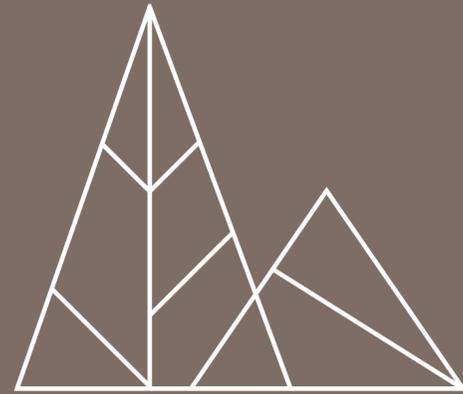


2nd QUARTER
2021

Financial Results
Conference Call Presentation
August 26, 2021

Gianfranco Truffello
Chief Financial Officer



Disclaimer

This presentation contains forward-looking statements that are based on the beliefs, assumptions and expectations of the management of the Company based on currently available information.

They involve risks and uncertainties because they relate to future events or expectations and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Arauco and could cause results to differ materially from those expressed in such forward-looking statements. For further discussion of these risks and uncertainties, investors should refer to quarterly and annual Arauco filings with the Chilean CMF and US SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements due to new information or future developments.

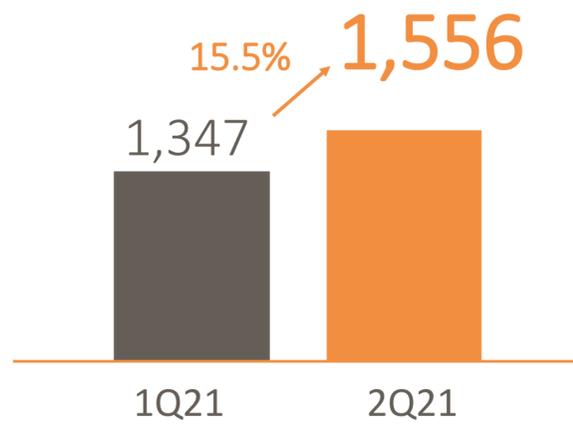
This presentation contains certain performance measures that do not represent IFRS definitions, as “EBITDA” and “Net financial debt”. These measures cannot be compared with the same previously used by Arauco and the same used by other companies.



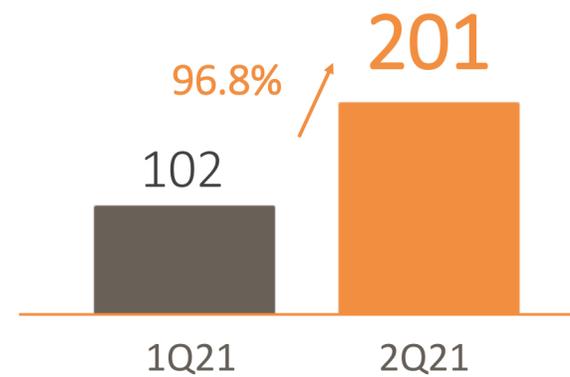
FINANCIAL REVIEW

► In US\$ million

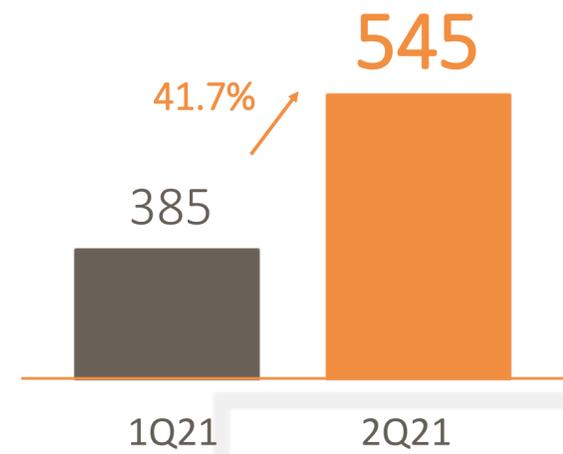
Revenues



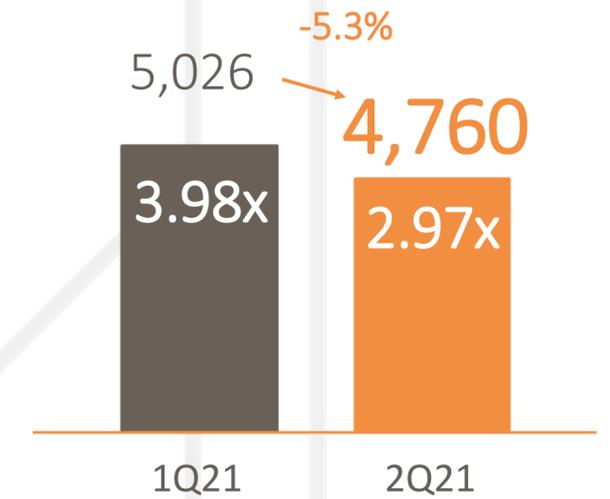
Net Income



Adjusted EBITDA



Net Debt & Leverage ⁽¹⁾

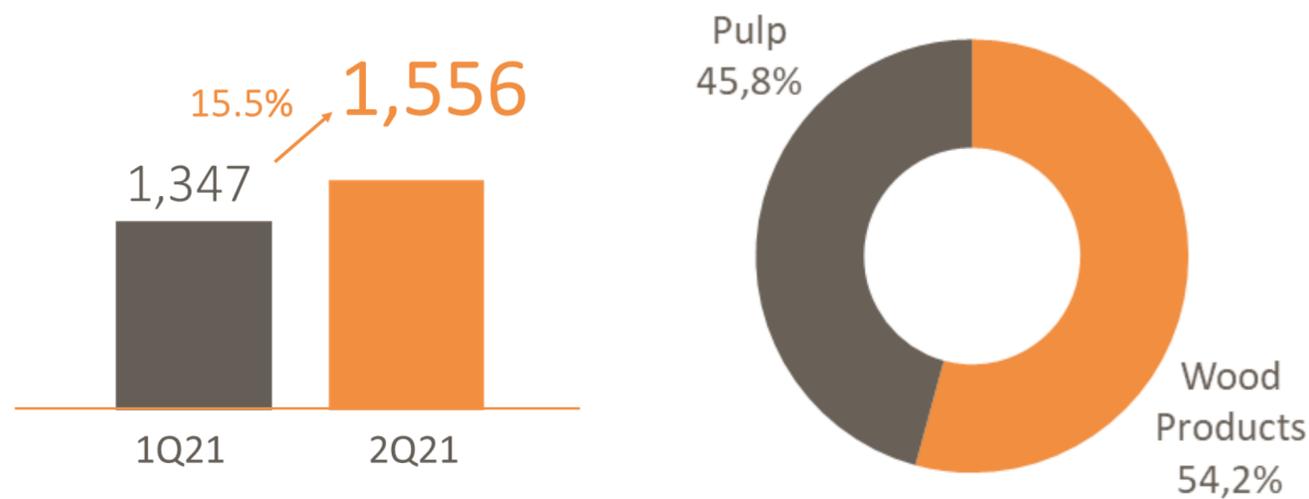


(1) Calculated as Net Debt / LTM Adj. EBITDA

► In US\$ million

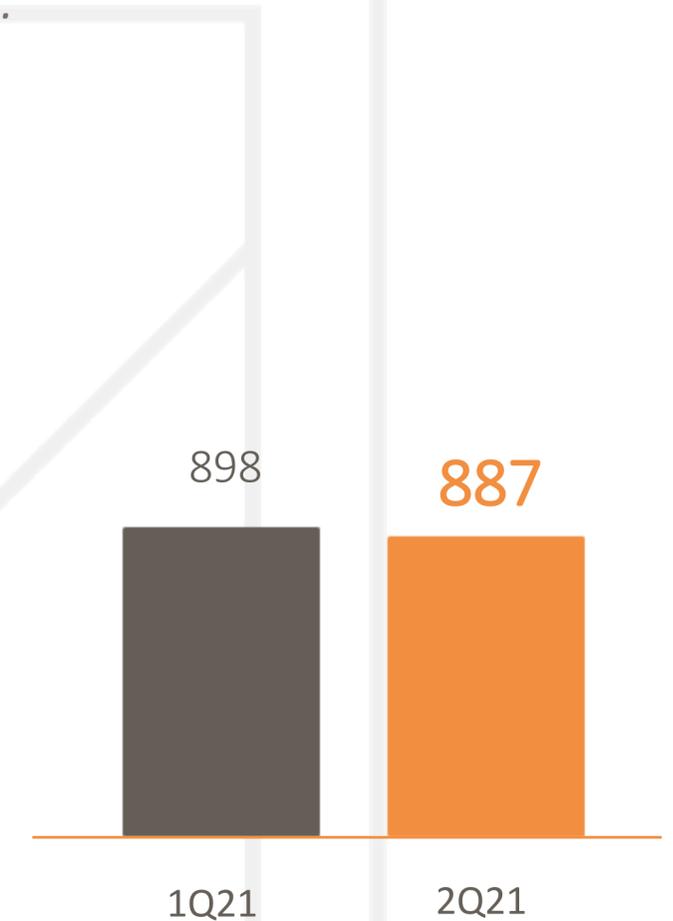
Revenues increased 15.5% compared to the first quarter of 2021.

