Figures of 1Q22, 2Q22, 1Q23 and 2Q23 are presented net of Mapco's EBITDAs, which amount to US$ 16 million, US$ 24 million, US$ 13 million and US$ 21 million, respectively

Figure of 1Q23 includes adjustment for non-operating depreciation

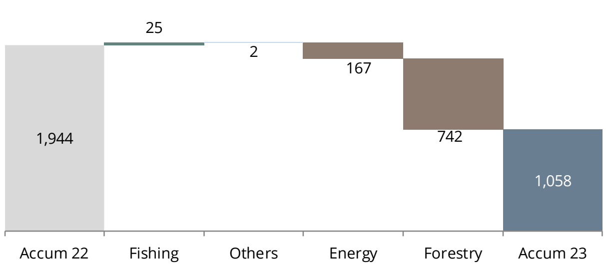
**EBITDA change by business (2Q 23 v/s 2Q 22) (MMUS$)**




**EBITDA change by business (2Q 23 v/s 1Q 23) (MMUS$)**




**EBITDA change by business (Accum 23 v/s Accum 22) (MMUS$)**



# ARAUCO

**2Q23 / 2Q22**. Arauco recorded a **loss** of US$ 47 million, which compares negatively with the US$ 304 million recorded in the same period of the previous year. This is explained by a lower operating income of US$ 477 million, which was partially offset by a higher non-operating income of US$ 25 million.

**Consolidated revenues** fell 24.5%, explained by lower sales in the pulp and wood segments. Sales of the pulp business decreased 22.7%, as prices showed a drop of 23.5%. Meanwhile, revenues from the wood products decreased 25.8%, as a result of lower volumes by 10.9% and 16.5%, and prices by 10.5% and 23.7%, in the panel and sawn timber segments, respectively. On the other hand, increases were recorded in unit selling costs for bleached hardwood, unbleached softwood and bleached softwood of 41.7%, 28.6% and 7.8%. It should be noted that part of the cost increases in hardwood fiber are explained by the start-up of MAPA.

A favorable **non-operating result** was observed, as a result of higher other income, mainly associated with the insurance compensation for a claim at the Valdivia mill of US$ 72 million. This was partially offset by higher financial costs.

| Changes | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 / 22 |
|---|---|---|---|
| Volume | | | |
| Pulp | 0.2% | 16.4% | (10.9%) |
| Panels | (10.9%) | 5.6% | (12.5%) |
| Sawn timber* | (16.5%) | 17.3% | (20.8%) |
| Prices | | | |
| Pulp | (23.5%) | (21.3%) | (8.6%) |
| Panels | (10.5%) | (1.0%) | (17.7%) |
| Sawn timber* | (23.7%) | (11.6%) | (22.1%) |

*Includes Plywood

### *Market situation*

### *Pulp*

Year to date, revenues were lower than in the first half of 2022, as a result of a decrease in both volumes and prices in most types of fibers.

During the quarter, the pulp market weakened. On one hand, there was an increase in the supply of hardwood, associated with the start-up of MAPA and Paso Los Toros in Uruguay by producer UPM. At the same time, the low season began, which resulted in lower economic activity and, therefore, a decrease in pulp demand. Total world inventories continued the upward trend of the first quarter, reaching levels not seen for several terms.

In **China**, the market is stable, with price decreases in the paper industry and with attempts of increases in tissue. However, the sector remains cautious due to low seasonality. Prices for all fibers started the quarter with declines, but towards the end of the period softwood remained constant and hardwood showed a slight increase. As prices are at low levels, buyers have begun to rebuild their pulp inventories. In terms of supply, it has increased as a result of new capacity and vessel diversions from other destinations to China.

In **Europe**, demand for paper continues the downward trend. Although customers have high inventories of raw materials and finished products, they have managed to maintain relatively stable prices. In the middle of the quarter, a weakening of the tissue industry also began to be seen. During the period there was a significant spot supply from other producers, which in turn influenced the increase in pulp inventories at ports. The prices of both softwood and hardwood decreased, with the latter falling the most, as customers pushed to shorten the net price difference with China as much as possible.

The **dissolving pulp** market was weaker during the second quarter, resulting in some price declines. In addition, the beginning of the low season affected demand for this type of pulp.

Production for the period was affected by the scheduled shutdown of the Nueva Aldea and Montes del Plata plants in Uruguay. The Valdivia mill was shut down for almost the entire quarter due to the replacement of a machine that caught fire in 2022. Additionally, the MAPA project continued with its production curve according to plan.

| ARAUCO | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sales | 1,409 | 1,439 | 1,867 | (24.5%) | (2.1%) | 2,848 | 3,629 | (21.5%) |
| Pulp** | 587 | 648 | 760 | (22.7%) | (9.5%) | 1,235 | 1,501 | (17.7%) |
| Wood Products** | 822 | 791 | 1,107 | (25.8%) | 4.0% | 1,613 | 2,127 | (24.2%) |
| **EBITDA*** | **164** | **298** | **609** | **(73.1%)** | **(45.0%)** | **462** | **1,204** | **(61.6%)** |
| EBIT | (120) | 95 | 357 | (133.6%) | (226.9%) | (25) | 741 | (103.4%) |
| Non operating income | 47 | (207) | 21 | 116.5% | 122.5% | (160) | 43 | (468.4%) |
| **Net income** | **(47)** | **(54)** | **304** | **(115.5%)** | **12.9%** | **(101)** | **633** | **(116.0%)** |

Figures in US$ million .

*Adj. EBITDA informed by Arauco was US$ 227 million for 2Q23, US$ 188 million for 1Q23 (Includes expenses for closures and stoppages of plants in Arauco for MMUS$ 140) .
and US$ 598 million for 2Q22 .
Figure of 1Q23 includes adjustment for non-operating depreciation .
**Includes energy sales .

### *Wood Products*

#### Sawn timber and remanufacturing

**Sawn timber** sales levels fell compared to the same period of the previous year. Markets continue to show the effects of lower economic activity, with lower volumes and prices. China was affected by real estate problems, Covid related problems and lower than expected economic growth. The rest of Asia and Europe were affected by high inventories, high interest rates and geopolitical uncertainty. The coming months could continue to see tight demand and an uncertain overall scenario, which could have an impact on supply.

In U.S. **remanufacturing**, an improvement in demand began to be seen, although volumes and prices remained well below those of the year 2022, due to the effects of high inflation in the region, rate hikes, high inventories in the logistics chain and increased supply both locally and from Asia and Latin America. For the next quarter, demand and prices are expected to show relative stability.

#### Plywood

During the quarter there was lower demand compared to the same period of the previous year, which is mainly explained by the effect of inflation and higher interest rates in the Americas and Oceania, affecting the construction and remodeling sectors. Added to this is the complicated scenario in Europe due to the war, which has had an impact on demand and has translated into high costs. As a result, there is an oversupply in the market, both in Latin America and Europe. In the case of North America, demand and prices have stabilized, so improvements are expected in the next quarter, while the rest of the regions could see improvements by the end of the year and the beginning of 2024.

#### Panels (MDF, PB, Melamines)

Throughout the period, volumes and prices continued to be affected by the increase in exports from Brazil to the rest of the region, especially in MDF. On the demand side, the downward effect of high inflation in South America, higher interest rates, devaluation of currencies against the US dollar, high inventories and political uncertainty in some countries persists. For the third quarter, this competitive scenario could continue.

**2Q23 / 1Q23.** Arauco recorded a **loss** of US$ 47 million, which compares positively with the loss of US$ 54 million recorded in the previous quarter, as a result of a more favorable non-operating income, partially offset by a lower operating income.

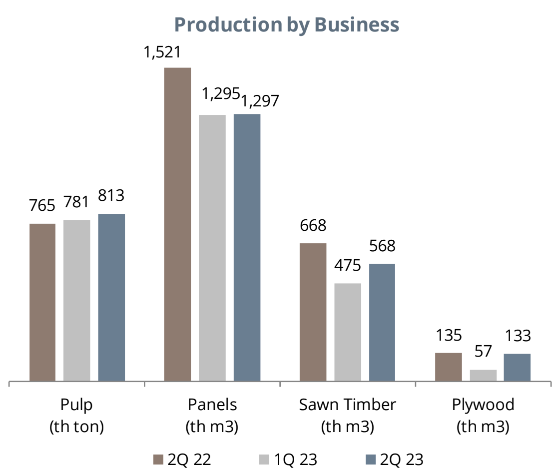
**Non-operating income** increased by US$ 253 million, mainly due to lower other expenses, as a result of temporary stoppages expenses incurred during the first quarter of 2023. In addition, there was an increase in other income, associated with insurance compensation from claims at the Valdivia mill.

