

arauco

Corporate Presentation
Q1 2022

renewables for a better life

ARAUCO at a glance

As of March 2022

Shareholder Structure



Credit Ratings

International Scale

| | |
|---------------|------------------|
| Fitch Ratings | BBB (Stable) |
| S&P | BBB- (Stable) |
| Moody's | Baa3 (Stable) |

National Scale

| | |
|---------------|----------------|
| Fitch Ratings | AA (Stable) |
| Feller Rate | AA (Stable) |

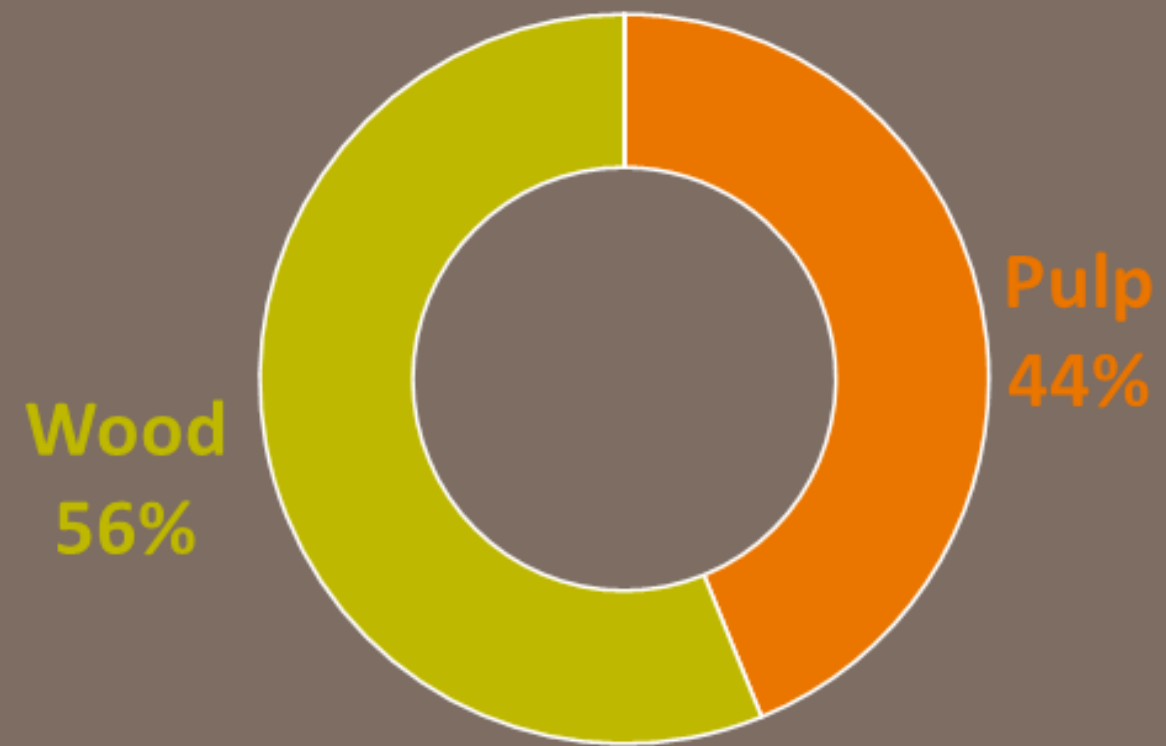
Financial highlights

In US\$ million, last twelve months

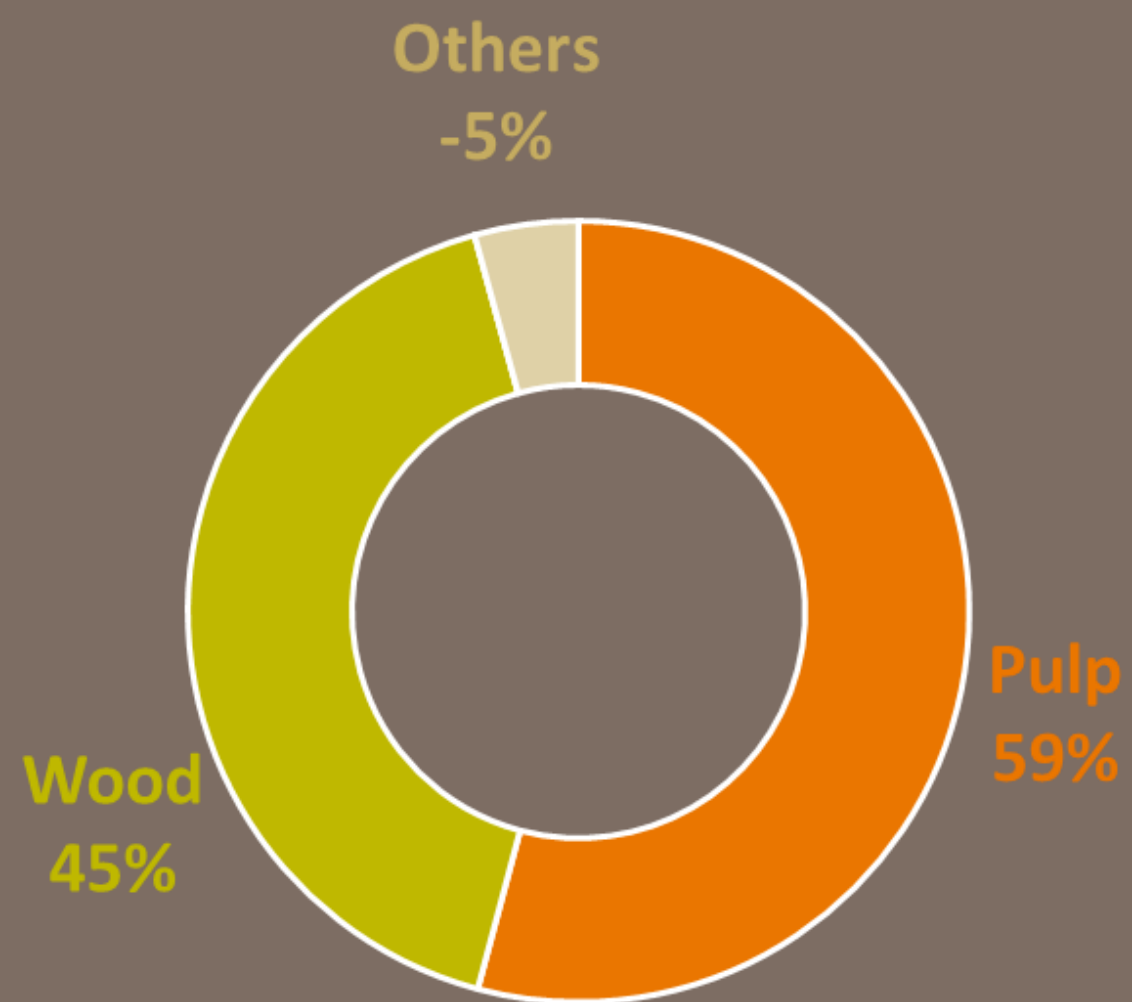
| | | | |
|-----------------|-------|------------|-------|
| EBITDA | 2,737 | Net Income | 1,258 |
| EBITDA Margin | 40% | CAPEX | 1,692 |
| Net Debt/EBITDA | 1.71x | Revenues | 6,765 |