- Pulp revenues increased by US\$136.6 million or 23.7%, mainly driven by a 39.9% increase in average prices, partially offset by a 4.2% decrease in sales volume.
- Wood products revenues increased by US\$72.2 million or 9.4%, mainly due to a 8.6% increase in average prices.



- **Cost of sales** decreased slightly by 1.2% or US\$10.2 million QoQ mainly due to lower costs associated to timber, partially offset by an increase in *forestry labor costs and chemical costs*.

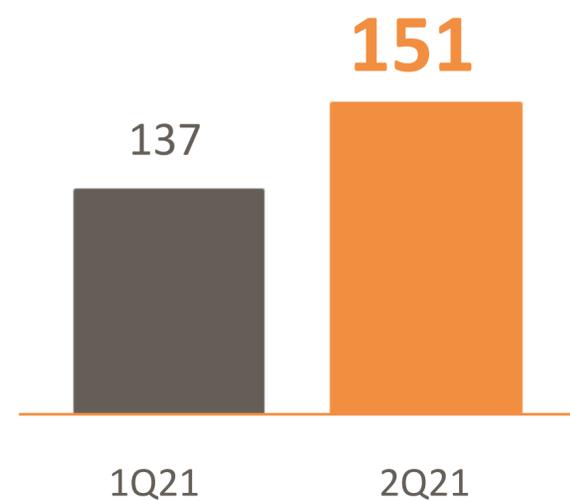
Softwood bleached pulp	▲ 6.7%
Hardwood bleached pulp	▼ 2.0%
Unbleached softwood pulp	▲ 2.5%
Dissolving pulp	▼ 3.0%



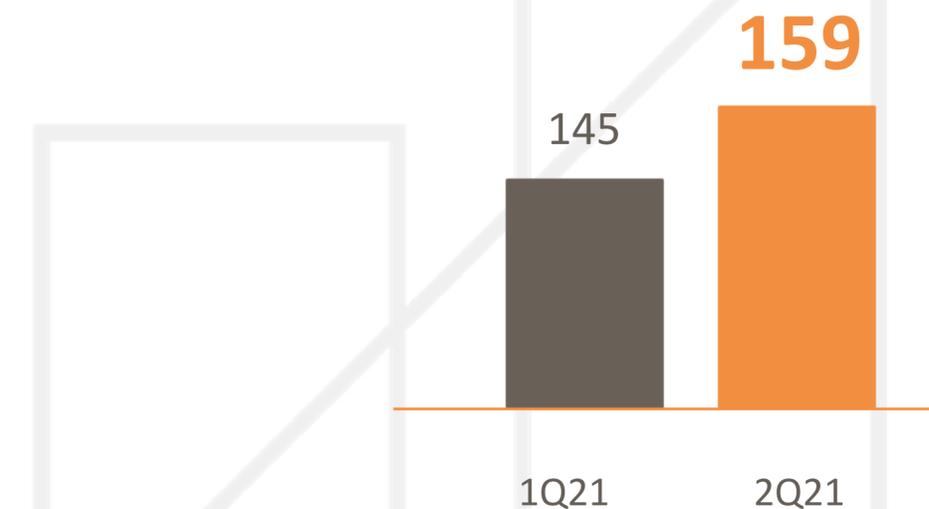
► In US\$ million

Administrative expenses increased by US\$14.2 million or 10.4% QoQ mainly due to an increase in:

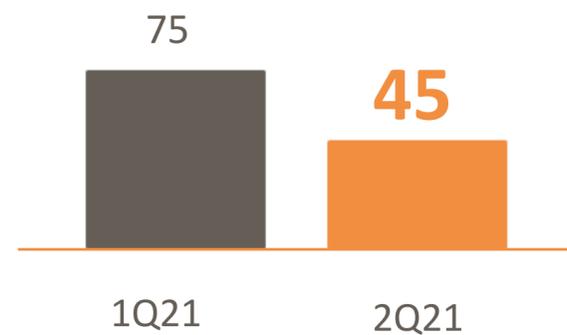
- *Other administrative expenses* (sanitization services and COVID-19 testing).
- *Property taxes, patents and municipality rights.*
- *Wages, salaries and severance indemnities.*



Distribution costs increased 10.0% or US\$ 14.5 million due to an increase in *freight costs* caused by pandemic-related logistic issues.

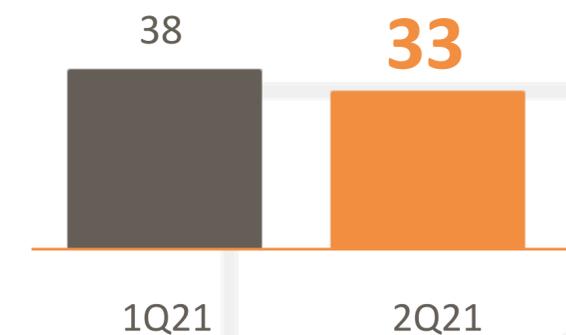


► In US\$ million



Other income decreased by US\$29.6 million or 39.5% QoQ.

- This is mainly due to a decrease in *profit on sales of permanent investments* resulting from the sale of our shares in Forestal Los Lagos in the previous quarter.



Other expenses decreased by US\$4.5 million or 12.0%.

- Mostly explained by a decrease in *loss of forests* due to last quarter's adjustments related to the forest fire in Matto Grosso, Brazil.
- Partially offset by an increase in *impairment provision property, plant and equipment and others*.