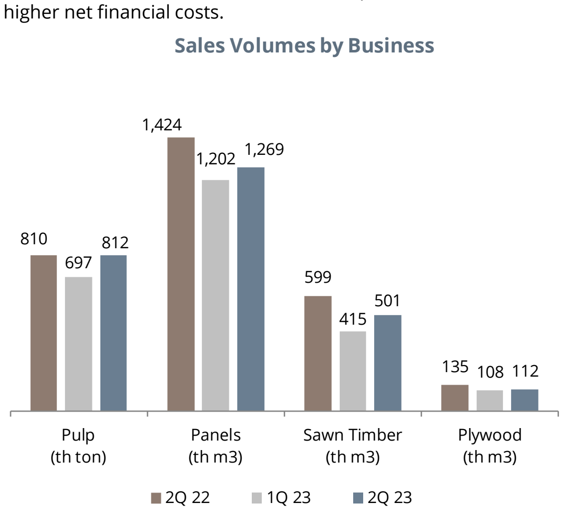
**Operating income** was lower by US$ 215 million compared to the previous quarter, explained by a decrease in pulp prices, panels and sawn timber by 21.3%, 1.0% and 11.6%, respectively. Adding to this, there was a cost increase in bleached hardwood and bleached softwood, by 41.3% and 6.2%, respectively. This was partially offset by a drop of 6.8% in unbleached softwood. The increase in hardwood is partly due to the ramp-up of MAPA. The above is offset by an increase in sawn timber, pulp and panel volumes of 17.3%, 16.4% and 5.6%, respectively.

**2023 / 2022.** Arauco recorded a **loss** of US$ 101 million, which represents a decrease of US$ 734 million compared to the same period of the previous year. This is explained by lower operating and non-operating results of US$ 766 million and US$ 204 million, respectively. This was partially offset by a decrease of US$ 236 million in taxes.

**Consolidated revenues** fell 21.5%, explained by lower sales in the pulp and wood products. Sales in the pulp business decreased 17.7%, as volumes and prices showed a drop of 10.9% and 8.6%, respectively. Meanwhile, revenues from the wood products business decreased 24.2%, as a result of lower prices by 22.1% and 17.7% and declines in volumes by 20.8% and 12.5% in the sawn timber and panel segments, respectively. On the other hand, increases in unit selling costs were recorded for unbleached softwood, bleached hardwood, bleached softwood and dissolving pulp of 32,0%, 29.6%, 10.7% and 6.4%, respectively. It should be noted that part of the cost increases in hardwood are explained by the start-up of MAPA.

**Non-operating income** was unfavorable as a result of higher other expenses due to plant temporary stoppages associated with Nueva Aldea, Constitución, Arauco and Esperanza, and claims due to the forest fires that affected Arauco in the first quarter. In addition, there were higher net financial costs.




# COPEC

**2Q23 / 2Q22.** Copec recorded a **profit** of Ch$ 38,373 million, lower than the Ch$ 134,262 million reported in the second quarter of 2022, explained by a lower operating and non-operating result. This was partially offset by lower tax expenses due to the decline in earnings.

Consolidated **EBITDA** amounted to Ch$ 141,650 million, which represents a decrease of 48.4%, reflecting a drop in margins associated with an unfavorable inventory revaluation in Copec Chile and Terpel and a lower industrial margin, in addition to a drop in volumes and higher distribution costs.

In fact, **EBITDA** in **Chile** decreased by Ch$ 93,271 million, due to lower margins as a result of an unfavorable industrial margin and FIFO effect, higher distribution costs and a drop in volumes of 3.7% and 2.1% in the gas station and industrial channel, respectively.

**Terpel's** EBITDA in local currency decreased 35.8%, as a result of lower margins associated with an unfavorable revaluation effect and a drop in volumes of 1.5% on aggregate basis, explained by declines of 6.2% in the Dominican Republic, 4.3% in Colombia and 3.5% in Ecuador. This was offset by an increase of 72,0% in Peru and 16,0% in Panama, respectively. In the NGV business, a drop in volumes of 10.1% was recorded, due to a decline of 13.0% in Colombia and a rise of 0.8% in Peru.

Meanwhile, consolidated **non-operating income** was unfavorable, due to lower other income, associated with income from tax adjustments and tax credits in the second quarter of 2022 and higher financial costs.

| COPEC CONSOLIDATED (Including Terpel & Mapco) | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Revenues* | 4,224,549 | 4,572,610 | 4,241,351 | (0.4%) | (7.6%) | 8,797,158 | 7,986,374 | 10.2% |
| **EBITDA*** | **141,650** | **207,630** | **274,594** | **(48.4%)** | **(31.8%)** | **349,280** | **511,892** | **(31.8%)** |
| EBIT* | 96,265 | 164,215 | 229,327 | (58.0%) | (41.4%) | 260,479 | 431,388 | (39.6%) |
| Non operating income* | (46,210) | (49,094) | (29,463) | (56.8%) | 5.9% | (95,304) | (42,471) | (124.4%) |
| Profit from discontinued operations | 5,023 | 559 | 7,584 | (33.8%) | 799.2% | 5,582 | 39,689 | (85.9%) |
| **Net income** | **38,373** | **88,675** | **134,262** | **(71.4%)** | **(56.7%)** | **127,048** | **296,923** | **(57.2%)** |

Figures in millions of Chilean pesos

* The figures for 2023 and 2022 do not include the consolidation of Mapco, a company that was classified as held for sale.

| COPEC CHILE | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Revenues | 2,659,759 | 3,011,459 | 2,348,569 | 13.3% | (11.7%) | 5,671,218 | 4,541,960 | 24.9% |
| **EBITDA** | **93,699** | **150,401** | **186,970** | **(49.9%)** | **(37.7%)** | **244,100** | **349,283** | **(30.1%)** |
| EBIT | 65,276 | 123,536 | 159,753 | (59.1%) | (47.2%) | 188,813 | 303,397 | (37.8%) |
| Non operating income | (15,569) | (21,400) | (5,928) | (162.6%) | 27.2% | (36,969) | (8,237) | (348.8%) |
| **Net income** | **37,660** | **80,853** | **106,092** | **(64.5%)** | **(53.4%)** | **118,513** | **237,102** | **(50.0%)** |
| Copec Chile physical sales (thousand of $m^3$) | 2,716 | 2,877 | 2,800 | (3.0%) | (5.6%) | 5,593 | 5,601 | (0.1%) |
| Gas stations channel | 1,537 | 1,616 | 1,595 | (3.7%) | (4.9%) | 3,152 | 3,261 | (3.3%) |
| Industrial channel | 1,180 | 1,262 | 1,205 | (2.1%) | (6.5%) | 2,441 | 2,340 | 4.3% |
| EBITDA Blue Express* | 2,254 | 2,920 | - | - | (22.8%) | 5,174 | - | - |

Figures in millions of Chilean pesos

*This Ebitda is included in the EBITDA of Copec Chile

| TERPEL | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Revenues | 8,644,495 | 9,148,909 | 8,814,625 | (1.9%) | (5.5%) | 17,793,404 | 16,311,382 | 9.1% |
| **EBITDA** | **262,172** | **333,260** | **408,389** | **(35.8%)** | **(21.3%)** | **595,432** | **770,547** | **(22.7%)** |
| EBIT | 168,478 | 236,171 | 324,327 | (48.1%) | (28.7%) | 404,648 | 606,428 | (33.3%) |
| Non operating income | (169,177) | (162,466) | (109,577) | (54.4%) | (4.1%) | (331,643) | (161,734) | (105.1%) |
| Net income | | | | | | | | |
| **Profit attributable to controllers** | **2,392** | **44,210** | **131,452** | **(98.2%)** | **(94.6%)** | **46,602** | **283,954** | **(83.6%)** |
| Profit attributable to minority interest | 2.4 | 2.9 | 1.7 | 41.5% | (18.0%) | 5.3 | (0.3) | 1680.5% |
| Terpel physical sales (thousand of $m^3$) | 2,908 | 2,887 | 2,951 | (1.5%) | 0.7% | 5,795 | 5,811 | (0.3%) |
| Colombia | 2,173 | 2,176 | 2,271 | (4.3%) | (0.1%) | 4,349 | 4,455 | (2.4%) |
| Panama | 292 | 274 | 252 | 16.0% | 6.6% | 567 | 518 | 9.5% |
| Ecuador | 320 | 310 | 332 | (3.5%) | 3.4% | 630 | 652 | (3.4%) |
| Dominican Republic | 51 | 58 | 55 | (6.2%) | (12.5%) | 110 | 109 | 0.4% |
| Peru | 71 | 68 | 41 | 72.0% | 4.4% | 140 | 78 | 79.7% |
| Gazel NGV physical sales (thousand of $m^3$) | 55 | 52 | 61 | (10.1%) | 4.5% | 107 | 122 | (11.9%) |
| Colombia | 42 | 40 | 48 | (13.0%) | 5.8% | 81 | 97 | (15.7%) |
| Peru | 13 | 13 | 13 | 0.8% | 0.8% | 26 | 25 | 2.6% |

Figures in millions of Colombian pesos

Figures in US$ million

**2Q23 / 1Q23. Results** decreased by Ch$ 50,302 million, associated with a lower operating result, partially offset by a less unfavorable non-operating result and lower taxes.

**EBITDA** recorded a decrease of Ch$ 65,980 million, explained by higher distribution costs and lower gross profit, due to an unfavorable inventory revaluation effect and industrial margin.