DIVERSIFIED SALES AROUND THE WORLD

Revenues
MUS\$6,765



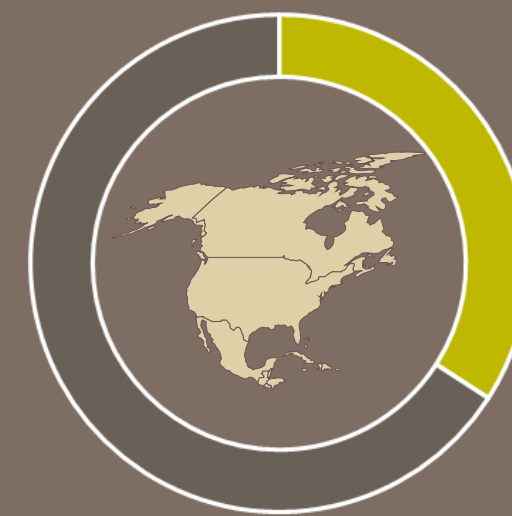
Adjusted EBITDA
MUS\$2,737



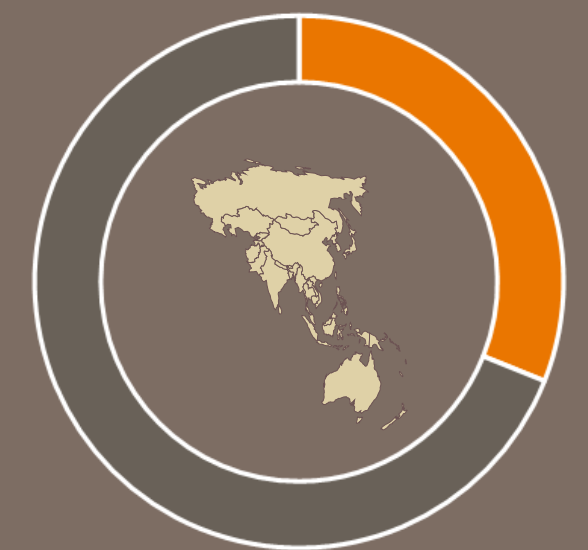
As of March 2022 LTM

REVENUES BY REGION

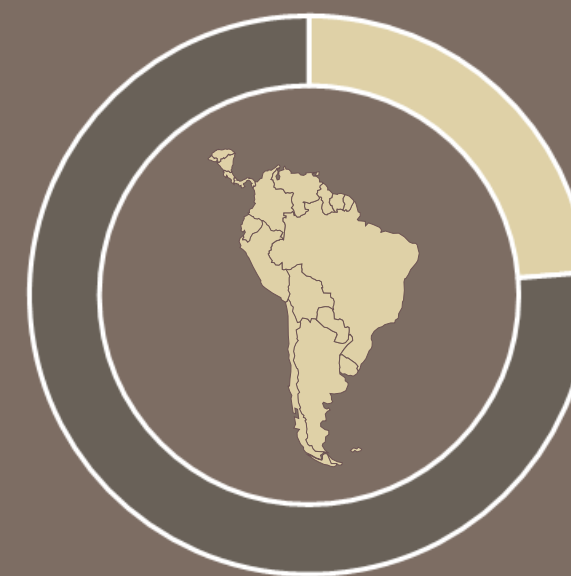
As of December 2021



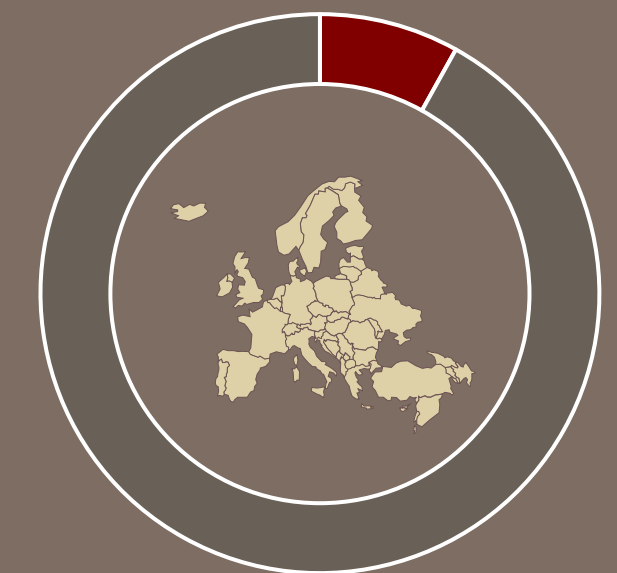
32%
North America



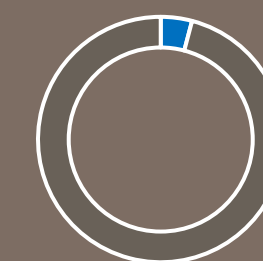
30%
Asia and Oceania



25%
Central and
South America


























7%
Europe



5%
Others

TWO STRATEGIC BUSINESS SEGMENTS

| | Pulp | | Wood products | | Complementary energy operations |
|---|---|--|--|--|---|
| | Forest Plantations | Mills | Panels | Solid Wood | |
|  | 614 th. Ha ⁽¹⁾ | 5 Mills 2,905 th. t | 2 Mills MDF: 500 th. m ³ PB: 340 th. m ³ | 7 Sawmills: 2,646 th. m ³ Plywood ⁽⁵⁾ : 710 th. M ³ 4 Rem. Facilities | 10 Power Plants 606 MW Surplus: 219 MW |
|  | 130 th. Ha ⁽¹⁾ | 1 Mill 350 th. t | 2 Mills MDF: 300 th. m ³ PB: 260 th. m ³ | 1 Sawmill: 318 th. m ³ 1 Rem. Facility | 2 Power Plants 82 MW Surplus: 15 MW |
|  | 114 th. Ha ⁽¹⁾ |  | 4 Mills MDF: 1,520 th. m ³ PB: 730 th. m ³ |  |  |
|  | 86 th. Ha ^{(1) (2)} | 1 Mill 710 th. t ⁽²⁾ |  |  | 1 Power Plant 91 MW ⁽²⁾ Surplus: 50 MW |
|  |  |  | 8 Mills MDF: 1,015 th. m ³ PB: 1,630 th. m ³ |  |  |
|  |  |  | 2 Mills MDF: 250 th. m ³ PB: 315 th. m ³ |  |  |
|  |  |  | 10 Mills ⁽³⁾⁽⁴⁾ PB: 1,191 th. m ³ MDF: 727 th. m ³ OSB: 230 th. m ³ | 1 Sawmill ⁽³⁾ : 35 th. m ³ |  |
| Total | 0.9 million ha | 4.0 million t | 9.0 million m³ | 3.7 million m³ | 779 MW |

As of December 2021

(1) Considers hectares planted mainly with eucalyptus (globulus, nitens), pine (radiata, taeda, elliottii) and others.

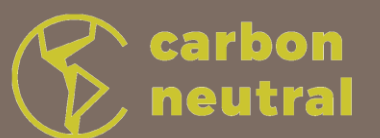
(2) Considers 50% of Montes del Plata

(3) Considers 50% of Sonae Arauco

(4) One PB mill in South Africa is currently shut down

(5) Considers 2 plywood mills.

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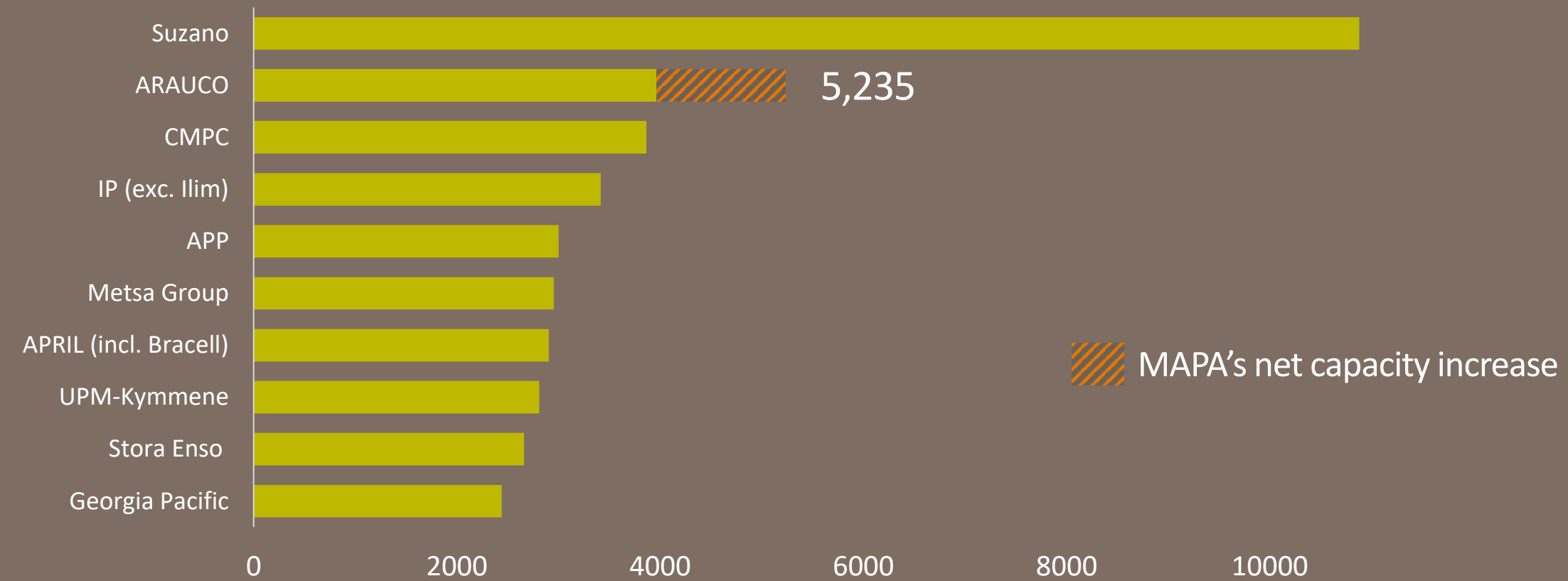


WE ARE A MAIN PLAYER IN THE GLOBAL MARKET

#2

In market pulp capacity in the world

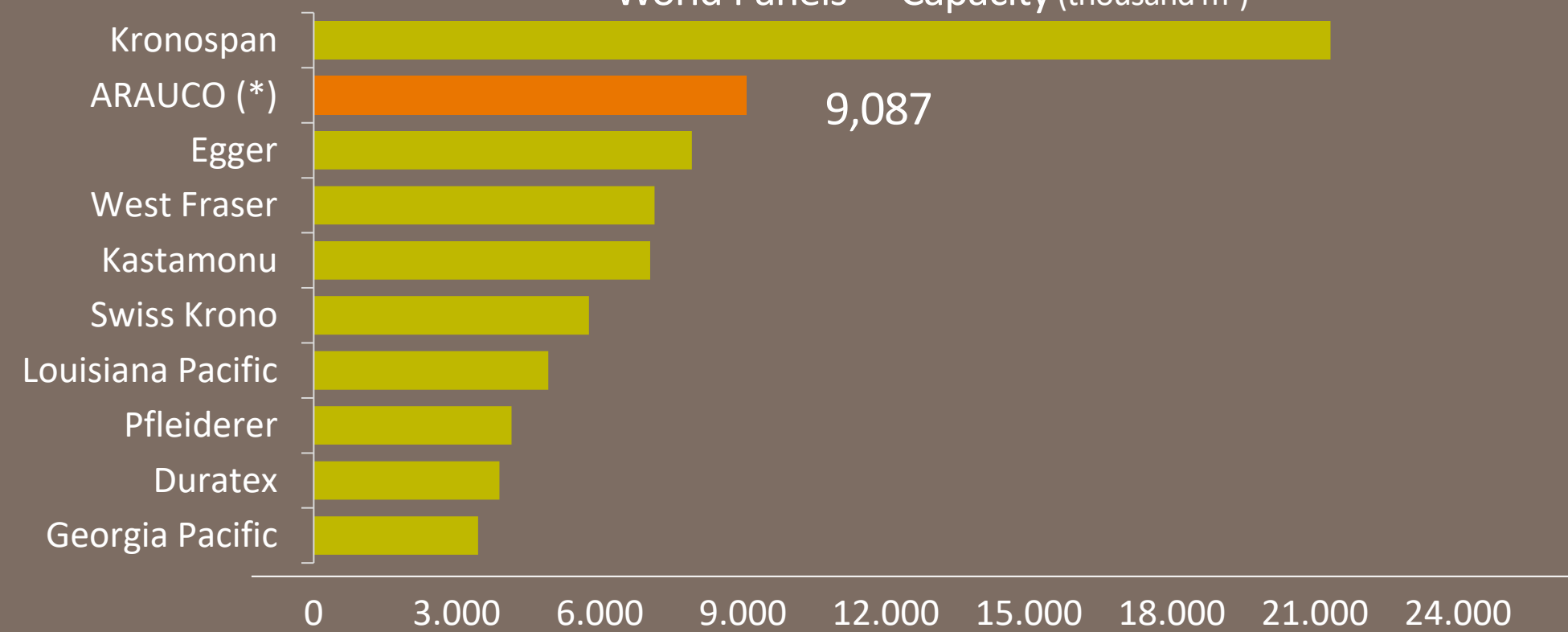
Market Pulp Capacity (thousand tonnes)



#2

In panels capacity in the world

World Panels** Capacity (thousand m³)



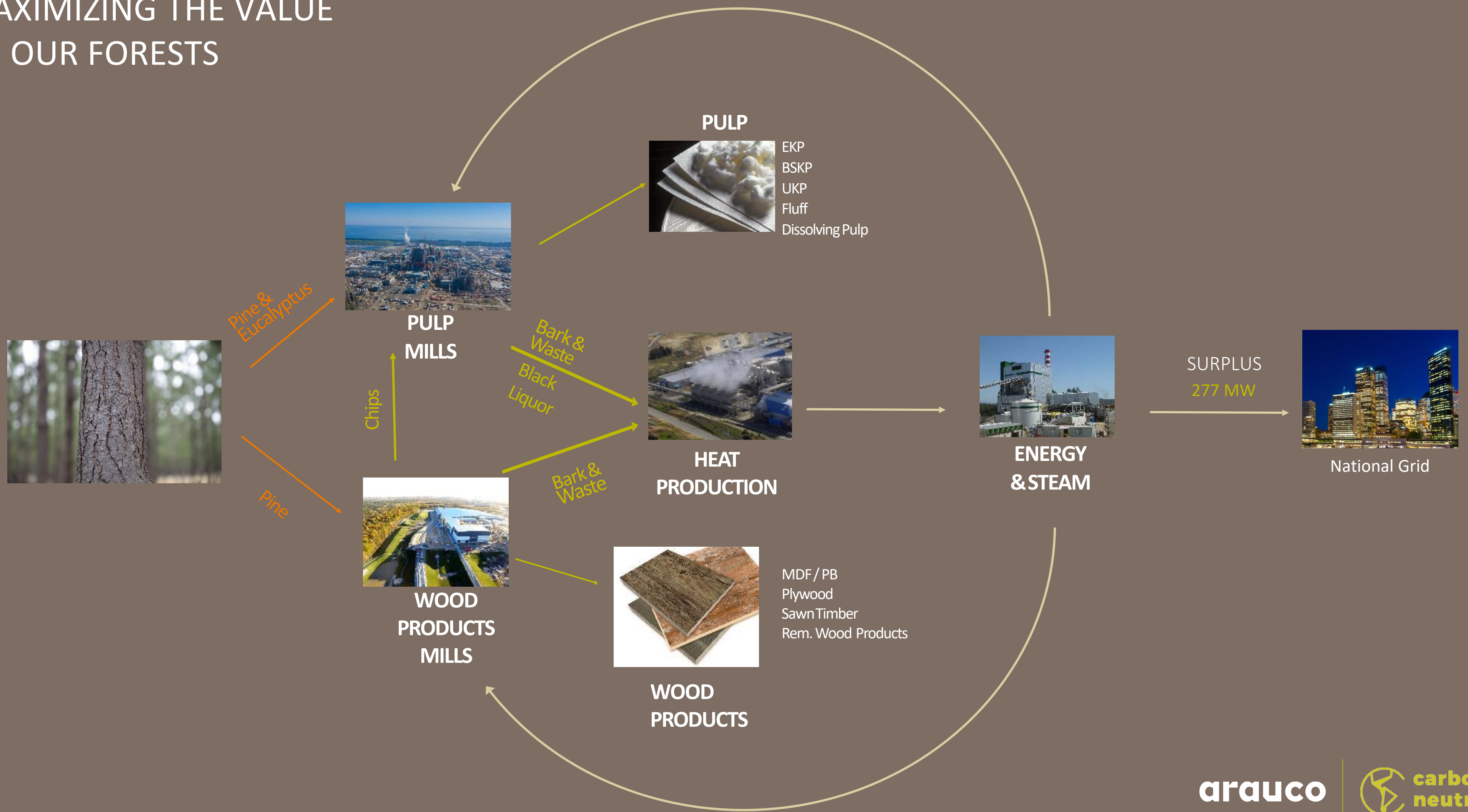
World market pulp and panel competitors capacity as of December 2021