INCOME STATEMENT

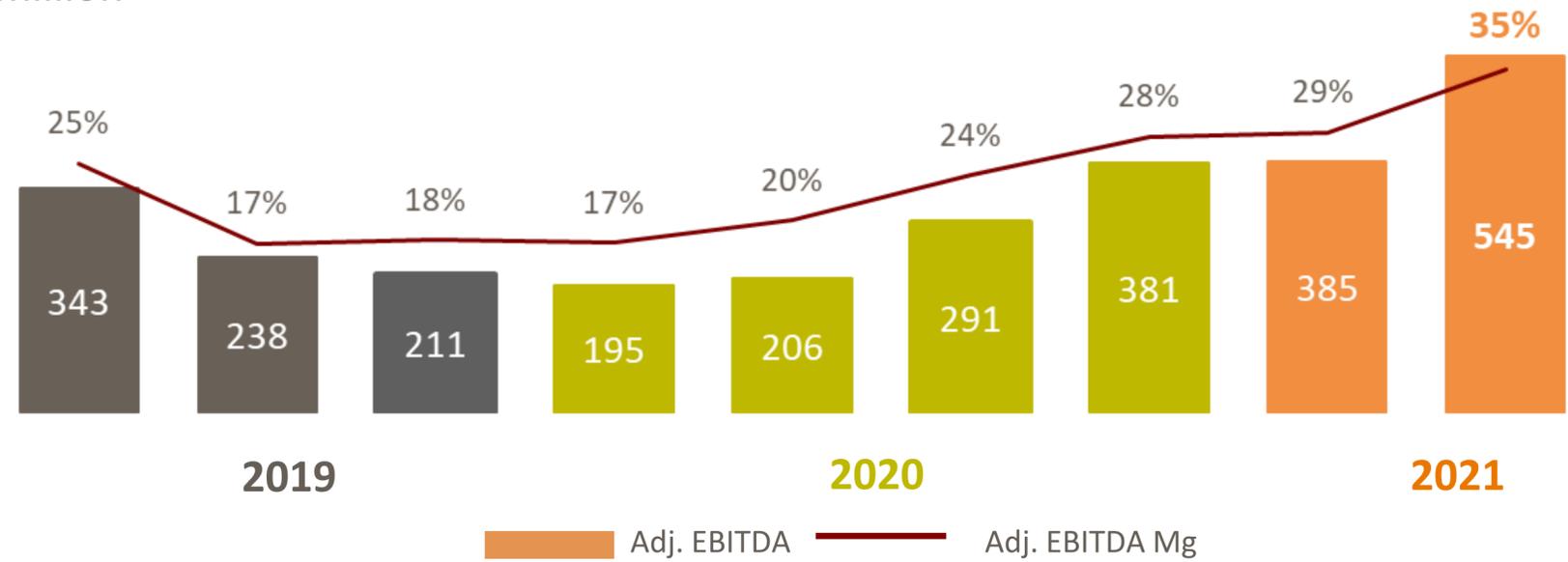
FINANCIAL REVIEW

► In US\$ million

	Q2 2021	Q1 2021	QoQ
Revenue	1,555.6	1,346.7	15.5%
Cost of sales	(887.2)	(897.8)	-1.2%
Gross profit	668.4	448.9	48.9%
Other income	45.4	75.0	-39.5%
Distribution costs	(159.3)	(144.8)	10.0%
Administrative expenses	(150.7)	(136.5)	10.4%
Other expenses	(33.0)	(37.5)	-12.0%
Financial income	7.6	6.8	11.2%
Financial costs	(57.2)	(61.0)	-6.2%
Participation in (loss) profit in associates and joint ventures accounted through equity method	8.7	2.5	249.0%
Other income (loss)	-	-	-
Exchange rate differences	(5.2)	(8.5)	-38.5%
Income before income tax	324.8	145.0	124.0%
Income tax	(123.4)	(42.6)	189.3%
Net income	201.4	102.4	96.8%

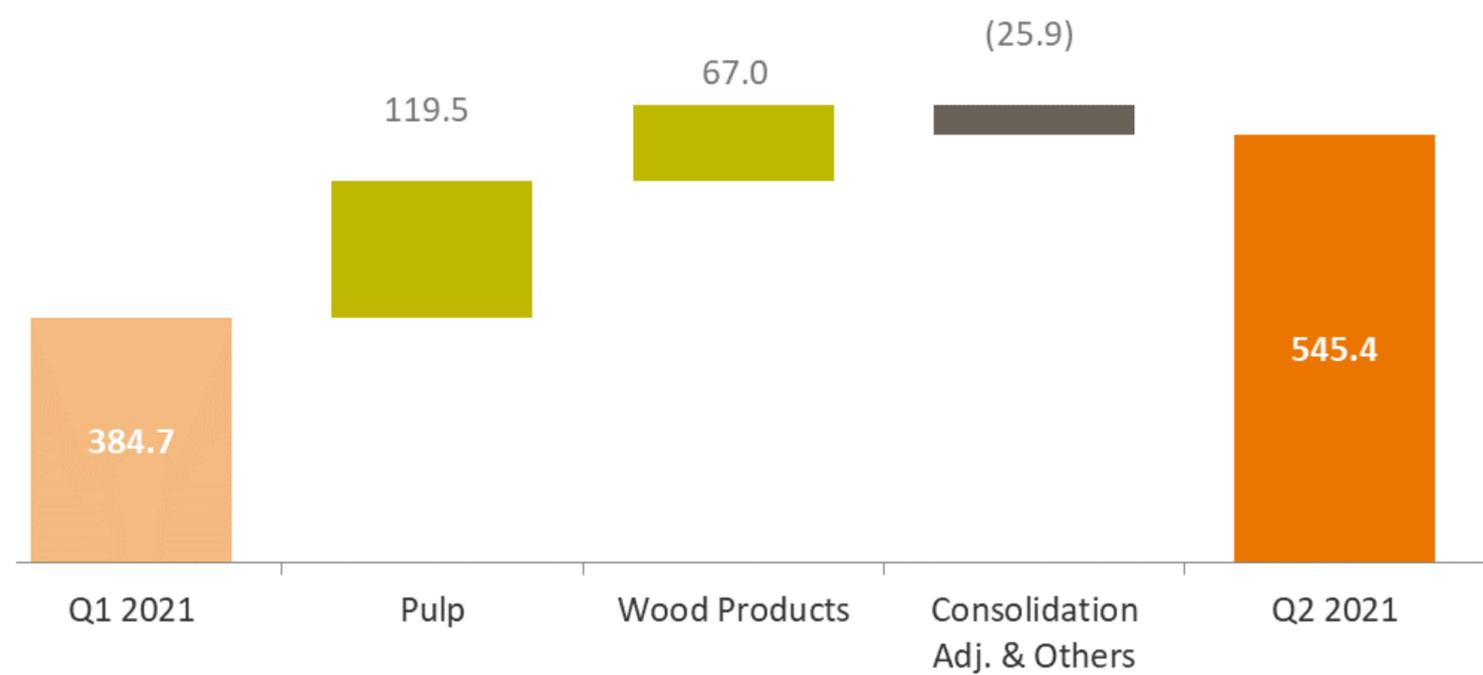
ADJUSTED EBITDA

► In US\$ million

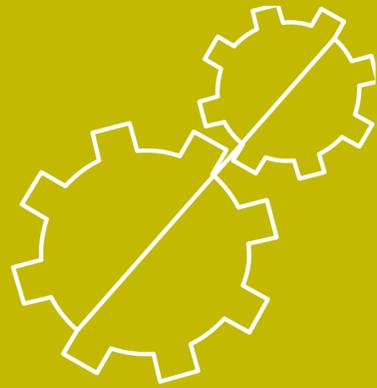


Breakdown by division

Pulp	330
Wood Products	254
Consolidated Adj. & Others	-39

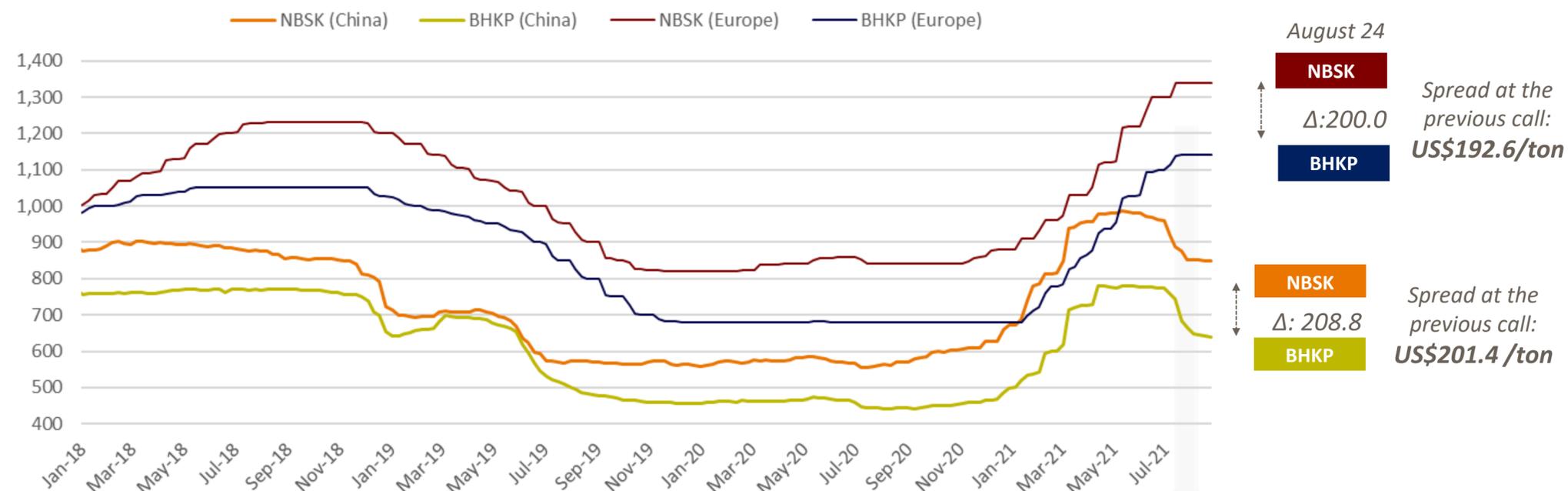


- Adjusted EBITDA during the second quarter reached US\$545.4 million. Significant increases were US\$119.5 million in the pulp business segment and US\$67.0 million in the wood products business segment, both due to higher operational income.