**Volumes** decreased 5.6% in Chile, while at Terpel increased 0.7%. Terpel's rise was due to an increase of 6.6%, 4.4% and 3.4% in Panama, Peru and Ecuador, respectively, offset by a fall of 12.5% and 0.1% in the Dominican Republic and Colombia.

**Non-operating income** was favorable by Ch$ 2,885 million, reflecting higher income on net monetary position.

**2023 / 2022.** Copec recorded a **profit** of Ch$ 127,048 million, lower than the Ch$ 296,923 million reported at the end of the first half of 2022, explained by a lower operating and non-operating income. This was partially offset by lower tax expenses as a result of the decrease in results.

Consolidated **EBITDA** amounted to Ch$ 349,280 million, representing a decrease of 31.8%, which reflected a drop in margins associated with an unfavorable inventory revaluation in Copec Chile and Terpel, coupled with higher administrative expenses and distribution costs.

In **Chile**, EBITDA decreased by Ch$ 105,183 million, associated with lower margins due to an unfavorable industrial margin and FIFO effect, lower industrial margins, as well as higher administrative expenses and distribution costs. Meanwhile, total volumes remained stable, with an increase of 4.3% in the industrial channel and a decrease of 3.3% in the gas station channel.

**Terpel's** EBITDA in local currency decreased 22.7%, as a result of lower margins associated with an unfavorable revaluation effect. Meanwhile, consolidated volumes remained stable, explained by increases of 79.7% in Peru, 0.4% in the Dominican Republic and 9.5% in Panama, offset by declines of 3.4% in Ecuador and 2.4% in Colombia. The VNG business recorded a drop of 11.9% in volumes, due to a fall of 15.7% in Colombia and a rise of 2.6% in Peru.

Meanwhile, consolidated **non-operating results** were unfavorable, as a result of higher financial costs and lower other income, associated with the profit generated from the sale of service stations by Mapco in the first half of 2022. The above was partially offset by an increase in financial income and a higher result from monetary position.


# ABASTIBLE

**2Q23 / 2Q22.** Abastible recorded a **profit** of Ch$ 11,021 million, which compares favorably with the loss of Ch$ 3,025 million reported at the end of the same period of the previous year. This is mainly due to a higher operating income and a less unfavorable non-operating income, partially offset by higher taxes.

Year to year, **EBITDA** increased by 32.4%, reaching Ch$ 40,682 million. An increase in EBITDA was observed in Chile, Colombia and Peru, with hikes of 51.1%, 39.1% and 20.5%, respectively. This was offset by a drop in EBITDA in Ecuador of 18.4%.

**Gross margin** is up due to higher unit margins in Chile and Colombia, added to an increase in liquefied gas volumes in Peru and Ecuador by 10.6% and 0.4% compared to the same period of the previous year, totaling 115 and 137 thousand tons. This was offset by a drop in Chile and Colombia of 3.8% and 3.3%, respectively.

**2Q23 / 1Q23.** Abastible recorded a lower **profit** of Ch$ 2,710 million, associated with a lower non-operating income and less favorable taxes, offset by a higher operating income.

Consolidated **non-operating income** decreased Ch$ 4.201 million, as a result of higher financial costs.

Consolidated **operating income** increased Ch$ 11,212 million, as a result of higher **volumes**, which increased 26.0%, 3.9% and 4.2% in Chile, Ecuador and Peru, offset by a decrease of 1.6% in Colombia.

**2023 / 2022.** Abastible reported a **profit** of Ch$ 24,752 million, which compares favorably with the profit of Ch$ 3,563 million reported at the end of the first half of the previous year. This is mainly due to higher operating and non-operating income, coupled with a decrease in taxes.

Year to date, **EBITDA** increased by 32.3%, reaching Ch$ 69,543 million. An increase in EBITDA was observed in Chile, Colombia and Peru, with hikes of 44.4%, 53.8% and 30.5%, in their respective currencies.

As of June 2023, liquefied gas **volumes** in Peru and Ecuador increased 14.8% and 1.5% compared to the same period of the previous year, totaling 225 thousand and 269 thousand tons, respectively. Meanwhile, volumes in Chile and Colombia decreased 1.7% and 0.3%, reaching 270 thousand and 121 thousand tons, respectively.

| ABASTIBLE CONS. (Includes Chile, Colombia, Perú and Ecuador) | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sales | 284,365 | 258,798 | 334,035 | (14.9%) | 9.9% | 543,163 | 616,464 | (11.9%) |
| **EBITDA** | **40,682** | **28,861** | **30,732** | **32.4%** | **41.0%** | **69,543** | **52,548** | **32.3%** |
| EBIT | 26,586 | 15,375 | 16,978 | 56.6% | 72.9% | 41,961 | 25,163 | 66.8% |
| Non operating income | (7,214) | (3,012) | (8,205) | 12.1% | (139.5%) | (10,226) | (11,787) | 13.2% |
| **Net income** | **11,021** | **13,731** | **(3,025)** | **464.3%** | **(19.7%)** | **24,752** | **3,563** | **594.6%** |

* Figures in million chilean pesos.

| ABASTIBLE CHILE | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sales | 136,279 | 113,977 | 176,945 | (23.0%) | 19.6% | 250,257 | 299,074 | (16.3%) |
| **EBITDA** | 24,199 | 12,260 | 16,014 | **51.1%** | **97.4%** | 36,458 | 25,247 | **44.4%** |
| Abastible Chile LPG physical sales (thousand of tons) | 150 | 119 | 156 | (3.8%) | 26.0% | 270 | 274 | (1.7%) |

* Figures in million chilean pesos.

| COLGAS (Colombia) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Sales | 226,491 | 230,082 | 219,881 | 3.0% | (1.6%) | 456,572 | 421,293 | 8.4% |
| **EBITDA** | **37,029** | **35,164** | **26,618** | **39.1%** | **5.3%** | **72,193** | **46,944** | **53.8%** |
| Colgas Colombia LPG physical sales (thousand of tons) | 60 | 61 | 62 | (3.3%) | (1.6%) | 121 | 121 | (0.3%) |

* Figures in million colombian pesos.

| SOLGAS (Perú) | 2T 23 | 1T 23 | 2T 22 | 2T23 / 2T22 | 2T23 / 1T23 | Acum 23 | Acum 22 | Var 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sales | 361,374 | 369,393 | 433,921 | (16.7%) | (2.2%) | 730,767 | 854,221 | (14.5%) |
| **EBITDA** | **35,161** | **40,915** | **29,171** | **20.5%** | **(14.1%)** | **76,076** | **58,274** | **30.5%** |
| Solgas Perú LPG physical sales (thousand of tons) | 115 | 110 | 104 | 10.6% | 4.2% | 225 | 196 | 14.8% |

* Figures in thousand peruvian soles.

| DURAGAS (Ecuador) | 2T 23 | 1T 23 | 2T 22 | 2T23 / 2T22 | 2T23 / 1T23 | Acum 23 | Acum 22 | Var 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sales | 36.2 | 33.3 | 38.3 | (5.6%) | 8.6% | 69.5 | 72.7 | (4.4%) |
| **EBITDA** | **2.8** | **2.6** | **3.4** | **(18.4%)** | **5.7%** | **5.4** | **5.9** | **(9.2%)** |
| Duragas Ecuador LPG physical sales (thousand of tons) | 137 | 132 | 136 | 0.4% | 3.9% | 269 | 265 | 1.5% |

* Figures in US$ million.

** Wholesale is not included.

# PESQUERA IQUIQUE-GUANAYE (IGEMAR)

**2Q23 / 2Q22.** Igemar recorded a **profit attributable to owners of controlling interest** of US$ 5,4 million, which compares negatively with the profit of US$ 10,6 million reported during the same period of the previous year. An unfavorable non-operating income was recorded, explained by a lower share of profit (loss) of associates and joint ventures accounted for using equity method, as well as higher taxes. This was partly offset by a higher operating income, resulting from a higher gross profit.

During the period, **price** increases were recorded for fish oil and fishmeal of 65.1% and 0.9%, respectively. Meanwhile, canned and frozen fish products prices fell 10.6% and 4.9%.

26.8 thousand tons of frozen products, 5.7 thousand tons of fish oil and 15.9 thousand tons of fishmeal were sold, representing increases of 22.7%, 26.1% and 29.0%, respectively. Meanwhile, 1.2 million cases of canned products were sold, representing an increase of 79.7% compared to the previous year.

Total processed fisheries reached 150.0 thousand tons, up 39.9% compared to the second quarter of 2022.

Regarding associates, **Corpesca** recorded a loss of US$ 6.4 million, which compares negatively with the profit of US$ 4.1 million reported in the same period of the previous year. **Caleta Vitor** recorded a loss of US$ 3.5 million, lower than the US$ 4.2 million earned in the second quarter of 2022.

**2Q23 / 1Q23. Net income** increased US$ 0.7 million compared to the previous quarter, due to a higher operating income, offset by higher taxes and a more unfavorable non-operating income.