*Arauco capacity includes 50% of Montes del Plata, 50% Sonae Arauco, and MAPA Project, as of December 2020

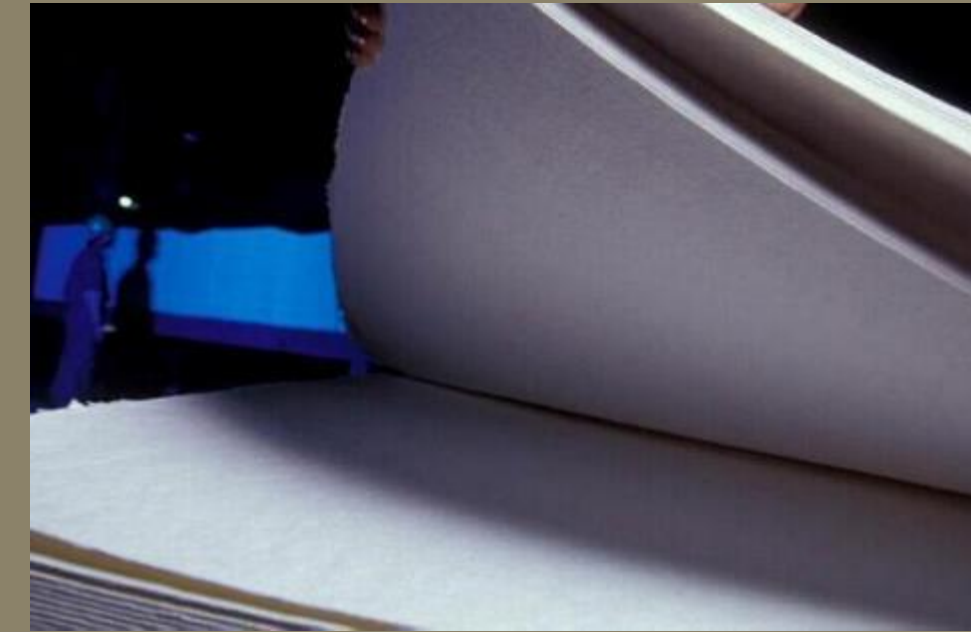
**Panels refers to Composite Panels, which corresponds to MDF, PB and OSB.

Source: Hawkins Wright, Public fillings, Arauco estimations and Company information and fillings

MAXIMIZING THE VALUE OF OUR FORESTS



BUSINESS SEGMENTS



PULP BUSINESS

Pulp Sales MUS\$2,865

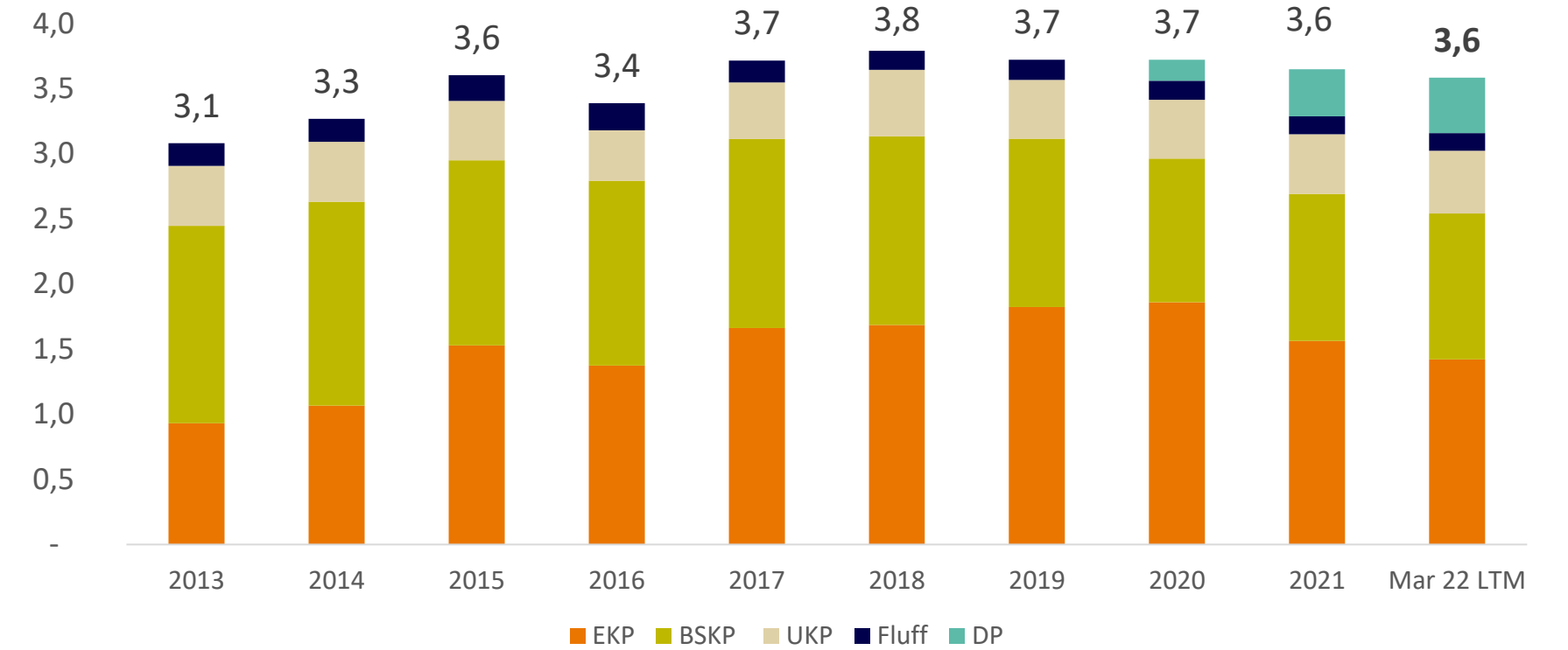
Does not include energy sales
As of March 2022 LTM



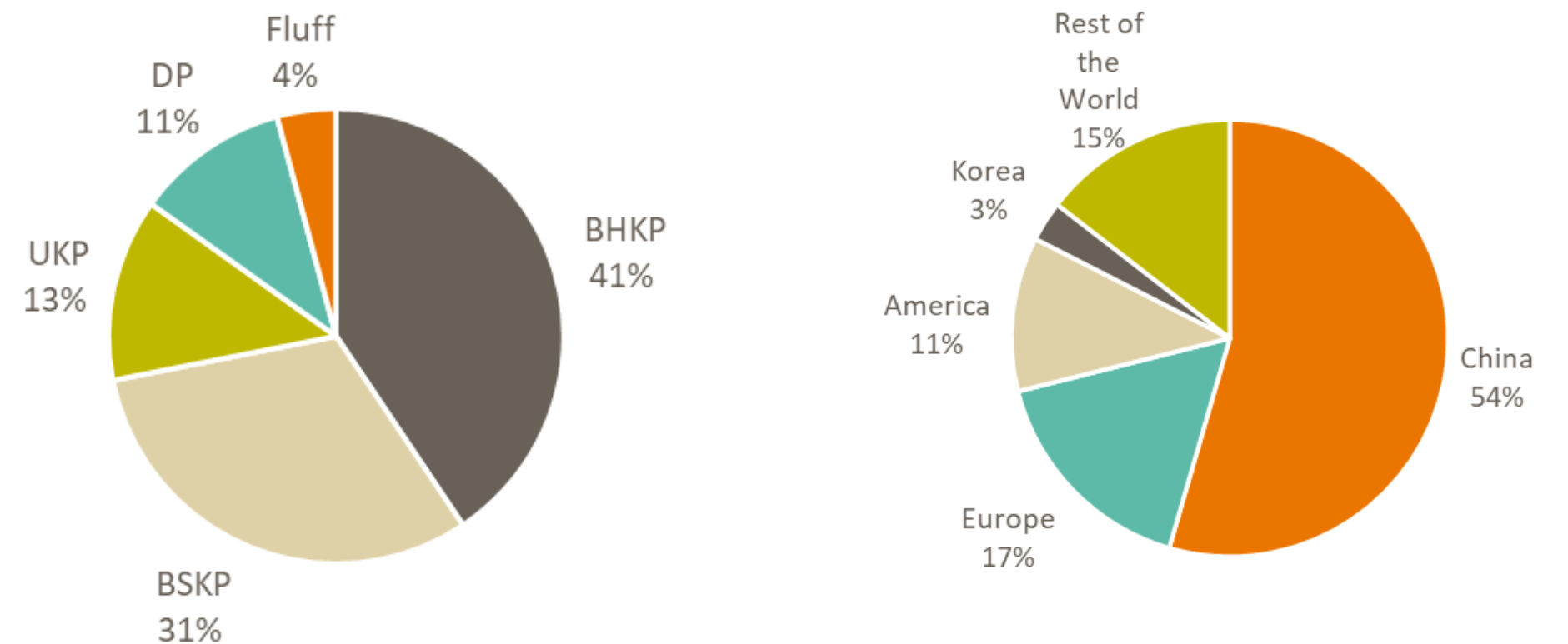
- (1) Eucalyptus Kraft Pulp
- (2) Bleached Softwood Kraft Pulp
- (3) Unbleached Kraft Pulp
- (4) Dissolving Pulp

Production

million tonnes



Sales volume: 3.6 million tonnes



As of March 2022 LTM

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PULP BUSINESS – FORESTRY OPERATIONS

Total Plantations

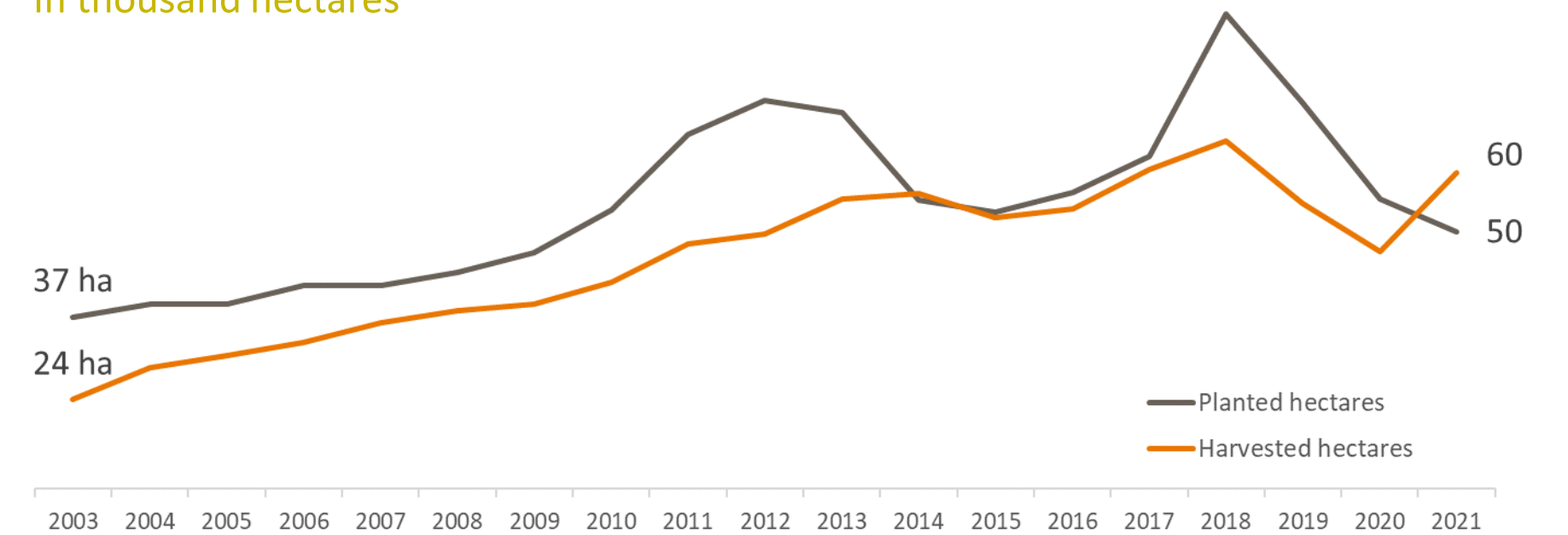
Includes plantations in Chile, Argentina, Brazil and Uruguay