REVIEW BY BUSINESS SEGMENT & OUTLOOK

PIX Pulp Indexes (in US\$)



Source: RISI

Global Bleached Chemical Pulp Shipments variation – (5 months 2020 – 2021)

	Global BCP Shipments Change (tonnes)		
	2020	2021	% Var.
China	8,910	8,890	-0.2%
Europe	6,985	6,745	-3.4%
Other Asia	4,270	3,795	-11.1%
USA	2,820	2,770	-1.8%
Rest of the World	1,870	1,785	-4.5%
Total	24,850	23,980	-3.5%

Source: Hawkins Wright

Global* BCP Producer Stocks

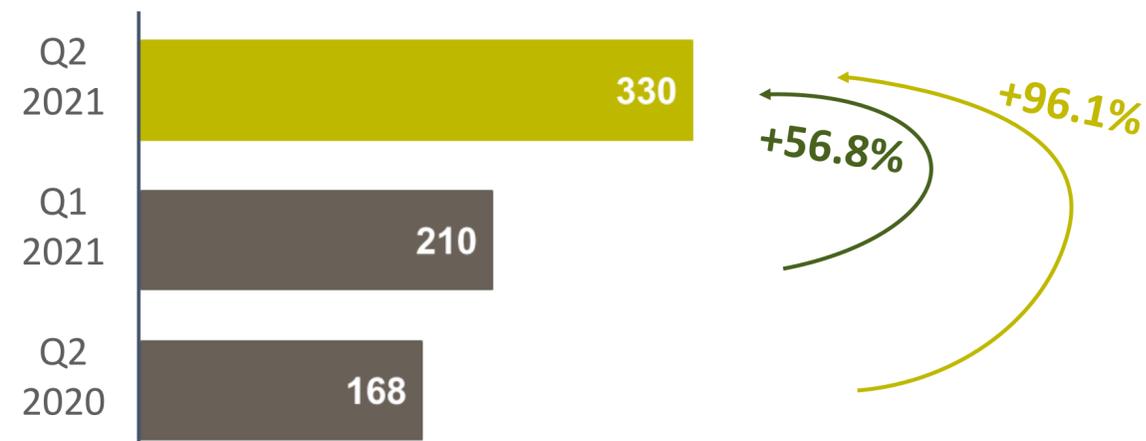
In days of supply

	Dec-20	Jan-21	Mar-21	Apr-21	May-21
BSKP	35	39	36	37	38
BHKP	35	36	36	36	37

*Excludes Russia and Indonesia
Source: Hawkins Wright

Adjusted EBITDA

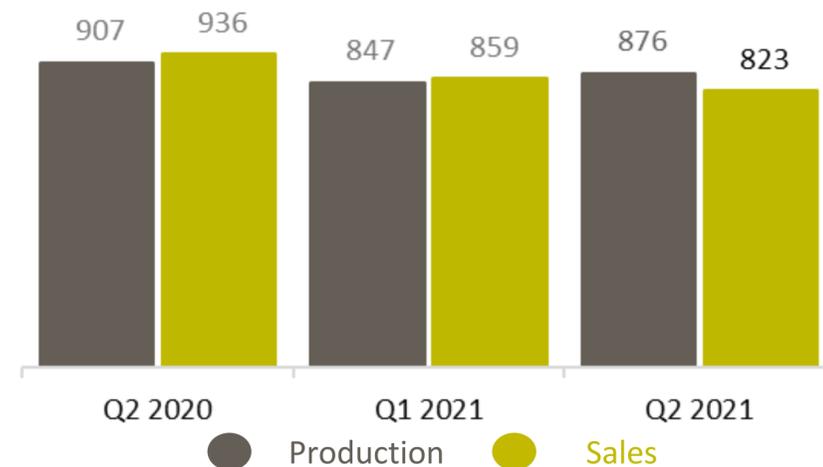
In US\$ million



	Price	Volume	Sales
QoQ	39.9%	-4.2%	23.7%
YoY	68.3%	-12.1%	34.4%

Production and Sales Volume

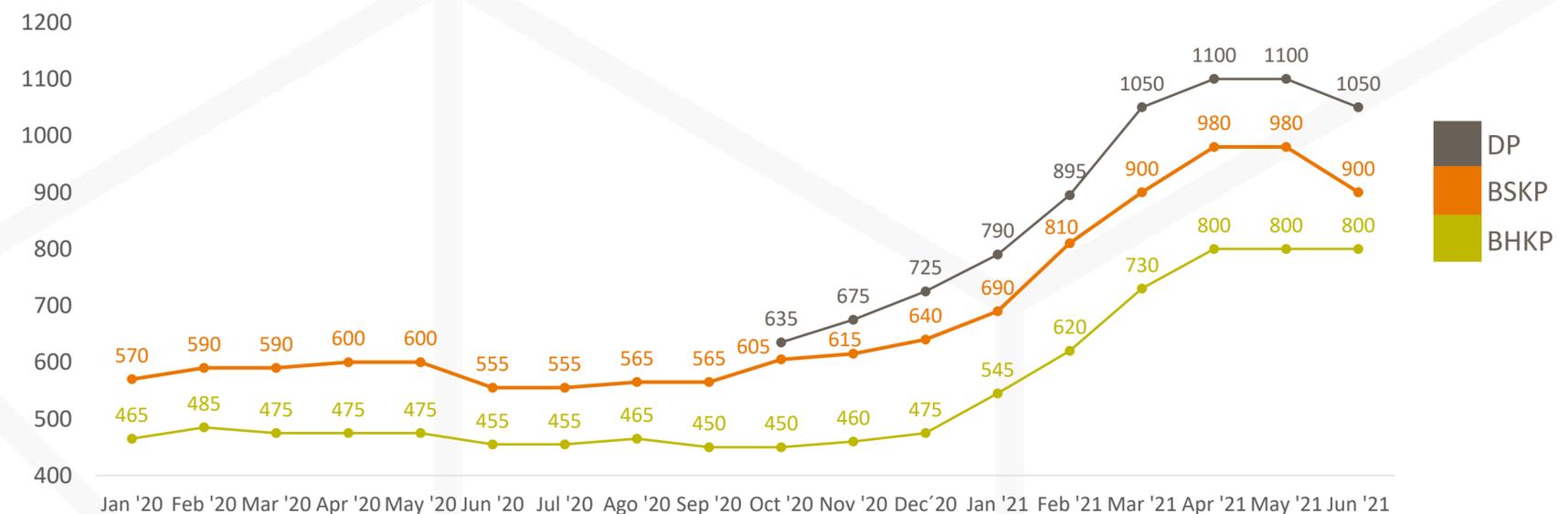
In thousand tonnes



Q2 2021

- Prices kept increasing reaching peak levels in all grades and logistics challenges continued. Paper demand and consequently pulp demand was very active, and several customers asked for additional volume, especially in Europe.
- In China, pulp demand remained relatively stable. Short fiber price reached its highest level at the beginning of the quarter and then remained stable. Long fiber prices, after reaching its highest level, slightly decreased towards the end of the quarter.
- Dissolving pulp also reached a peak during the quarter following a drop in VSF prices and a pressure on Dissolving Pulp prices towards the end.