The increase in **operating income** is explained by a rise in gross profit, associated with an increase in volumes of fish oil, canned fish, fishmeal and frozen fish by 89.7%, 55.2%, 26.3% and 23.8%, respectively.

**2023 / 2022.** Igemar recorded a profit attributable to owners of the controlling company of US$ 10.1 million, which compares unfavorably with the profit of US$ 15.0 million recorded during the same period of the previous year. There was an increase in operating income, mainly explained by higher sales. This was more than offset, by a lower non-operating income, due to lower other income and higher financial costs.

During the period, there were increases in fish oil and fishmeal prices of 63.6% and 2.5%, respectively, while those of frozen and canned products decreased 6.3% and 1.7%, respectively.

A total of 48.5 thousand tons of frozen fish, 8.8 thousand tons of fish oil, 1.9 million cases of canned fish and 28.4 thousand tons of fishmeal were sold, representing increases of 42.4%, 30.5%, 24.6% and 72.5%, respectively.

Total processed fisheries reached 279.6 thousand tons, up 33.8% from the first half of 2022.

Regarding associates, **Corpesca** recorded a loss of US$ 7.6 million, which compares negatively with the loss of US$ 1.7 million reported in the same period of the previous year. Meanwhile, **Caleta Vitor** recorded a loss of US$ 3.2 million, which compares negatively with the profit of US$ 2.3 million earned in the first half of 2022.

| IGEMAR CONSOLIDATED | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sales | 124.1 | 109.5 | 79.0 | 57.0% | 13.3% | 233.6 | 142.4 | 64.0% |
| **EBITDA** | **39.7** | **20.2** | **21.8** | **81.7%** | **96.9%** | **59.8** | **35.2** | **69.9%** |
| EBIT | 33.5 | 18.0 | 19.5 | 71.6% | 86.4% | 51.4 | 30.9 | 66.6% |
| Non operating income | (18.7) | (8.9) | (4.0) | (366.2%) | (110.3%) | (27.6) | (6.9) | (298.5%) |
| **Net income** | **5.4** | **4.7** | **10.6** | **(48.8%)** | **14.4%** | **10.1** | **15.0** | **(32.6%)** |
| | | | | | | | | |
| Physical sales | | | | | | | | |
| Fishmeal (tons) | 15,879 | 12,568 | 12,310 | 29.0% | 26.3% | 28,447 | 16,494 | 72.5% |
| Fish Oil (tons) | 5,742 | 3,027 | 4,552 | 26.1% | 89.7% | 8,769 | 6,719 | 30.5% |
| Canned Fish (cases) | 1,197,513 | 771,703 | 666,469 | 79.7% | 55.2% | 1,969,217 | 1,580,303 | 24.6% |
| Frozen Fish (tons) | 26,806 | 21,651 | 21,849 | 22.7% | 23.8% | 48,456 | 34,036 | 42.4% |
| Total fish processed (tons) | 150,000 | 129,568 | 107,201 | 39.9% | 15.8% | 279,568 | 208,904 | 33.8% |

Figures in US$ million

*Ebitda = Operating Income + Depreciation + Amortizatic


## OTHER AFFILIATES

### Sonacol

**2Q23 / 2Q22 Profit** decreased by Ch$ 1,451 million compared with the recorded in 2Q22, driven by lower results due to a 9.8% drop in volumes, and partly offset by a less unfavorable non-operating income.

**2023 / 2022 Profit** reached Ch$ 9,949 million, lower than the Ch$13,058 million recorded at the end of the second quarter of 2022. This is explained by a drop in the operating result, related to a 7.2% drop in transported volumes.

It should be noted that Sonacol is currently classified as "assets held for sale" in Empresas Copec's balance sheet.

## ASSOCIATED COMPANIES

### Metrogas and AGESA

**2Q23 / 2Q22 Metrogas** reported a higher profit of Ch$ 13,157 million, compared with the second quarter of 2022.

It is important to highlight that a loss of US$ 91 million was recognized in Metrogas in 2Q22 because of the provision associated to an adverse initial court ruling against the company, in a dispute with a gas transportation supplier that had been going on since the years of supply cut-offs from Argentina.

On the other hand, **Agesa** recorded a profit of US$ 15.3 million, lower in US$ 15.6 million to the observed in the same period of 2022.

**2023 / 2023 Metrogas** reported a profit of Ch$ 33,409 million, which compares positively with the Ch$ 8,062 million recorded at the end of the second quarter of 2022.

On the other hand, **Agesa** recorded a profit of US$ 34.5 million, lower than that observed in the same period of 2022.

### Cumbres Andinas (Mina Justa)

Marcobre is the owner of Mina Justa. Likewise, the company that owns Marcobre is Cumbres Andinas, which has Minsur as shareholder with a 60% interest and Alxar Internacional, a subsidiary 100% owned by Empresas Copec, with the remaining 40%.

**2Q23 / 2Q22 Cumbres Andinas** reported a **profit** of US$ 122 million, which compares positively with the profit of US$ 59 million reported in the same period of the previous year. This is explained by an increase in sales at Mina Justa by 45.4% reaching 39 thousand tons of copper, with 30 thousand tons of concentrates and 9 thousand tons of cathodes. In turn, treated material was 3.7 million tons, higher than the 3.4 million tons reported the previous year. The average *cash cost* for the period reached 1.4 US$/lb, which is stable compared to the first quarter of 2022.

**2Q23 / 1Q23 Cumbres Andinas** recorded a drop in **profit** and **EBITDA** compared to that reported in the first quarter of 2023 of 0.2% and 8.2%, respectively.

The drop in **EBITDA** is explained by an increase of 9.5% in *cash cost* and lower copper prices. This was partially offset by a higher volume of cathode sales.

| CUMBRES ANDINAS | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 4Q22 / 3Q22 | Acum 23 | Acum 22 | Var 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sales | 309 | 313 | 205 | 51.3% | (1.3%) | 623 | 537 | 16.1% |
| **EBITDA** | 204 | 222 | 144 | 41.4% | (8.2%) | 428 | 419 | 2.1% |
| **Net income** | 122 | 122 | 59 | 107.4% | (0.2%) | 243 | 219 | 11.3% |
| Physical sales | | | | | | | | |
| Cathodes (kT) | 9 | 10 | 6 | 49.5% | (13.5%) | 19 | 11 | 75.9% |
| Concentrates (kT) | 30 | 21 | 21 | 44.3% | 38.8% | 51 | 46 | 10.6% |
| Treated Ore (kT) | 3,685 | 3,901 | 3,372 | 9.3% | (5.5%) | 7,586 | 6,481 | 17.1% |
| Cash-cost (C1) (US$/lb) | 1.4 | 1.3 | 1.4 | 0.6% | 9.5% | 1.3 | 1.2 | 6.9% |

Figures in US$ million

*Ebitda = Operating Income + Depreciation + Amortization

| Net income from other affiliates and associates | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | 2Q23 / 1Q23 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|---|
| Sonacol* | 5,120 | 4,829 | 6,571 | (22.1%) | 6.0% | 9,949 | 13,058 | (23.8%) |
| Metrogas* | 23,142 | 10,267 | 9,985 | 131.8% | 125.4% | 33,409 | 8,062 | 314.4% |
| Agesa | 15.3 | 19.2 | 30.8 | (50.5%) | (20.5%) | 34.5 | 45.2 | (23.7%) |
| Corpesca | (6.4) | (1.2) | 4.1 | (257.8%) | (457.6%) | (7.6) | (1.7) | (344.0%) |
| Caleta Vitor | (3.5) | 0.2 | 4.2 | (183.9%) | (1531.6%) | (3.3) | 8.4 | (139.2%) |

Figures in US$ million

* Figures in million Chilean pesos.

## CONSOLIDATED BALANCE SHEET ANALYSIS

As of June 30, 2023, consolidated **current assets** rose 4.7% from those existing as of December 31, 2022. This is mainly explained by the reclassification of Mapco as an asset held for sale. On the other hand, there were increases in other current non-financial assets and inventories in Arauco, partially offset by a decrease in commercial debtors and other accounts receivable in Copec and lower current tax assets in the parent company.

**Non-current assets** showed a hike of 1.6% compared to those recorded at the end of 2022. This is explained by an increase in assets by right of use mainly in Arauco and Igemar, in addition to higher investments accounted for using the equity method in associates in the fishing sector. All of this is partially offset by a decrease in goodwill and intangible assets other than goodwill in Copec, related to the reclassification of its subsidiary Mapco as an asset held for sale.

Meanwhile, total **current liabilities** fell 9.3% compared to the end of 2022. There was a decrease in both accounts payable and other non-financial liabilities at Copec and Arauco. All of this was partially offset by an increase in other current financial liabilities at Arauco and Igemar.

**Non-current liabilities** increased 7.7%, due to higher financial liabilities in Arauco and Copec, in addition to an increase in lease liabilities in Arauco and Igemar. All of the above was offset, in part, by a decrease in deferred tax liabilities in Arauco.