In thousand hectares



Planting and harvesting

In thousand hectares



1.6 million (*)

hectares owned



945 thousand

hectares planted



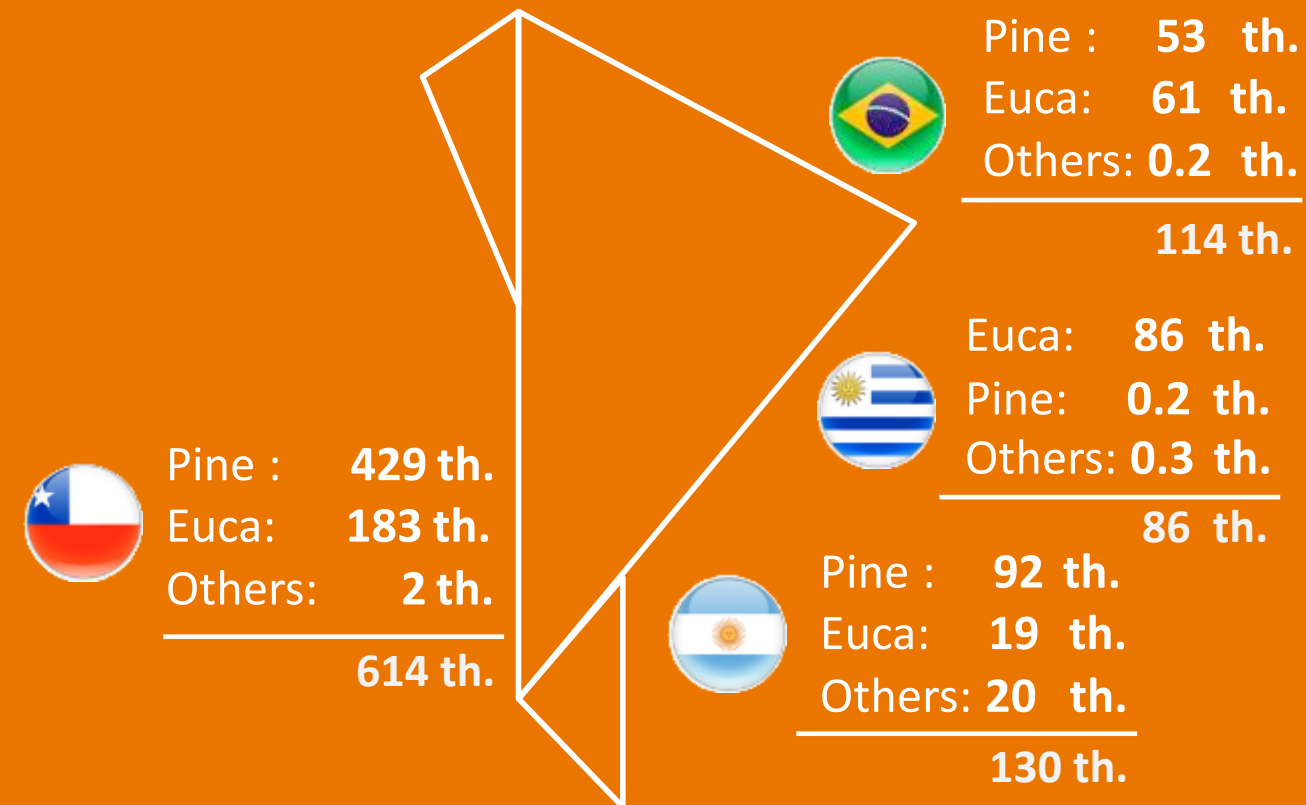
643 th. of Pine

356 th. of Euca

22 th. Others



Hectares Planted



Environmental Certifications

Our forests plantations have international certification in Forestry Management and Chain of Custody

For detailed information about each certification, you can visit our web site www.arauco.com

(*) includes 483 th. hectares of native forest plantations. As of December 2021

PULP BUSINESS – FORESTRY OPERATIONS

Bioforest research and development

Bioforest was formed in 1990 by Arauco and one of the achievements has been the increase in the plantation yields by 40%

50+
Researchers



work in order to develop and apply the best technologies, maximizing the forestry and industrial resources.



- Bioforest has a wide participation in local and international organizations that are leaders in the forestry-industrial scientific knowledge
- In addition, Bioforest aims to fulfill the environmental objectives for the protection and conservation of biodiversity present in our native forests

PULP BUSINESS

OUR MILLS

in thousand tonnes

As of December 2021

MAPA PROJECT (2022)
NEW LINE 3
1,560 EKP

LICANCEL
160 UKP



CONSTITUCION
355 UKP



ARAUCO MILL
LINE 2: 510 BSKP



NUEVA ALDEA
520 EKP
520 BSKP



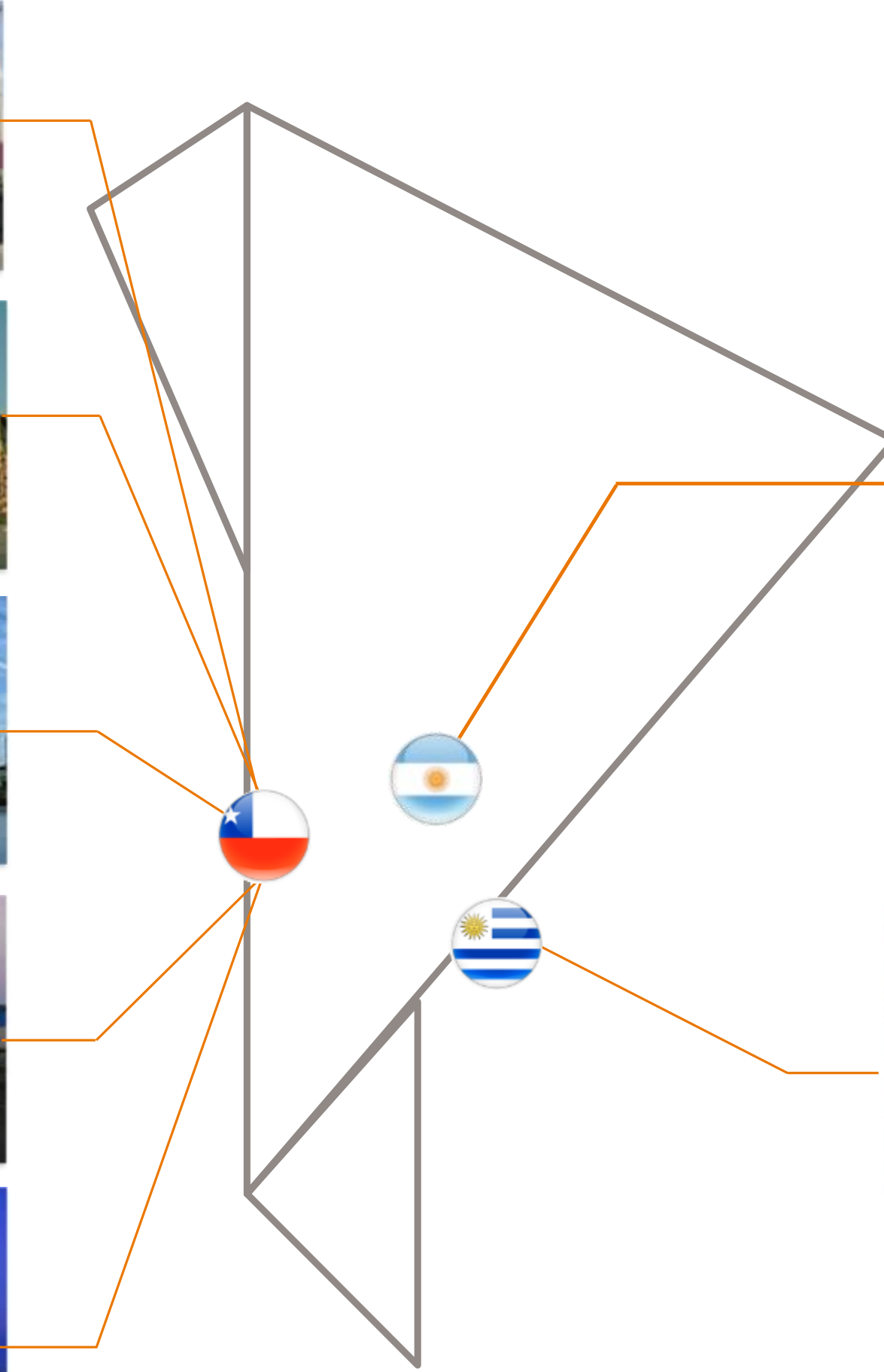
VALDIVIA
550 EKP,
or DP Swing mill



ESPERANZA
350 BSKP & Fluff
Swing mill



MONTES DEL PLATA
1,414 EKP
Arauco owns 50%



PULP BUSINESS COMPETITIVE ADVANTAGES

1. Logistic Efficiency



Average distances from
Forests to Mills

| | |
|-----------|-----|
| Chile | 85 |
| Argentina | 80 |
| Uruguay | 282 |

Average distances from
Mills to Ports

| | Km |
|----------------------|--------------------------|
| Licancel | 420 |
| Constitucion | 316 |
| Nueva Aldea | 63 |
| Arauco | 35 |
| Valdivia | 301 |
| Alto Paraná | 1,200 |
| Montes del plata | 0 |
| Weighted Avg. | 195⁽¹⁾ |
| | 149⁽²⁾ |