BHKP, BSKP and DP Net prices - China

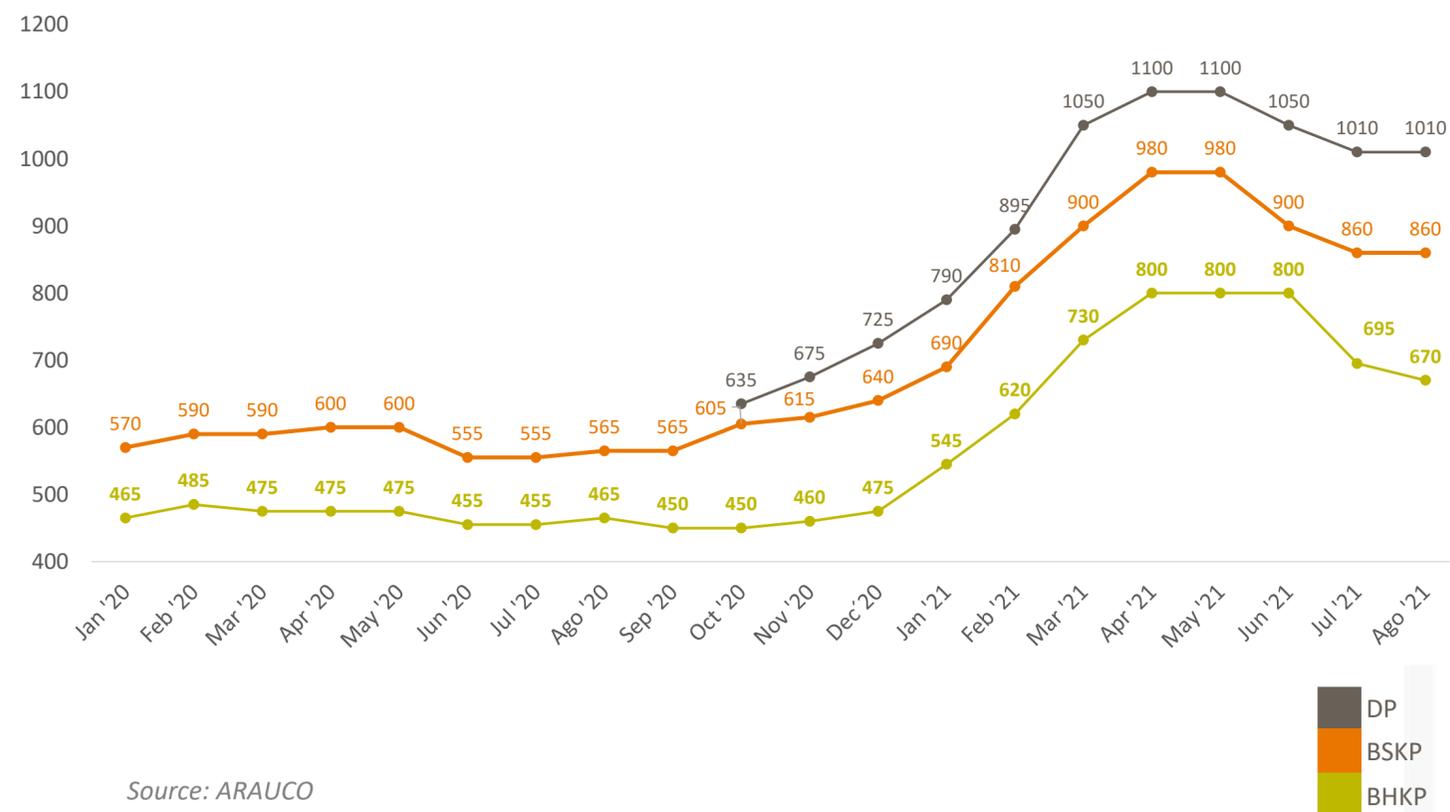


Source: ARAUCO

For the third quarter of 2021,

- Normal seasonality effects are expected causing a lower demand, accompanied by the effects of the lack of exports out of Asia deviating paper volumes into China where we can see oversupply of paper in general.
- Pressure on pulp prices remains, yet towards the end of 3Q prices are expected to remain at a good level.
- Regarding Dissolving Pulp, we believe the following months will continue to have some adjustment though less significant than those of paper grade pulp, in fact we see VSF prices stabilizing and even some signs of improvement.

BSKP, BHKP and DP Net Prices - China



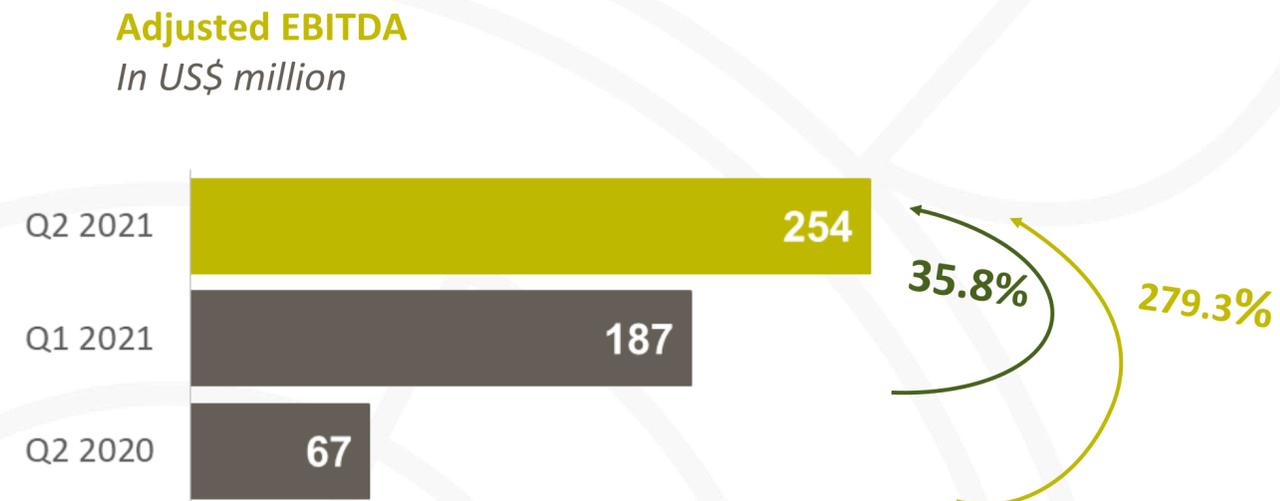
Source: ARAUCO

2021 Pulp Mills Days of Stoppages

Mill	2021				2022	
	1Q	2Q	3Q	4Q	1Q	2Q
Arauco - Line 1	11					
Arauco - Line 2		22				
Constitución					13	
Licancel			11			
Nueva Aldea	19					10
Valdivia		11			10	
Esperanza		27				30
Montes del Plata					10	

Maintenance Stoppages:





Panels*

	Price	Volume
QoQ	9.7%	1.6%
YoY	16.3%	39.0%

Solid Wood**

	Price	Volume
QoQ	7.2%	-2.0%
YoY	30.8%	19.0%

*MDF, PBO, HB

**Sawn Timber, Remanufactured Wood products and Plywood

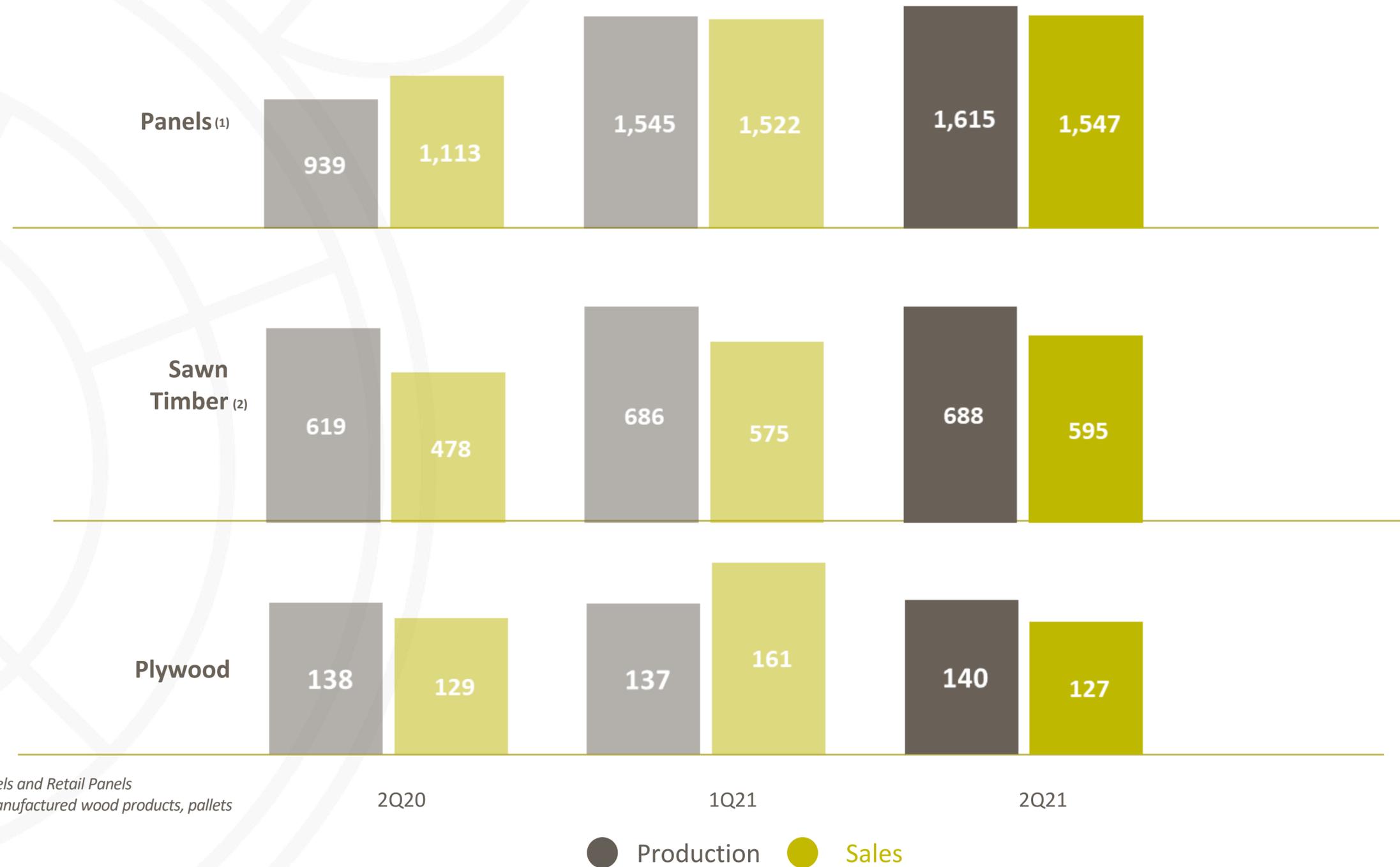
Q2 2021

- Panels sales increased mainly due to higher average prices (+9.7%). The market demand continued to rise, which is explained by strong demand for products of home improvement and remodeling, the reactivation of construction projects and by government measures that have favored consumption.
- Solid Wood average prices also increased (+7.2%) due to higher demand for sawn timber and remanufactured wood products. Logistics problems continued throughout the quarter leading to low availability and higher prices.
- Plywood sales volume decreased 21.2%, while average prices increased (+14.7%). This price increase was due to higher demand in markets such as Chile, Europe, Oceania and US, despite some logistical issues causing invoice delays.