All in all, the Company's shareholders' **equity** increased 3.0% compared to December 31, 2022, primarily due to an increase in retained earnings and other reserves.

| Simplified Balance Sheet Statement | Jun-23 | Dec-22 | Chg. 23 / 22 |
|---|---|---|---|
| Current assets | 8,949 | 8,545 | 4.7% |
| Non-current assets | 19,903 | 19,592 | 1.6% |
| **TOTAL ASSETS** | **28,851** | **28,137** | **2.5%** |
| Short term financial debt | 2,173 | 2,124 | 2.3% |
| Other current liabilities | 2,438 | 2,959 | (17.6%) |
| **Total current liabilities** | **4,611** | **5,083** | **(9.3%)** |
| Long term financial debt | 8,958 | 8,024 | 11.6% |
| Other non-current liabilities | 2,430 | 2,550 | (4.7%) |
| **Total non-current liabilities** | **11,388** | **10,574** | **7.7%** |
| **TOTAL LIABILITIES** | **15,999** | **15,656** | **2.2%** |
| Non-controlling interests | 503 | 438 | 14.9% |
| Shareholder's Equity | 12,349 | 12,043 | 2.5% |
| **TOTAL EQUITY** | **12,852** | **12,481** | **3.0%** |
| Leverage* | 0.74 | 0.67 | 9.7% |
| **Net financial debt** | 9,508 | 8,415 | 13.0% |
| ROCE** | 8.3% | 13.4% | (5.1%) |

Figures in US$ million

* Leverage = Net financial debt / Total equity

** ROCE = (Anualized 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)

## CASH FLOW STATEMENT ANALYSIS

**Operating cash flow** as of June 2023 decreased compared to the previous year, due to higher payments to suppliers mainly in Copec. At the same time, there was an increase in dividends paid by the parent company. This was partially offset by tax refunds received during the period.

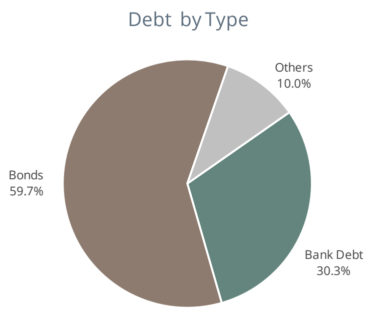
On the other hand, **investment cash flow** showed lower cash disbursements than in the first half of 2022. This is mainly explained by a drop in purchases of property, plant and equipment in Arauco, as a result of lower investments in the MAPA project, which was partly offset by an increase in flows used in the purchase of non-controlling interests, associated with a capital increase carried out for the companies Corpesca and Golden Omega.

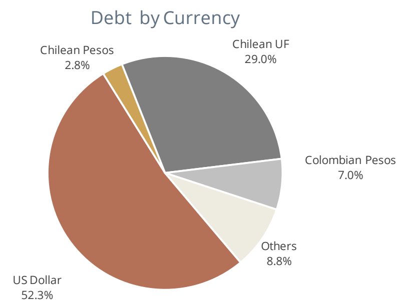
**Cash flow from financing activities** showed a positive variation, mainly explained by higher loan amounts, mainly at Arauco, partially offset by higher loan payments at Empresas Copec, Arauco and Copec.

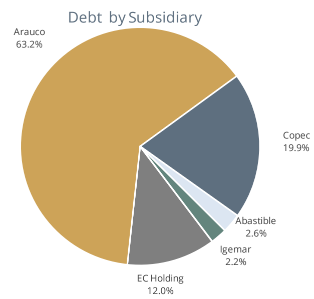
| CASH FLOW STATEMENT | jun-23 | jun-22 | Chg. 23 / 22 |
|---|---|---|---|
| Cash flows from (used in) operating activities | 487 | 634 | (23.2%) |
| Cash flows from (used in) investing activities | (890) | (957) | 6.9% |
| Cash flows from (used in) financing activities | 519 | 273 | 90.4% |
| **Net increase (decrease) in cash and cash equivalents** | **116** | **(50)** | **330.2%** |

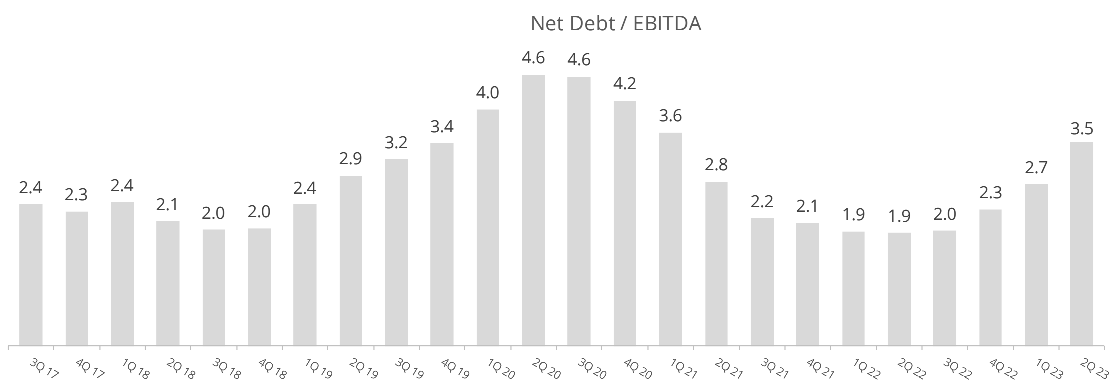

## DEBT ANALYSIS

Total financial debt: US$ 11,130 million
Cash and equivalents: US$ 1,623 million
Net debt: US$ 9,508 million

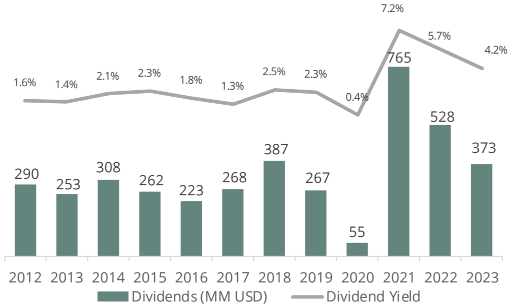


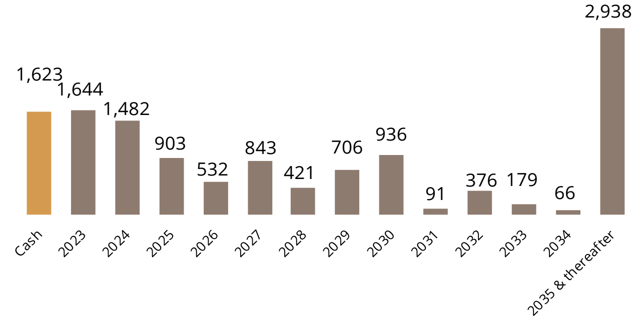




**Dividend distribution and Dividend Yield***
Figures in US$ million




*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
*** As of May, 2023.

**Financial debt maturities**
Figures in US$ million




| International Risk Rating | |
|---|---|
| Fitch Ratings | BBB / stable outlook |
| Standard and Poor's | BBB / stable outlook |
| **Domestic Risk Rating** | |
| Feller-Rate | AA / stable / 1st Class Level 1 |
| Fitch Ratings | AA/ stable / 1st Class Level 1 |