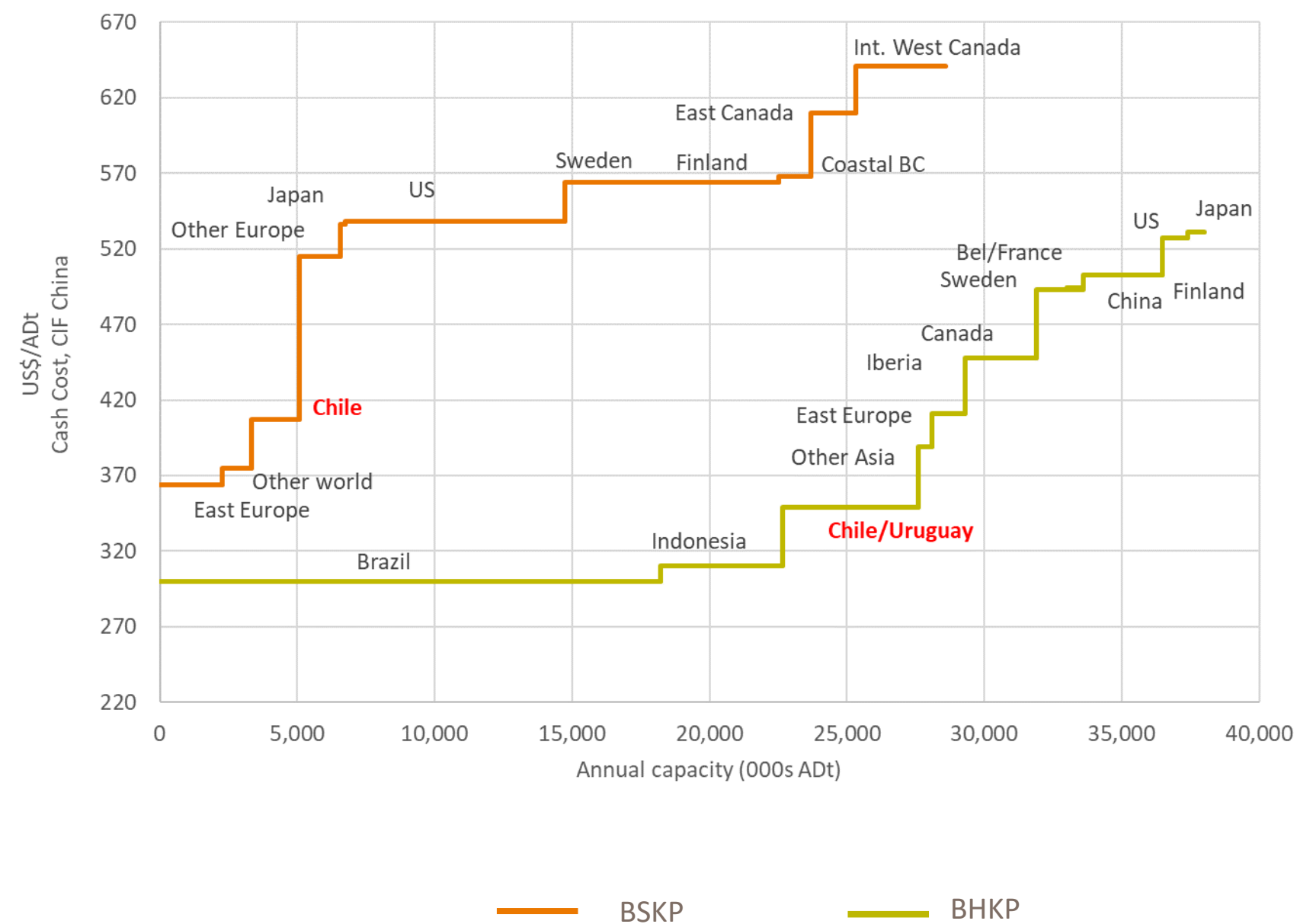
with MAPA

Source: ARAUCO, as of December 2021

(1) Calculated using sales volume for 2021

(2) Calculated including sales volume from ARAUCO's Line 3 expected capacity

2. Cost Advantages



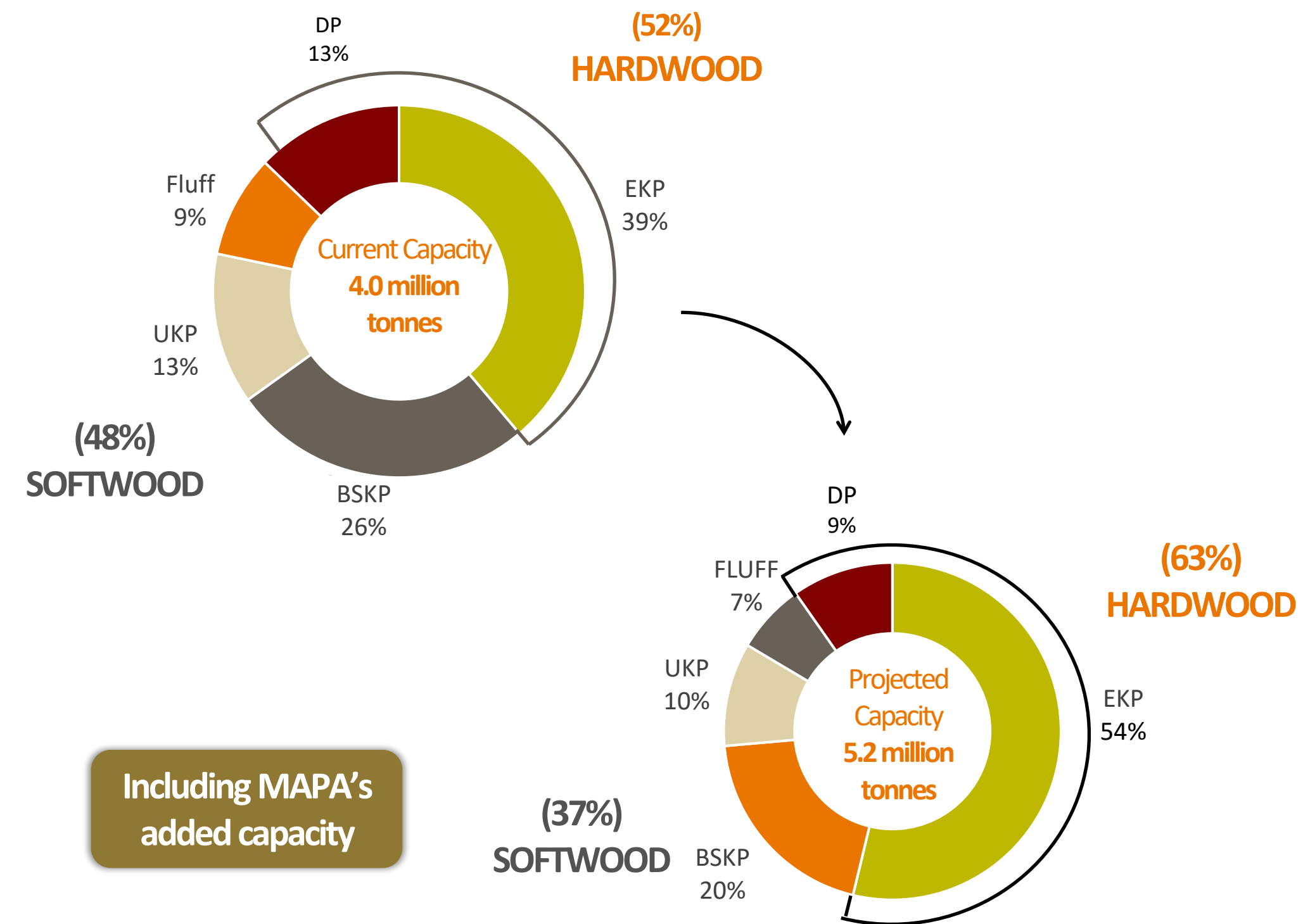
Source: Hawkins Wright, as of December 2021

Other world includes Argentina, China and Oceania.

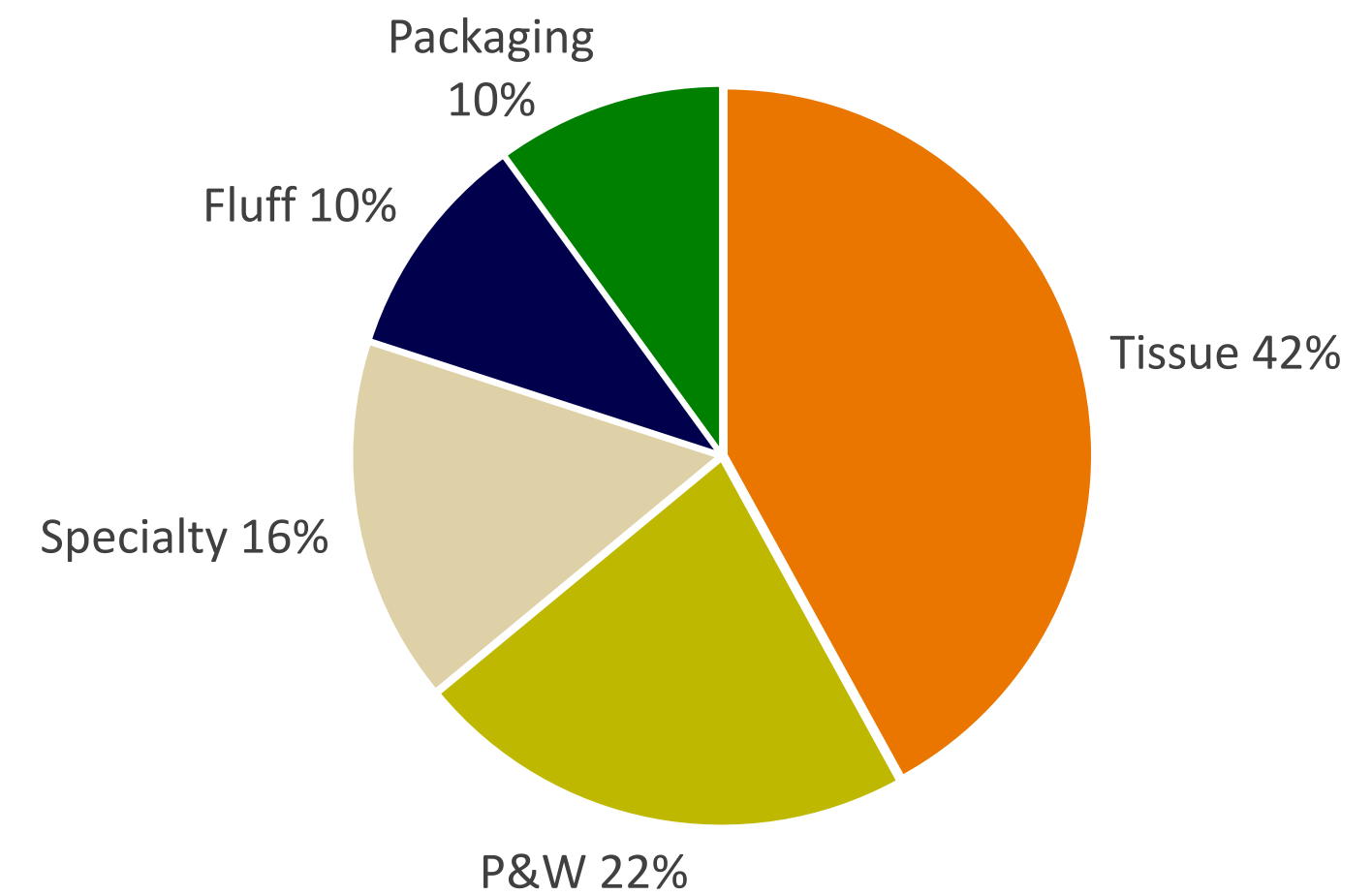
PULP BUSINESS

COMPETITIVE ADVANTAGES

3. Product Diversification



BCP shipment by end-use, 2022 estimate ⁽²⁾



(2) Source: Hawkins Wright, as of December 2021
 BCP: Bleached Chemical Pulp, which includes all bleached kraft pulp (and not unbleached) and sulphite pulp

Source: ARAUCO, as of December 2021

(1) Dissolving Pulp

The Valdivia mill will keep the ability to switch from producing dissolving pulp to paper grade (EKP).