WOOD PRODUCTS PRODUCTION AND SALES VOLUME

REVIEW BY BUSINESS SEGMENT & OUTLOOK

► In '000 m³



⁽¹⁾ Includes PB, MDF, HB and OSB, Composite Panels and Retail Panels

⁽²⁾ Includes sawn timber, kilned sawn timber, remanufactured wood products, pallets

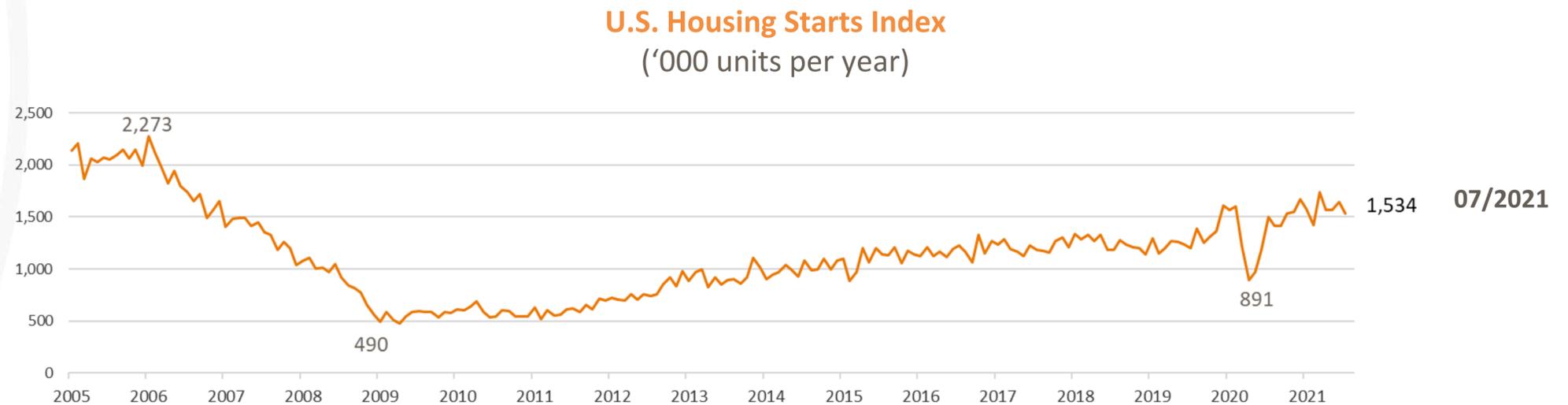
Note: Sales include trading

54%
North
America

PB/MDF: We expect PB to remain stable during Q3/Q4, but with a somewhat higher supply and lower demand compared to Q2. The MDF market remains very active and we believe it will continue on the same trend for the rest of the year.

REMANUFACTURED PRODUCTS: We continue to see a very strong market. Prices have continued to rise, and we expect increases will continue due to a strong housing market and logistical issues.

PLYWOOD: Prices have continued at high levels, but such high prices have led to increases in supply, and there has also been a seasonal decrease in demand.



Source: Bloomberg

34%
Central and
South America

10%
Asia and Oceania

BRAZIL

- The market continues to be very active both in PB and MDF.
- We expect the market to continue in high levels for the rest of the year.

CHILE

- Demand stronger than supply, with higher prices in some products and supply shortages.
- Sawn timber and plywood also good, owing to same reasons as in the rest of the world.

ARGENTINA

- As in Brazil and Chile, we have seen an increase in demand and prices.
- Price levels have allowed us to compensate inflation and devaluation.

ASIA

- Logistic problems in SE Asia due to pandemic-related issues.
- Markets have slowed down in China due to seasonality though prices remain high.

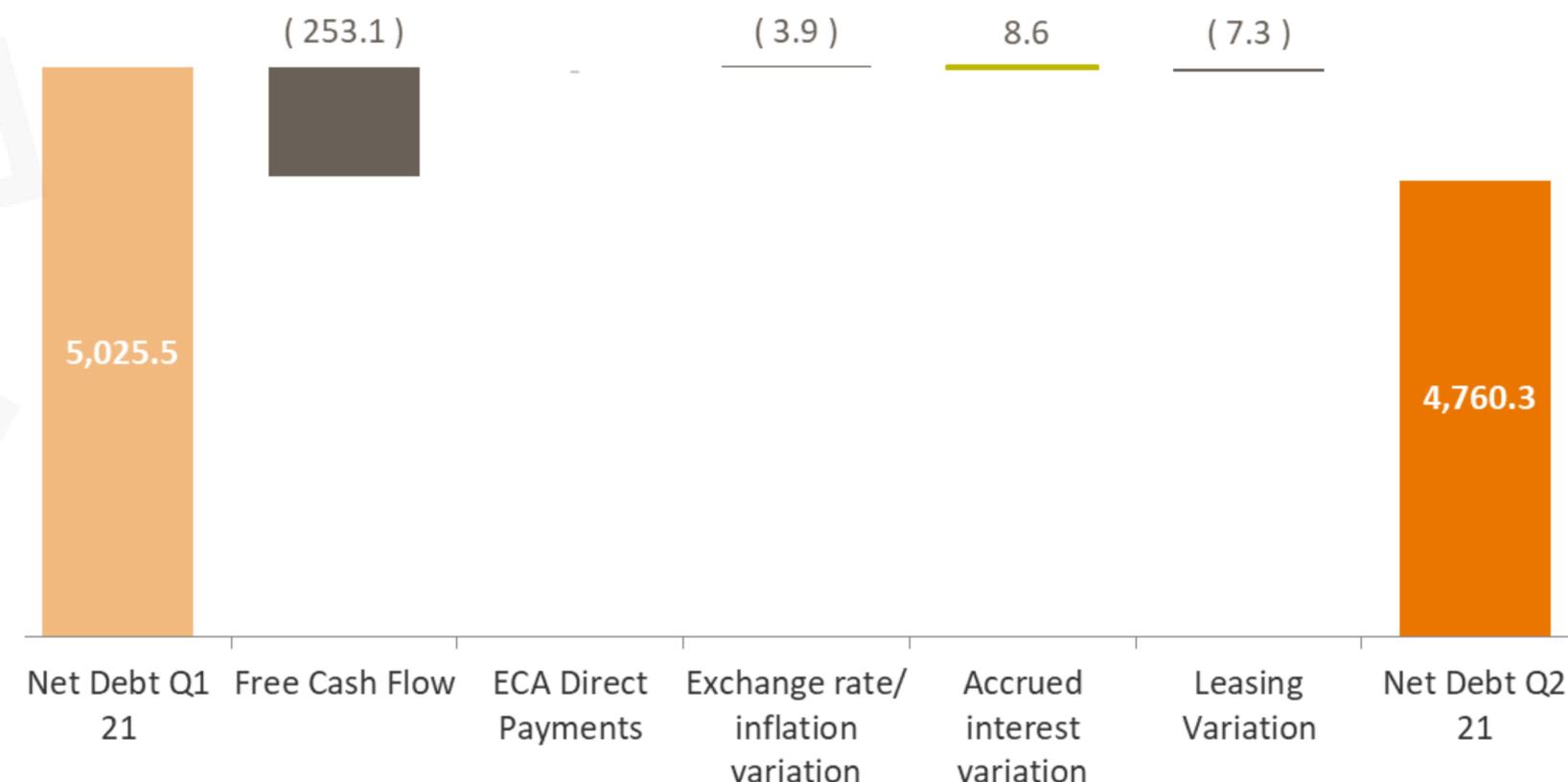
OCEANIA

- Market continues strong and outlook continues to be positive on the short term.