# BREAKDOWN BY OPERATING SEGMENTS
## (Accumulated as of June 2023)

| Figures as of June 2023 | Arauco | Copec | Abastible | Sonacol | Igemar | Others* | Subtotal | Elimin. | Total |
|---|---|---|---|---|---|---|---|---|---|
| Revenues from external clients | 2,846,414 | 10,801,910 | 666,428 | 21,986 | 233,589 | 60 | 14,570,387 | - | 14,570,387 |
| Revenues between segments | 1,975 | 104,424 | 7,739 | 17,429 | 15 | 679 | 132,261 | (132,261) | - |
| | - | - | - | - | - | - | - | - | - |
| Interest Income | 50,959 | 7,532 | 2,125 | 633 | 907 | 32,674 | 94,830 | (18,527) | 76,303 |
| Interest Expense | (172,569) | (122,386) | (15,192) | (4,979) | (10,073) | (25,089) | (350,288) | 18,578 | (331,710) |
| **Interest expense, net** | **(121,610)** | **(114,854)** | **(13,067)** | **(4,346)** | **(9,166)** | **7,585** | **(255,458)** | **51** | **(255,407)** |
| **Income (loss) from the reporting segment** | **(101,417)** | **157,568** | **32,980** | **12,339** | **14,630** | **113,158** | **229,258** | **-** | **229,258** |
| | - | - | - | - | - | - | - | - | - |
| EBIT | (25,483) | 321,569 | 52,240 | 22,349 | 51,439 | (10,996) | 411,118 | - | 411,118 |
| Depreciation | 274,029 | 86,260 | 28,079 | - | 8,095 | 201 | 396,664 | - | 396,664 |
| Amortization | 6,921 | 24,567 | 6,076 | - | 295 | 208 | 38,067 | - | 38,067 |
| Fair value cost of timber harvested | 206,446 | - | - | - | - | - | 206,446 | - | 206,446 |
| **EBITDA** | **461,913** | **432,396** | **86,395** | **22,349** | **59,829** | **(10,587)** | **1,052,295** | **5,548** | **1,057,843** |
| Share in income (loss) of associates | 17,978 | 1,351 | 796 | - | (12,324) | 127,486 | 135,287 | - | 135,287 |
| Income (expense) from income taxes | 84,119 | (52,917) | (6,521) | (4,587) | (9,172) | 2,659 | 13,581 | - | 13,581 |
| | - | - | - | - | - | - | - | - | - |
| **Investments by segment** | - | - | - | - | - | - | - | - | - |
| Payments for acq. prop., plant and equip. | 489,794 | 127,802 | 45,712 | 4,866 | 30,491 | - | 698,665 | - | 698,665 |
| Acquisition other long term assets | 216,433 | - | - | - | - | - | 216,433 | - | 216,433 |
| Payments for acq. affiliates and associates | - | 24,185 | - | - | 77,221 | - | 101,406 | - | 101,406 |
| Purchase of intangible assets | 2,895 | 4,036 | 174 | - | - | - | 7,105 | - | 7,105 |
| **Other Payments for Investments** | | | | | | | | | |
| **Total investments** | **709,122** | **156,023** | **45,886** | **4,866** | **107,712** | **-** | **1,023,609** | **-** | **1,023,609** |
| **Country of origin of operating revenue** | | | | | | | | | |
| Operating revenues - local (chile) | 1,348,914 | 6,926,505 | 303,023 | 21,986 | 233,589 | 60 | 8,834,077 | - | 8,834,077 |
| Operating revenues - foreign (foreign companies) | 1,497,500 | 3,875,405 | 363,405 | - | - | - | 5,736,310 | - | 5,736,310 |
| **Total operating revenues** | **2,846,414** | **10,801,910** | **666,428** | **21,986** | **233,589** | **60** | **14,570,387** | **-** | **14,570,387** |
| **Assets by segment** | **17,842,453** | **7,020,970** | **1,324,720** | **270,460** | **879,731** | **1,512,787** | **28,851,121** | **-** | **28,851,121** |
| Equity method investments | 397,003 | 10,300 | 7,967 | - | 270,107 | 854,915 | 1,540,292 | - | 1,540,292 |
| Liabilities by segments | 9,699,261 | 4,684,621 | 826,164 | 180,976 | 364,348 | 243,310 | 15,998,680 | - | 15,998,680 |
| **Country of origin of non-current assets** | | | | | | | | | |
| Nacionalidad activos no corrientes | 9,543,374 | 2,032,335 | 565,636 | - | 609,593 | 1,040,754 | 13,791,692 | - | 13,791,692 |
| Foreign | 4,271,723 | 1,354,139 | 485,026 | - | - | - | 6,110,888 | - | 6,110,888 |
| **Total non current assets** | **13,815,097** | **3,386,474** | **1,050,662** | **-** | **609,593** | **1,040,754** | **19,902,580** | **-** | **19,902,580** |

*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 | Others | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | 8,834,077 | 2,727,605 | 596,932 | 541,426 | 274,033 | 286,279 | 235,300 | 403,592 | 111,284 | 454,903 | 104,956 | | | 14,570,387 |
| Non current assets | 13,791,692 | 817,691 | 764,265 | 282,716 | 585,578 | 1,176,086 | 1,654,526 | 101,432 | 2,929 | 534,431 | 162,258 | 21,671 | 7,305 | 19,902,580 |

Others include Cayman Islands, Australia and Israel. Figures in thousand US$


# BREAKDOWN BY OPERATING SEGMENTS
## (Accumulated as of June 2022)

| Figures as of June 2022 | Arauco | Copec | Abastible | Sonacol | Igemar | Others* | Subtotal | Elimin. | Total |
|---|---|---|---|---|---|---|---|---|---|
| Revenues from external clients | 3,628,697 | 9,626,133 | 755,726 | 24,540 | 142,430 | 108 | 14,177,634 | - | 14,177,634 |
| Revenues between segments | - | 49,277 | 9,472 | 16,719 | 13 | 559 | 76,040 | (76,040) | - |
| Interest Income | 28,794 | 7,141 | 1,868 | 286 | 339 | 820 | 39,248 | - | 39,248 |
| Interest Expense | (93,210) | (62,737) | (7,597) | (3,098) | (4,623) | (5,858) | (177,123) | - | (177,123) |
| **Interest expense, net** | (64,416) | (55,596) | (5,729) | (2,812) | (4,284) | (5,038) | (137,875) | - | (137,875) |
| | - | - | - | - | - | - | - | - | - |
| **Income (loss) from the reporting segment** | 632,910 | 389,811 | 6,827 | 15,832 | 17,993 | (18,688) | 1,044,685 | - | 1,044,685 |
| EBIT | 741,001 | 522,511 | 31,234 | 27,197 | 30,875 | (8,610) | 1,344,208 | - | 1,344,208 |
| Depreciation | 254,303 | 73,659 | 27,354 | - | 4,075 | 210 | 359,601 | - | 359,601 |
| Amortization | 7,550 | 20,238 | 6,637 | - | 265 | - | 34,690 | - | 34,690 |
| Fair value cost of timber harvested | 200,816 | - | - | - | - | - | 200,816 | - | 200,816 |
| **EBITDA** | **1,203,670** | **616,408** | **65,225** | **27,197** | **35,215** | **(8,400)** | **1,939,315** | **4,926** | **1,944,241** |
| | - | - | - | - | - | - | - | - | - |
| Share in income (loss) of associates | 44,171 | 1,447 | 6 | - | 2,359 | 13,680 | 61,663 | - | 61,663 |
| Income (expense) from income taxes | (151,542) | (130,654) | (9,776) | (5,697) | (5,946) | (5,346) | (308,961) | - | (308,961) |
| **Investments by segment** | | | | | | | | | |
| Payments for acq. prop., plant and equip. | 667,603 | 134,084 | 54,225 | 5,308 | 17,450 | - | 878,670 | - | 878,670 |
| Acquisition other long term assets | 150,412 | - | - | - | - | - | 150,412 | - | 150,412 |
| Payments for acq. affiliates and associates | 118 | 18,487 | - | - | - | 902 | 19,507 | - | 19,507 |
| Purchase of intangible assets | 2,227 | 3,613 | 822 | - | - | - | 6,662 | - | 6,662 |
| | - | - | - | - | - | - | - | - | - |
| **Total investments** | **820,360** | **156,184** | **55,047** | **5,308** | **17,450** | **902** | **1,055,251** | **-** | **1,055,251** |
| **Country of origin of operating revenue** | | | | | | | | | |
| Operating revenues - local (chile) | 1,989,836 | 5,453,261 | 361,759 | 24,540 | 142,430 | 108 | 7,971,934 | - | 7,971,934 |
| Operating revenues - foreign (foreign companies) | 1,638,861 | 4,172,872 | 393,967 | - | - | - | 6,205,700 | - | 6,205,700 |
| **Total operating revenues** | 3,628,697 | 9,626,133 | 755,726 | 24,540 | 142,430 | 108 | 14,177,634 | - | 14,177,634 |
| **Assets by segment** | 17,081,072 | 6,733,593 | 1,148,379 | 233,519 | 574,849 | 1,464,468 | 27,235,880 | - | 27,235,880 |
| Equity method investments | 337,563 | 8,441 | 6,076 | - | 189,655 | 791,387 | 1,333,122 | - | 1,333,122 |
| Liabilities by segments | 8,811,689 | 4,690,098 | 695,801 | 156,556 | 329,517 | 315,620 | 14,999,281 | - | 14,999,281 |
| **Country of origin of non-current assets** | | | | | | | | | |
| Chile | 9,229,943 | 1,487,252 | 451,114 | - | 394,112 | 951,615 | 12,514,036 | - | 12,514,036 |
| Foreign | 3,987,631 | 1,936,287 | 466,575 | - | - | - | 6,390,493 | - | 6,390,493 |
| **Total non current assets** | **13,217,574** | **3,423,539** | **917,689** | **-** | **394,112** | **951,615** | **18,904,529** | **-** | **18,904,529** |

*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 | Mexico | Spain | Others | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues | 7,971,934 | 3,053,194 | 634,462 | 556,109 | 282,437 | 319,059 | 290,479 | 432,568 | 128,916 | 396,052 | 112,424 | - | - | 14,177,634 |
| Non current assets | 12,514,036 | 790,396 | 1,434,186 | 262,454 | 685,146 | 761,239 | 1,690,571 | 85,185 | 2,756 | 531,476 | 125,418 | 11,866 | 9,800 | 18,904,529 |