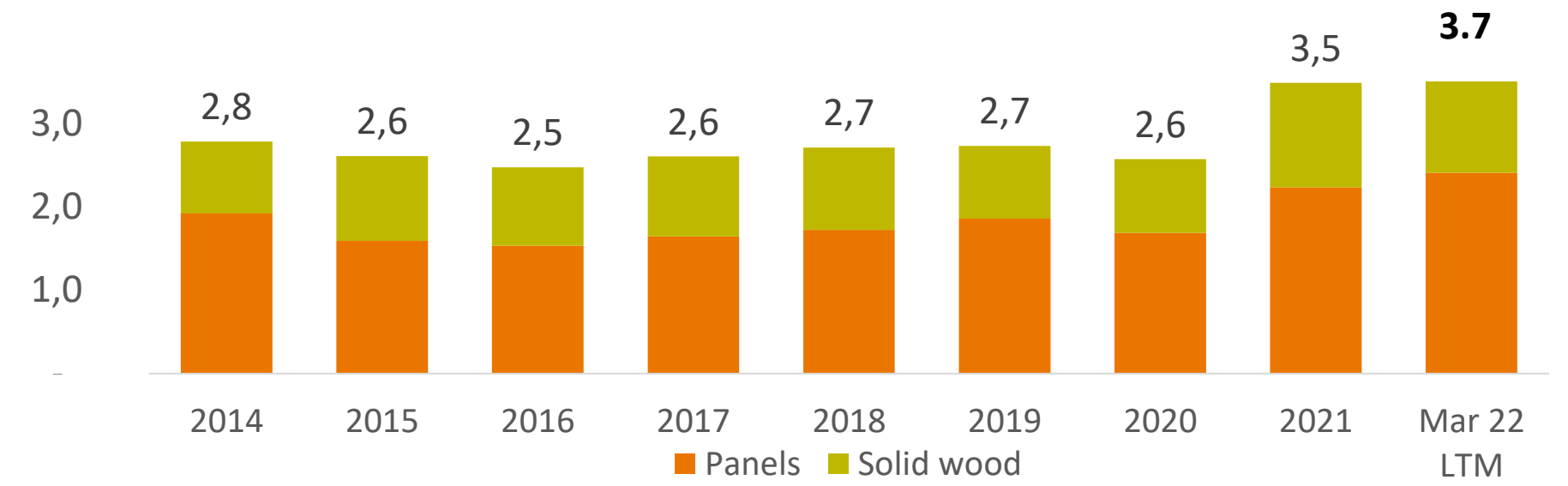
WOOD PRODUCTS BUSINESS

Revenues
MUS\$3,740

Does not include energy sales
As of March 2022 LTM

Sales evolution

US\$ billion



Subdivisions

PANELS



SOLID WOOD

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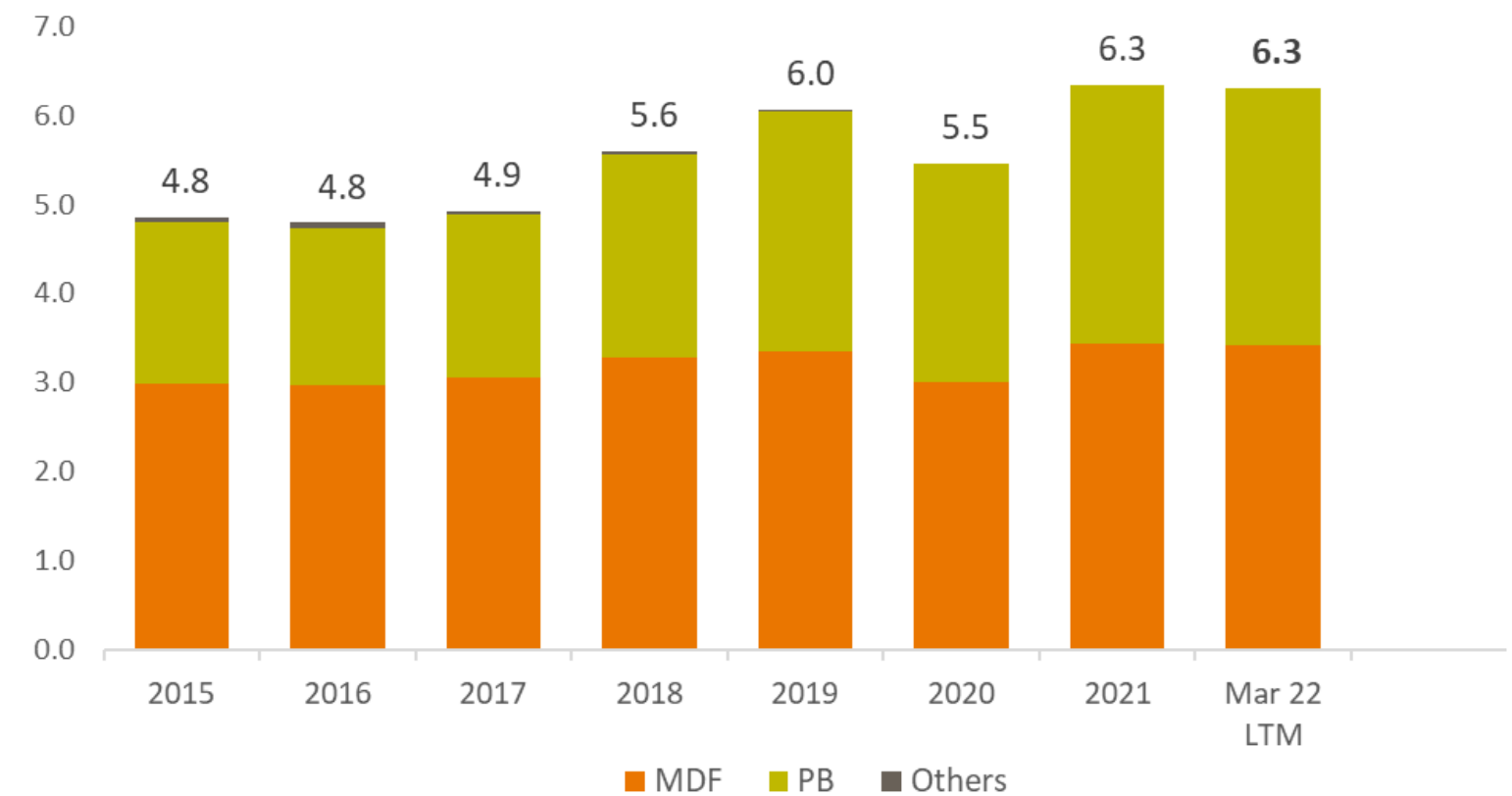
WOOD PRODUCTS BUSINESS: PANELS

Panels Sales
MUS\$2,408

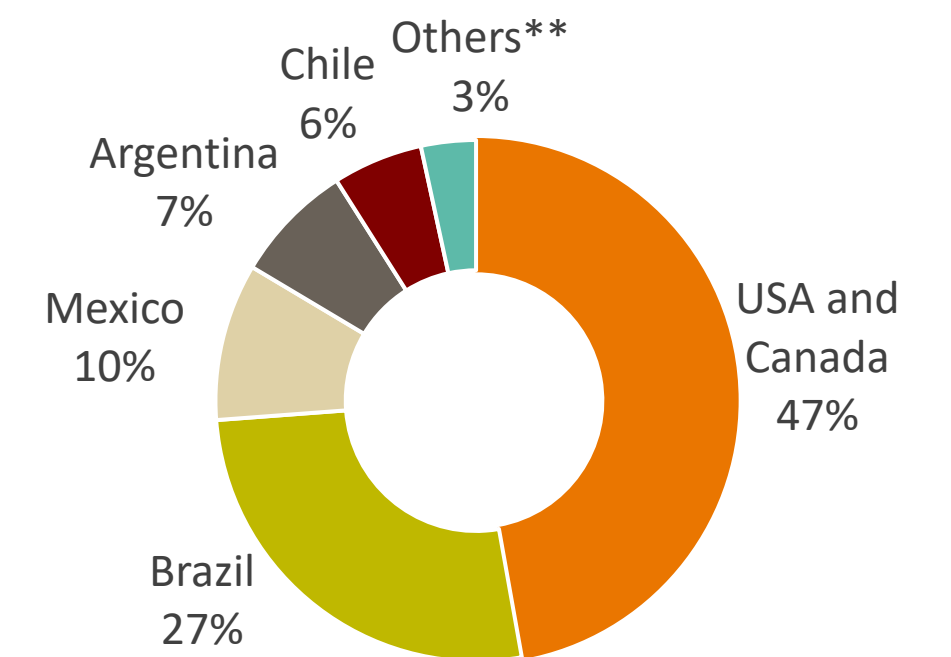
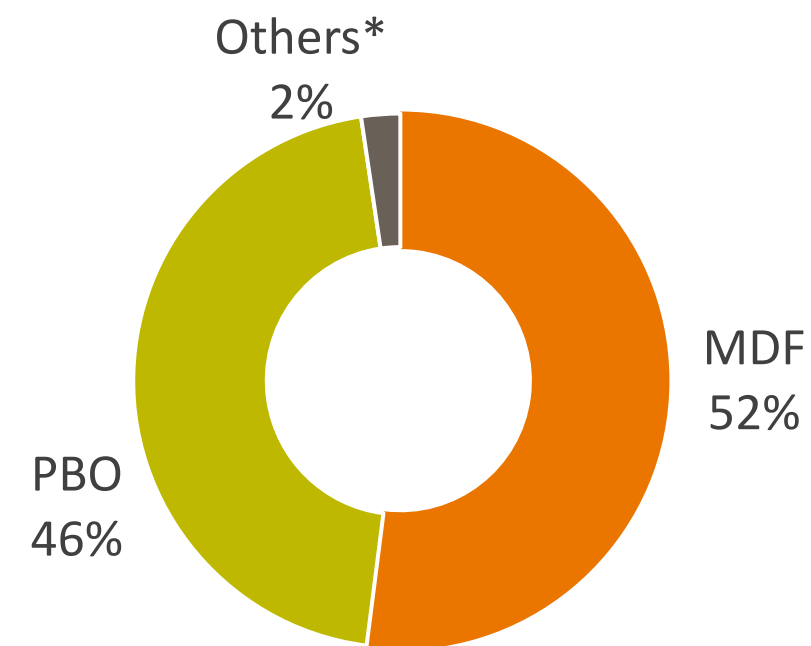
Does not include energy sales
 As of March 2022 LTM

Production

million m³



Sales volume: 6.0 million m³



As of March 2022 LTM

Does not include Sonae Arauco volumes

*OSB, HB, Retail and Composite panels

** EMEA, Asia, Oceania and Rest of Latam

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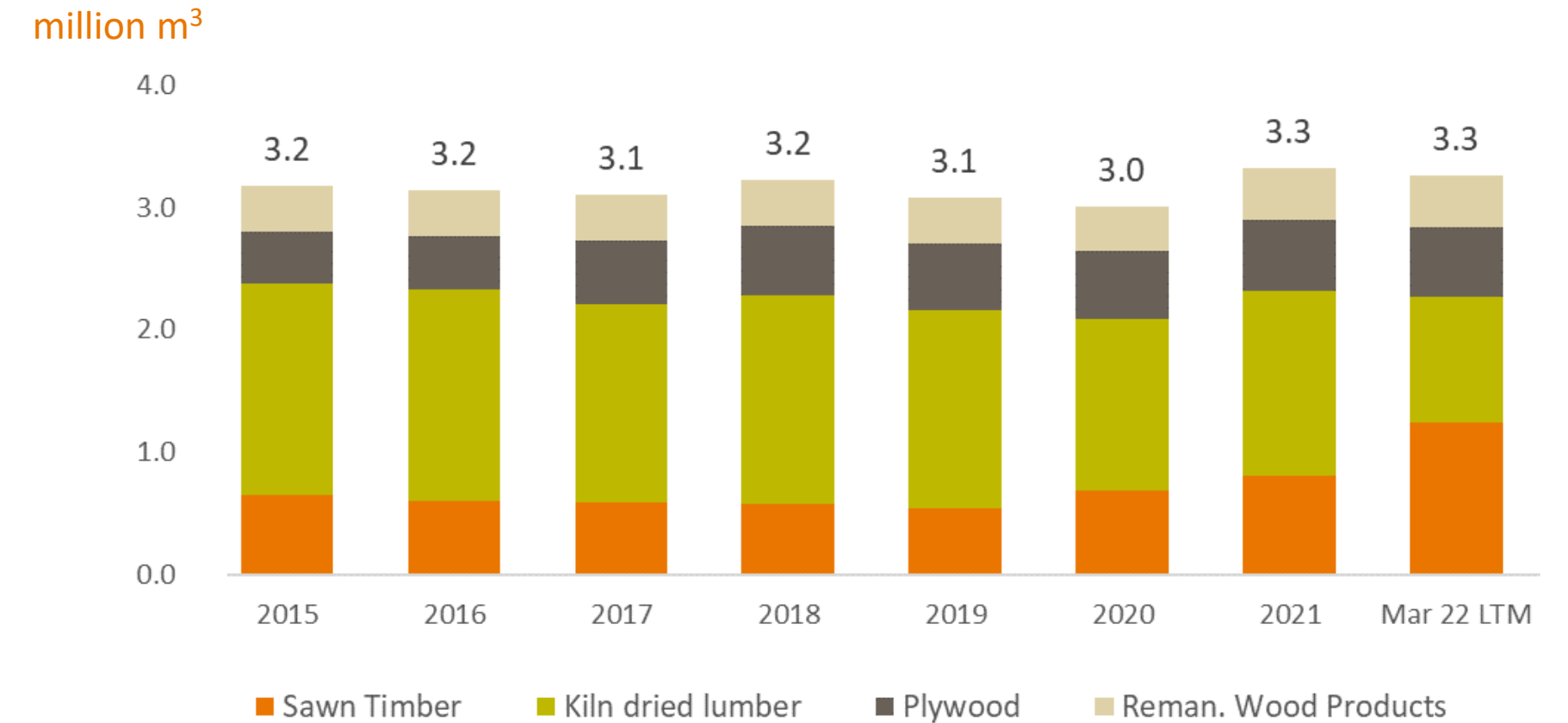