FREE CASH FLOW

► In US\$ million

	Q2 2021	Q1 2021
Adjusted EBITDA	545.4	384.7
Working Capital Variation	(164.4)	16.0
Interest paid and received	(73.4)	(38.7)
Income tax received (paid)	81.0	49.0
Others	61.5	(6.4)
Cash from Operations	450.1	404.7
Capex (1)	(401.8)	(291.9)
Others	2.6	9.5
Cash from Investment Activities	(399.2)	(282.4)
Cash from Financing activities (net of debt)	182.3	(18.3)
Effect of exchange rate changes on cash	19.9	(20.5)
Free Cash Flow	253.1	83.5



Cash flow from operating activities increased US\$45.4 million, mainly due to an increase in *receipts of sales of goods*.

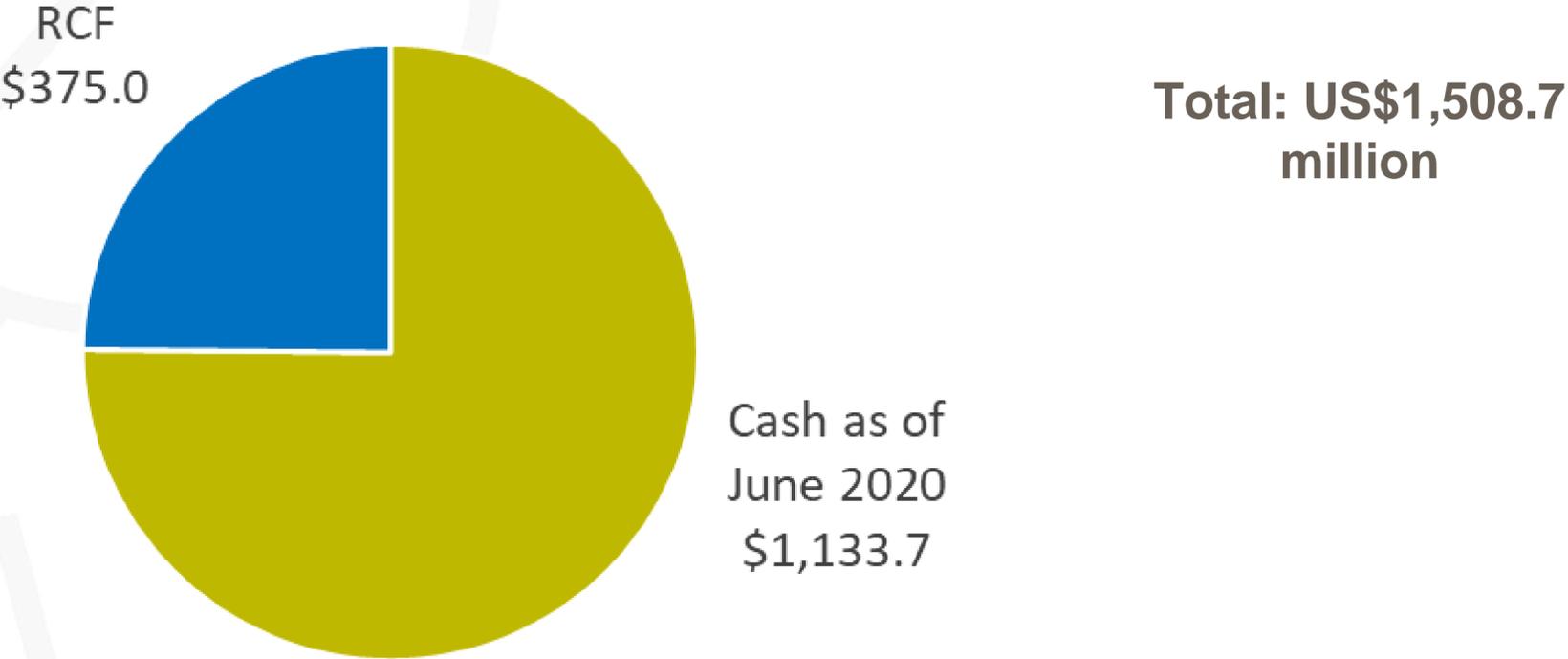
Cash flow used in investment activities increased US\$116.8 million, mostly due to an increase in capital expenditures related to the MAPA project.

Cash flow from financing activities increased by US\$200.6 million, mainly due to a capital increase of US\$200.0 million paid during May 2021.

► Net Debt decreased by US\$265.1 million or by 5.3% QoQ, mostly due to this quarter's positive Free Cash Flow.

CASH AND LIQUIDITY

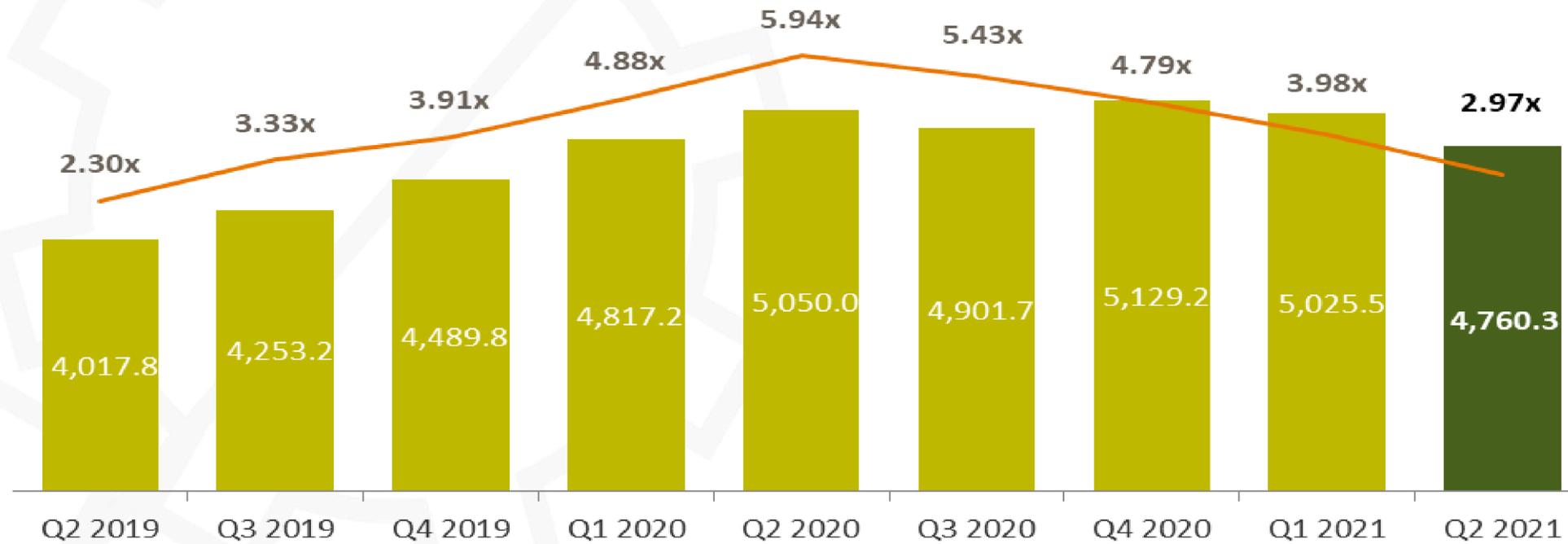
Our cash position was US\$1,133.7 million at the end of the first quarter of 2021. In terms of liquidity, the Company has a revolving credit facility (RCF) for a total amount of US\$375 million due in February 2025, which as of the date of this report hasn't been withdrawn.



During May 2020, we received US\$200.0 million as part of the capital increase previously approved by the board. The remainder of US\$250.0 million may be received during 2021, depending on the Company needs.

NET FINANCIAL DEBT

► In US\$ million



Cash and cash equivalents increased by 22.7% or US\$209.6 million QoQ.

Total Financial Debt decreased by 0.9% or US\$55.5 million QoQ.

LTM Adjusted EBITDA reached US\$1,601.6 million, 26.9% higher QoQ.

Net Leverage (*) decreased from 3.98x to 2.97x QoQ.