Figures in thousand US$

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## FINANCIAL STATEMENTS

| STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION | Jun-23 | Jun-22 | Chg. 23 / 22 |
|---|---|---|---|
| Revenue | 14,570,387 | 14,177,634 | 2.8% |
| Cost of sales | (12,821,866) | (11,504,822) | 11.4% |
| **Gross profit** | **1,748,521** | **2,672,812** | **(34.6%)** |
| Other income | 253,745 | 194,467 | 30.5% |
| Distribution costs | (718,682) | (784,365) | (8.4%) |
| Administrative expenses | (618,721) | (544,239) | 13.7% |
| Other expense | (279,086) | (107,157) | 160.4% |
| Other gains (losses) | (9,802) | (1,083) | 805.1% |
| Finance income | 76,303 | 39,248 | 94.4% |
| Financial costs | (331,710) | (177,123) | 87.3% |
| Share of profit (loss) of associates and joint ventures accounted for using equity method | 135,287 | 61,663 | 119.4% |
| Foreign exchange differences | (24,126) | (11,612) | 107.8% |
| Gains (losses) on net monetary position | (23,035) | (38,116) | (39.6%) |
| **Profit (loss) before tax** | **208,694** | **1,304,495** | **(84.0%)** |
| Income tax expense | 13,581 | (308,961) | (104.4%) |
| **Profit (loss) from continuing operations** | **222,275** | **995,534** | **(77.7%)** |
| Profit (loss) from discontinued operations | 6,983 | 49,151 | **(85.8%)** |
| **Profit (loss)** | **229,258** | **1,044,685** | **(78.1%)** |
| | | | |
| **Profit (loss), attributable to** | | | |
| Profit (loss), attributable to owners of parent | 213,534 | 1,000,802 | (78.7%) |
| Profit (loss), attributable to non-controlling interests | 15,724 | 43,883 | (64.2%) |
| **Total profit (loss)** | **229,258** | **1,044,685** | **(78.1%)** |

Figures in thousand US$

# FINANCIAL STATEMENTS

| STATEMENT OF COMPREHENSIVE INCOME | Jun-23 | Jun-22 | Chg. 23 / 22 |
|---|---|---|---|
| **Profit (loss)** | **229,258** | **1,044,685** | **(78.1%)** |
| Other comprehensive income, before tax, gains (losses) on revaluation | 61 | 0 | |
| Other comprehensive income, before tax, actuarial gain (losses) to defined benefit plans | (4,271) | 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 | 1,401 | 0 | - |
| **Other comprehensive income that will not be reclassified to profile** | **(2,809)** | **(4,606)** | **39.0%** |
| **Components of other comprehensive income, before tax** | 0 | 0 | - |
| **Exchange differences on translation** | 0 | 0 | - |
| Gains (losses) on exchange differences on translation, before tax | 242,329 | 40,129 | 503.9% |
| Reclassification adjustments on exchange differences on translation, before tax | 0 | 0 | - |
| **Other comprehensive income, before tax, exchange differences on translation** | **242,329** | **40,129** | **503.9%** |
| Gains (losses) on remeasuring available-for-sale financial assets, before tax | 0 | 0 | - |
| Reclassification adjustments on available-for-sale financial assets, before tax | 0 | 0 | - |
| **Other comprehensive income, before tax, available-for-sale financial assets** | 0 | 0 | - |
| Cash flow hedges | 0 | 0 | - |
| Gains (losses) on cash flow hedges, before tax | 0 | 0 | 0.0% |
| Reclassification adjustments on cash flow hedges, before tax | (25,314) | 180,016 | (114.1%) |
| Other comprehensive income, before tax, cash flow hedges | 209 | (5,080) | 104.1% |
| Other comprehensive income, before tax, gains (losses) from investments in equity instruments | 0 | 0 | - |
| Other comprehensive income, before tax, gains (losses) on revaluation | (25,105) | 43 | (114.4%) |
| Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans | (8,247) | (2,477) | 98.3% |
| Share of other comprehensive income of associates and joint ventures accounted for using equity method | (61) | 28 | (241.9%) |
| Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans | (42) | (2,477) | 98.3% |
| **Other comprehensive income, before tax** | **209,748** | **(2,477)** | **98.3%** |
| **Income tax relating to components of other comprehensive income** | **874** | **28** | **3,021.4%** |
| Income tax relating to defined benefit plans of other comprehensive income | 209,748 | 212,594 | (1.3%) |
| 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 | 0 | 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 | 2,153 | (495) | 534.9% |
| 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 | 1,165 | (41,232) | 115.0% |
| Reclassification adjustments on income tax relating to components of other comprehensive income | 0 | 0 | - |
| **Aggregated income tax relating to components of other comprehensive income** | **9,503** | **1,856** | **(37.2%)** |
| **Other comprehensive income** | **216,442** | **168,117** | **28.7%** |
| **Total comprehensive income** | **445,700** | **1,212,802** | **(63.3%)** |


# FINANCIAL STATEMENTS

| BALANCE SHEET - ASSETS | Jun-23 | Dec-22 | Chg. 23 / 22 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 1,377,725 | 1,311,631 | 5.0% |
| Other current financial assets | 245,067 | 421,365 | (41.8%) |
| Other current non-financial assets | 366,610 | 264,638 | 38.5% |
| Trade and other receivables, current | 2,395,239 | 2,718,627 | (11.9%) |
| Trade and other current receivables | 13,429 | 12,620 | 6.4% |
| Inventories | 2,663,600 | 2,698,644 | (1.3%) |
| Current biological assets | 361,769 | 330,435 | 9.5% |
| Current tax assets | 333,304 | 419,460 | (20.5%) |
| **Total current assets other than assets or disposal groups classified as held for sale or as he for distribution to owners** | **7,756,743** | **8,177,420** | **(5.1%)** |
| Non-current assets or disposal groups classified as held for sale | 1,191,798 | 367,266 | 224.5% |
| Non-current assets or disposal groups classified as held for sale or for distribution to owners | 0 | 0 | |
| **Total current assets** | **8,948,542** | **8,544,686** | **4.7%** |
| **Non-current assets** | | | |
| Other non-current financial assets | 223,546 | 189,181 | 18.2% |
| Other non-current non-financial assets | 226,124 | 192,632 | 17.4% |
| Non-current rights receivables | 102,932 | 47,069 | 118.7% |
| Non-current receivables to related parties | 5,083 | 14,431 | (64.8%) |
| Investments accounted for using equity method | 1,540,292 | 1,344,613 | 14.6% |
| Intangible assets other than goodwill | 596,630 | 661,468 | (9.8%) |
| Goodwill | 457,909 | 575,025 | (20.4%) |
| Property, plant and equipment | 12,723,284 | 12,688,823 | 0.3% |
| Assets by right of use | 1,008,796 | 875,264 | 15.3% |
| Non-current biological assets | 2,858,504 | 2,864,935 | (0.2%) |
| Investment property | 26,782 | 23,040 | 16.2% |
| Deferred tax assets | 132,698 | 115,879 | 14.5% |
| **Total non-current assets** | **19,902,580** | **19,592,360** | **1.6%** |
| **Total assets** | **28,851,122** | **28,137,046** | **2.5%** |

Figures in thousand US$

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## FINANCIAL STATEMENTS

| BALANCE SHEET - LIABILITIES AND EQUITY | Jun-23 | Dec-22 | Chg. 23 / 22 |
|---|---|---|---|
| **Current liabilities** | | | |
| Other current financial libilities | 2,059,841 | 2,004,709 | 2.8% |
| Liabilities on current leasings | 113,058 | 119,417 | (5.3%) |
| Trade and other current payables | 1,795,068 | 2,188,079 | (18.0%) |
| Other current payables to related parties | 16,278 | 14,098 | 15.5% |
| Other short-term provisions | 23,874 | 35,026 | (31.8%) |
| Current tax liabilities | 47,565 | 72,131 | (34.1%) |
| Current provisions for employee benefits | 16,453 | 14,527 | 13.3% |
| Other current financial liabilities | 191,186 | 462,465 | (58.7%) |
| **Total current liabilities other than liabilities included in disposal groups classified as held f sale** | **4,263,323** | **4,910,452** | **(13.2%)** |
| Liabilities included in disposal groups classified as held for sale | 347,521 | 172,508 | 101.5% |
| **Total current liabilities** | **4,610,844** | **5,082,960** | **(9.3%)** |
| **Non-current payables** | | | |
| Other non-current financial liabilities | 8,019,042 | 7,240,482 | 10.8% |
| Liabilities on non current leasings | 938,462 | 783,047 | 19.8% |
| Non-current payables | 0 | 0 | |
| Non-current liabilities | 20,858 | 24,133 | (13.6%) |
| Other long-term provisions | 51,360 | 66,975 | (23.3%) |
| Deferred tax liabilities | 2,065,832 | 2,195,090 | (5.9%) |
| Non-current provisions for employee benefits | 155,948 | 140,180 | 11.2% |
| Other non-current non-financial liabilities | 109,738 | 100,556 | 9.1% |
| **Total non-current liabilities** | **11,387,836** | **10,573,531** | **7.7%** |
| **Total liabilities** | **15,998,680** | **15,656,491** | **2.2%** |
| Issued capital | 686,114 | 686,114 | 0.0% |
| Retained earnings | 13,122,030 | 13,022,176 | 0.8% |
| Other reserves | (1,459,012) | (1,665,769) | (12.4%) |
| **Equity attributable to owners of parent** | **12,349,132** | **12,042,521** | **2.5%** |
| Non-controlling interests | 503,309 | 438,034 | 14.9% |
| **Total equity** | **12,852,441** | **12,480,555** | **3.0%** |
| **Total equity and liabilities** | **28,851,121** | **28,137,046** | **2.5%** |