WOOD PRODUCTS BUSINESS: SOLID WOOD

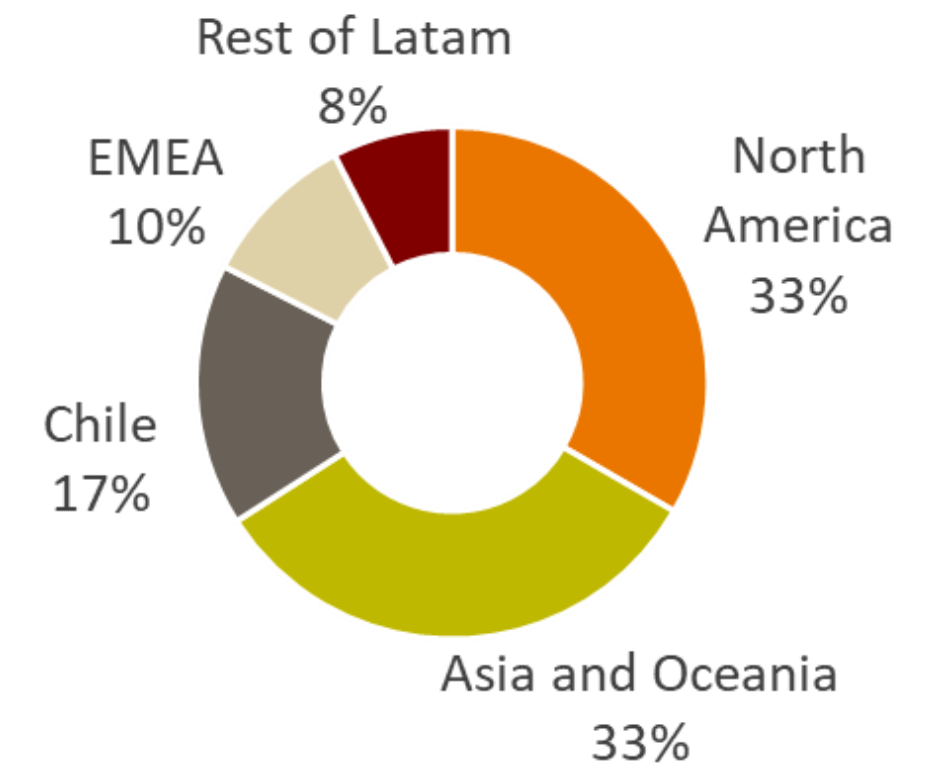
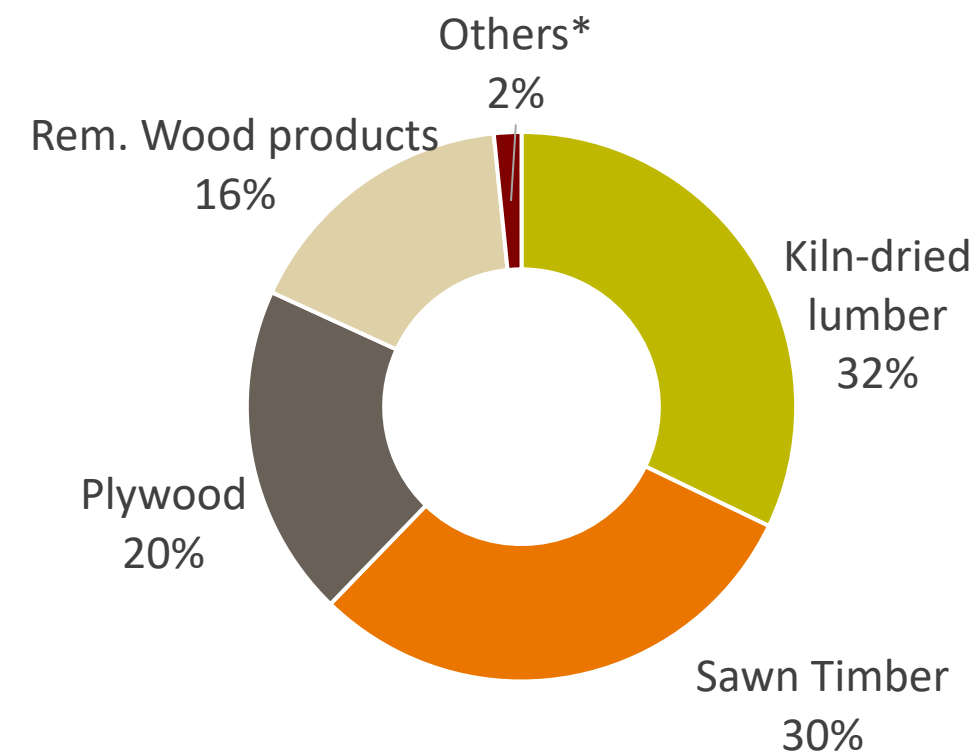
Solid Wood Sales
MUS\$1,332

Does not include energy sales
 As of March 2022 LTM

Production



Sales volume: 2.9 million m³



As of March 2022 LTM
 Does not include Sonae Arauco volumes
 * Pallets

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PANELS

OUR MILLS

in thousands

2 mills
420 m³ MDF

4 mills *
1,050 m³ PB
884 m³ MDF
460 m³ OSB

2 mills*
140 m³ MDF
430 m³ PB

2 mills*
360 MDF
450 PB

6 mills
595 m³ MDF
1,630 m³ PB

2 mills
315 m³ PB
250 m³ MDF

4 mills
1,520 m³ MDF
730 m³ PB

2 mills*
452 m³ PB**
70 m³ MDF

3 mills
500 m³ MDF
340 m³ PB

2 mills
300 m³ MDF
260 m³ PB

Legend
MDF: Medium Density Fiberboard
PB: Particle Board
OSB: Oriented Strand Board

As of December 2021
*Arauco owns 50% of Sonae Arauco
**One PB mill in South Africa is currently shut down

SOLID WOOD

OUR MILLS

in thousands



Legend
ST: Sawn Timber
Rem: Remanufactured Wood Products

As of December 2021
*Arauco owns 50% of Sonae Arauco

ENERGY COMPLEMENTARY OPERATIONS

Revenues MUS\$93

As of March 2022 LTM

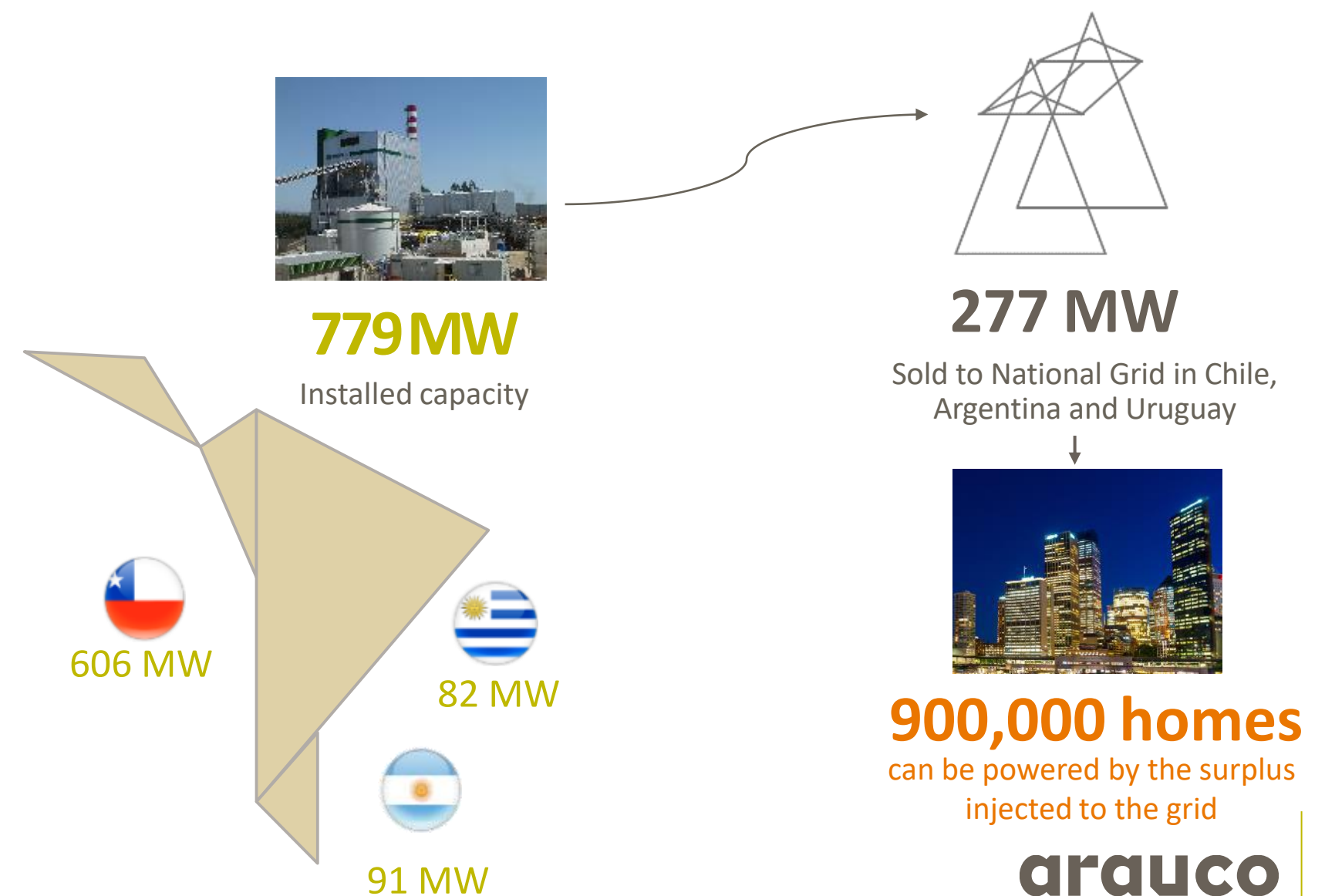
Highlights

Arauco generates renewable energy from forestry biomass and uses it in the production processes.

In Chile, Argentina and Uruguay, we are self-sufficient in net electricity consumption and we sell the surplus to the local grid.

5 cogeneration plants in Chile and 1 plant in Uruguay are registered under the Kyoto Protocol Clean Development Mechanism (CDM).

We expect MAPA will generate an additional surplus of 142MW available for the national grid.