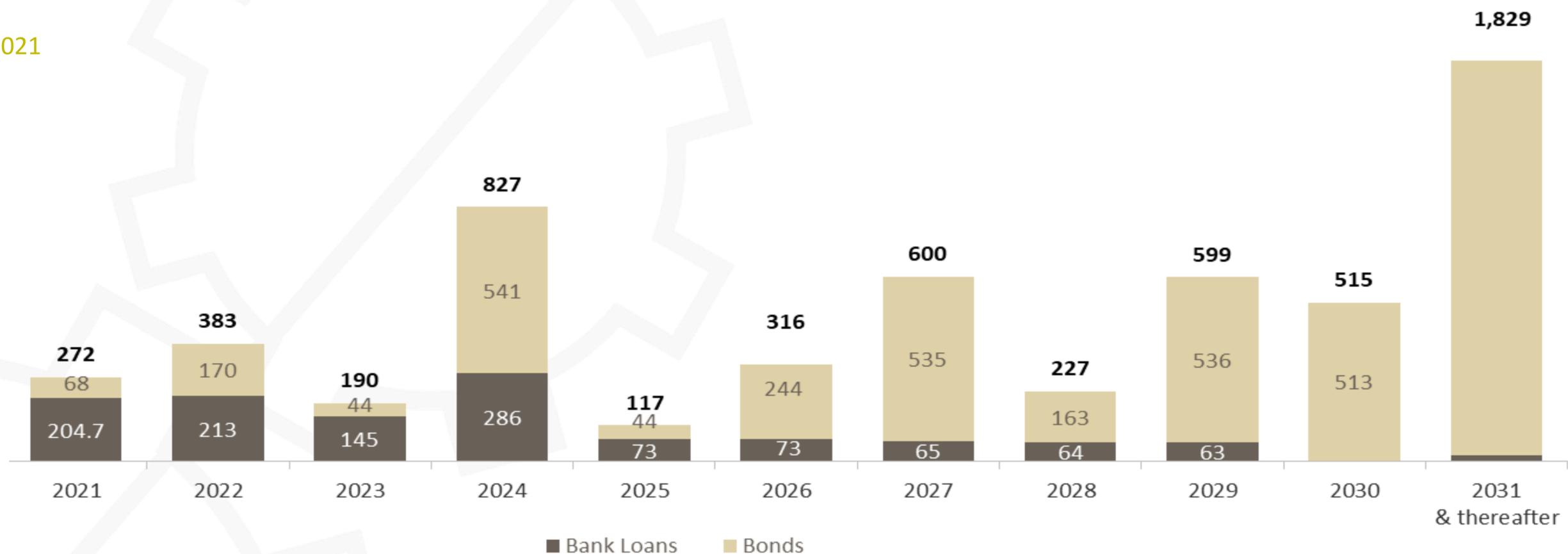
(*) Net Debt / LTM Adjusted EBITDA

	June 2021	March 2021
Short Term Debt	488	511
Long Term Debt	5,406	5,439
Total Debt	5,894	5,950
Cash	1,134	924
Net Debt	4,760	5,025

DEBT

► In US\$ million

AS OF JUNE 2021

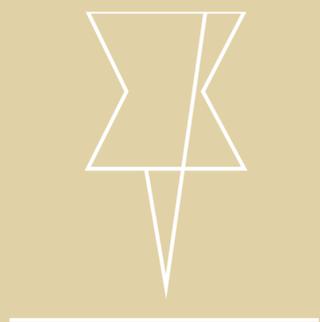


BANK OBLIGATIONS FOR 2021 INCLUDE:

- US\$ 170 million in bank loans
- US\$ 35 million in leasing

BOND OBLIGATIONS FOR 2021 INCLUDE:

- US\$ 68 million in bond obligations. This includes amortizations of local bonds and interest payments.



MATERIAL FACTS AND NEWS

On May 12, 2021, Forestal Arauco S.A., a subsidiary of the Company, executed a Master Agreement, by means of which it agreed to sell to a third party, 461 forest properties that include a total of 80,489 hectares, of which 61,742 are productive hectares, for a total price of US\$385,500,000, plus the corresponding Value Added Tax.

On August 17* the conditions precedent for the closing of the operation were met and the parties proceeded to execute the sale of 430 properties for a price of US \$ 343,668,296, plus the corresponding Value Added Tax.

The parties expect to carry out the sale of the 31 remaining properties to the extent that, for each of them, certain particular conditions are met within the following months, as established in the Master Agreement.

*For further information, please refer to our Material Fact published on August 17 via www.cmfchile.cl

MAPA Project overall progress as of the end of July 2021 was 85.6%.

Recent Highlights

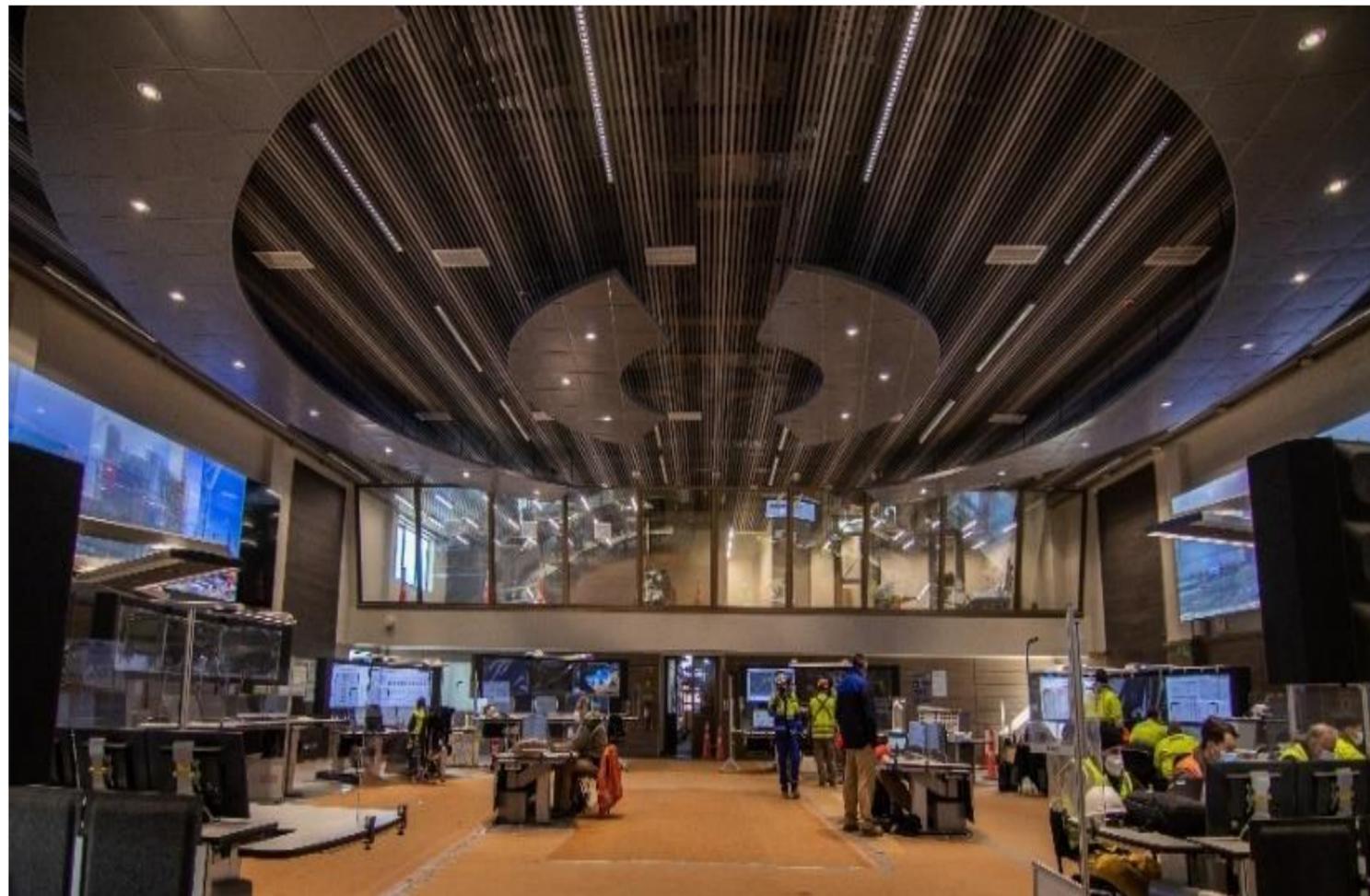
- The bridge cranes of the Washing and Machine buildings were put into service.
- The hydraulic test of the digester was started.
- The production of demineralized water began

We have 5 test centers installed with a capacity of performing up to 2,000 PCR exams per day. To date, more than 398,000 PCR tests have been applied to workers of the project.

We estimate that the startup will take place at **during 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.



CONTROL ROOM



EVAPORATION PLANT





Q&A

INVESTOR RELATIONS

A replay of this conference call will be available on our web site and through the following numbers until September 02, 2021

Replay for USA	+1-877-344-7529
Replay for other countries	+1-412-317-0088
Replay Access Code	10159631

FOR FURTHER INFORMATION

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