Figures in thousand US$

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## FINANCIAL STATEMENTS

| STATEMENT OF CASH FLOWS | jun-23 | jun-22 | Chg. 23 / 22 |
|---|---|---|---|
| **Cash flows from (used in) operating activities** | | | |
| **Classes of cash receipts from operating activities** | | | |
| Receipts from sales of goods and rendering of services | 16,685,558 | 16,011,337 | 4.2% |
| Receipts from royalties, fees, commissions and other revenue | 88 | 5 | 1,660.0% |
| Receipts from premiums and claims, annuities and other policy benefits | 285 | 935 | (69.5%) |
| Receipts from leasing and subsequent sale of those assets | 1,938 | 1,917 | 1.1% |
| Other cash receipts from operating activities | 341,704 | 273,614 | 24.9% |
| Payments to suppliers for goods and services | (15,102,078) | (14,137,067) | (6.8%) |
| Payments to and on behalf of employees | (686,731) | (626,219) | (9.7%) |
| Payments for premiums and claims, annuities and other policy benefits | (6,824) | (10,504) | 35.0% |
| Payments from manufacturing or acquiring assets to lease to others and subsequently sale | (4,711) | (12,609) | 62.6% |
| Other cash payments from operating activities | (108,643) | (197,676) | 45.0% |
| Dividends paid | (402,737) | (257,683) | (56.3%) |
| Dividends received | 58,859 | 36,471 | 61.4% |
| Interest paid | (283,929) | (199,511) | (42.3%) |
| Interest received | 76,810 | 33,346 | 130.3% |
| Income taxes refund (paid) | (81,877) | (282,360) | 71.0% |
| Other inflows (outflows) of cash | (1,008) | (444) | (127.0%) |
| **Net cash flows from (used in) operating activities** | **486,704** | **633,552** | **(23.2%)** |

## FINANCIAL STATEMENTS

| STATEMENT OF CASH FLOWS (continuation) | jun-23 | jun-22 | Chg. 23 / 22 |
|---|---|---|---|
| Cash flows from (used in) investing activities | | | |
| Cash flows from losing control of subsidiaries or other businesses | 2,100 | 0 | |
| Cash flows used in obtaining control of subsidiaries or other businesses | (15,310) | (3,795) | (303.4%) |
| Cash flows used in the purchase of non-controlling interests | (86,096) | (15,594) | (452.1%) |
| Other cash receipts from sales of equity or debt instruments of other entities | 0 | 1 | (100.0%) |
| Other cash receipts from sales of interests in joint ventures | (389) | 0 | |
| Other cash payments to acquire interests in joint ventures | 0 | (118) | 100.0% |
| Loans to related parties | 0 | (2,475) | 100.0% |
| Proceeds from sales of property, plant and equipment | 5,281 | 121,238 | (95.6%) |
| Purchase of property, plant and equipment | (698,665) | (878,670) | 20.5% |
| Proceeds from sales of intangible assets | 122 | 311 | (60.8%) |
| Purchase of intangible assets | (7,105) | (6,662) | (6.6%) |
| Proceeds from other long-term assets | 3,615 | 45,919 | (92.1%) |
| Purchase of other long-term assets | (216,433) | (150,412) | (43.9%) |
| Cash advances and loans made to other parties | 30 | 9 | 233.3% |
| Cash receipts from repayment of advances and loans made to other parties | 6 | 3 | 100.0% |
| Cash payments for future contracts, forward contracts, option contracts and swap contracts | (28,757) | (461) | (6,138.0%) |
| Cash receipts from future contracts, forward contracts, option contracts and swap contracts | 2,445 | 1,883 | 29.8% |
| Cash receipts from related parties | 837 | 0 | |
| Other inflows (outflows) of cash | 148,028 | (67,677) | 318.7% |
| **Net cash flows from (used in) investing activities** | **(890,291)** | **(956,500)** | **6.9%** |

## FINANCIAL STATEMENTS

| STATEMENT OF CASH FLOWS (continuation) | jun-23 | jun-22 | Chg. 23 / 22 |
|---|---|---|---|
| Cash flows from (used in) financing activities | | | |
| Proceeds from issuing shares | 47,828 | 0 | |
| Proceeds from long term borrowings | 885,649 | 243,523 | 263.7% |
| Proceeds from short term borrowings | 943,429 | 656,919 | 43.6% |
| **Proceeds from borrowings** | **1,829,078** | **900,442** | **103.1%** |
| Payments of borrowings | (1,286,626) | (562,141) | (128.9%) |
| Payments of finance lease liabilities | 0 | 0 | |
| Payments of lease liabilities | (64,538) | (64,899) | 0.6% |
| Loan payments to related parties | (1,414) | 0 | |
| Other inflows (outflows) of cash | (5,142) | (678) | (658.4%) |
| **Net cash flows from (used in) financing activities** | **519,186** | **272,724** | **90.4%** |
| **Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes** | **115,599** | **(50,224)** | **330.2%** |
| Effect of exchange rate changes on cash and cash equivalents | (49,505) | (37,273) | (32.8%) |
| Net increase (decrease) in cash and cash equivalents | 66,094 | (87,497) | 175.5% |
| Cash and cash equivalents at beginning of period | 1,311,631 | 1,667,603 | (21.3%) |
| Cash and cash equivalents at end of period | 1,377,725 | 1,580,106 | (12.8%) |

# EXHIBIT

## Adjusted EBITDA Calculation

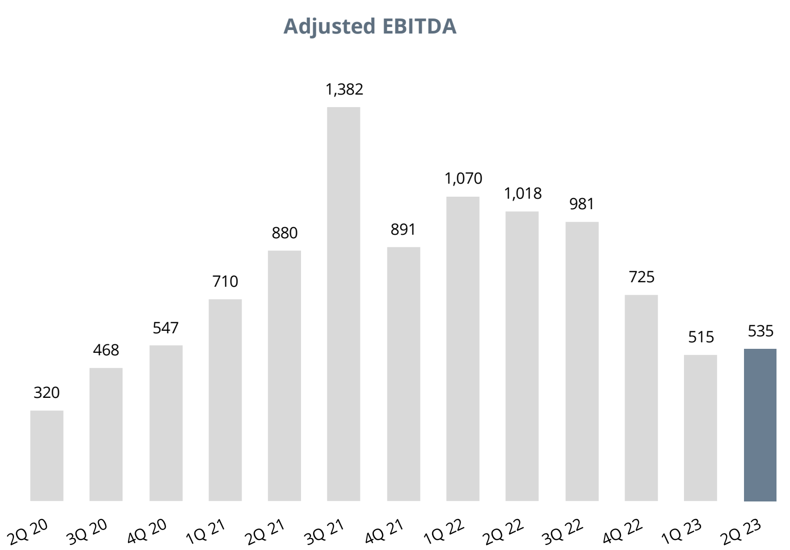
As from 1Q13, Empresas Copec presents an alternative calculation of EBITDA, denominated "adjusted EBITDA". The methodology, adopted by the subsidiary Arauco in 2012, better suits the IFRS definition of the indicator, and has the advantage of including the profits from associates. These may be especially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

| | 2Q 23 | 1Q 23 | 2Q 22 | 2Q23 / 2Q22 | Accum 23 | Accum 22 | Chg. 23 / 22 |
|---|---|---|---|---|---|---|---|
| **Net Income** | 64 | 165 | 403 | (84.0%) | 229 | 1,045 | (78.1%) |
| (-)Financial Costs | (177) | (155) | (92) | 92.9% | (332) | (177) | 87.3% |
| (-) Financial Income | 41 | 36 | 22 | 82.1% | 76 | 39 | 94.4% |
| (-) Income Tax | (2) | 15 | (173) | (99.0%) | 14 | (309) | (104.4%) |
| (+) Depr & Amort | 247 | 193 | 201 | 23.1% | 440 | 399 | 10.3% |
| (+) Fair value cost of timber harvested | 121 | 85 | 123 | (1.0%) | 206 | 201 | 2.8% |
| (-) Gain from changes in fair value of biological assets | 56 | 53 | 77 | (27.1%) | 109 | 131 | (16.8%) |
| (-) Exchange rate differences | (42) | 18 | (24) | 78.5% | (24) | (12) | 107.8% |
| (-) Others* | 22 | (38) | (103) | (120.9%) | (17) | (116) | (85.4%) |
| **Adjusted EBITDA**** | 535 | 515 | 1,018 | (47.4%) | 1,050 | 2,088 | (49.7%) |

*2Q23 includes insurance compensation for forest and property, plant and equipment, for US$ 22.8 million. 1Q23 includes impairment of US$43 million due to forest fire incidents (*Includes expenses for plant closures and stoppages in Arauco for US$140 million). 2Q22 includes impairment of US$11 million due to forest fires and property, plant and equipment in Arauco, and a loss of US$91 million associated with a provision in Metrogas related to an adverse initial court ruling against the company.

Figures in US$ million

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