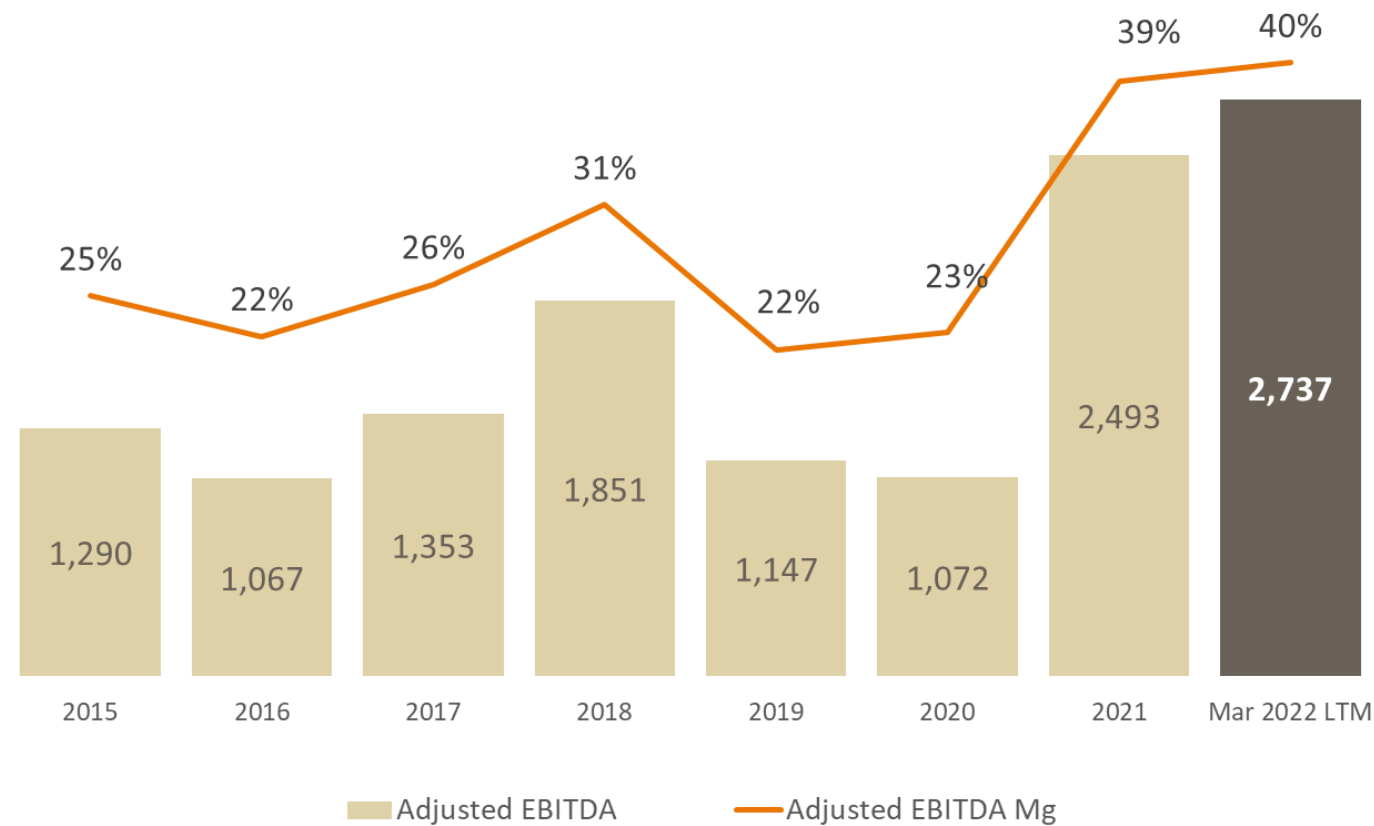
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MAIN FIGURES

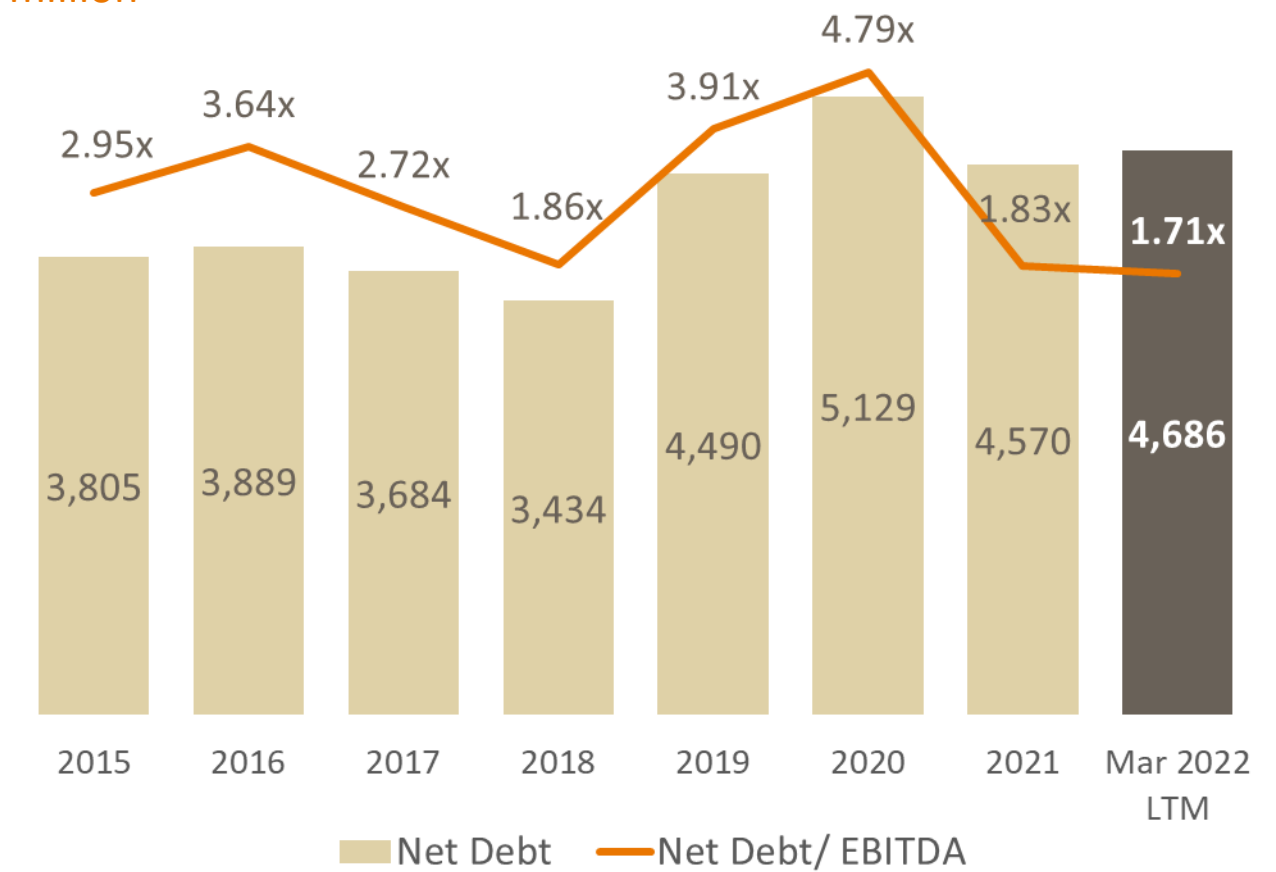
Adjusted EBITDA

US\$ million



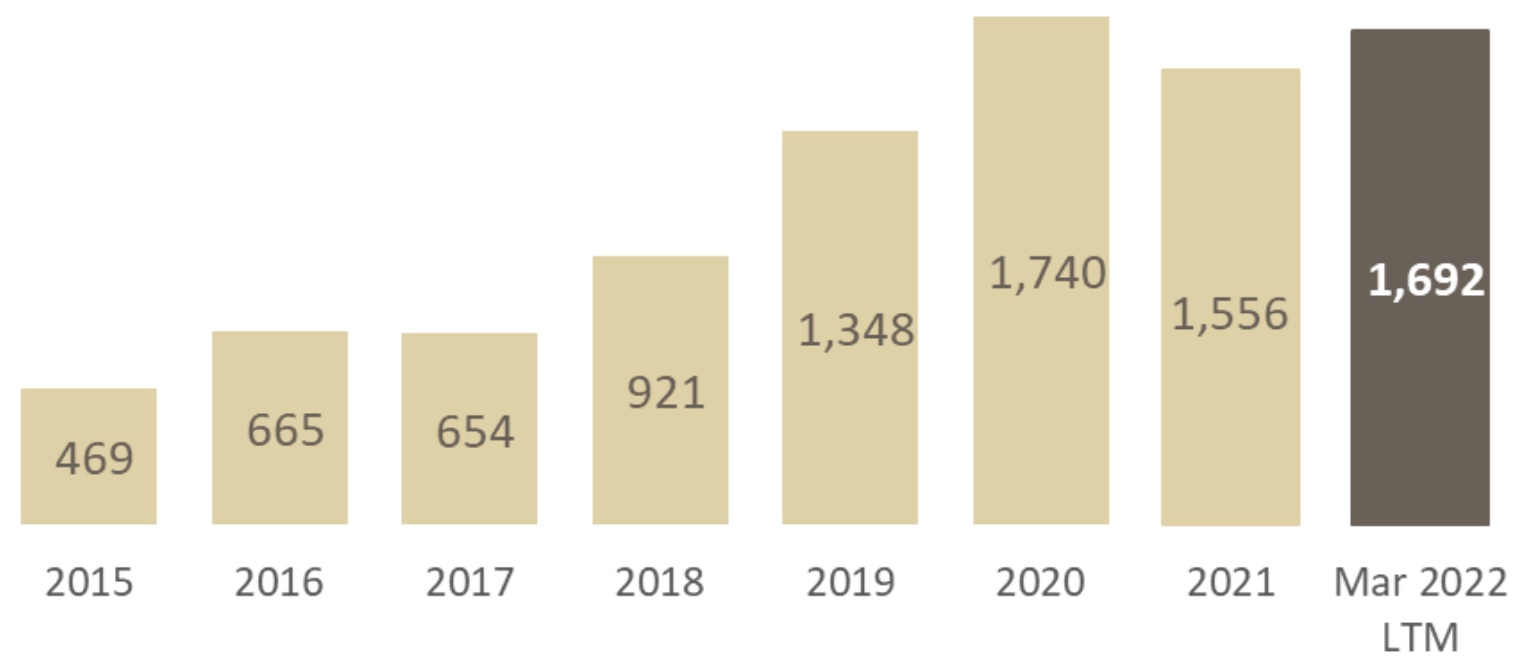
Net Debt

US\$ million



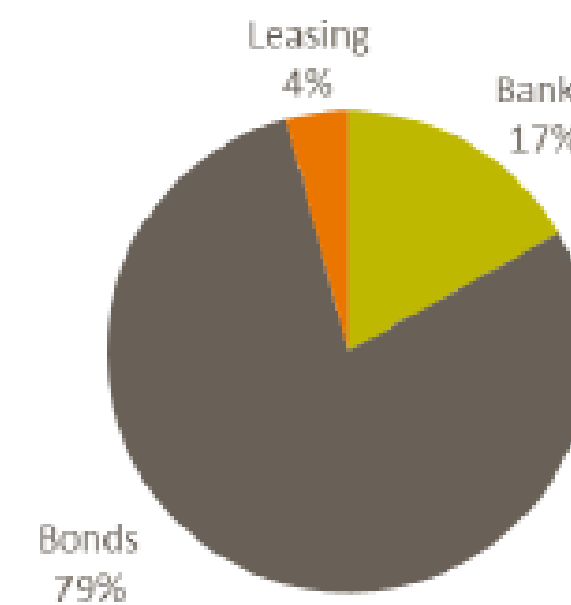
CAPEX

US\$ million

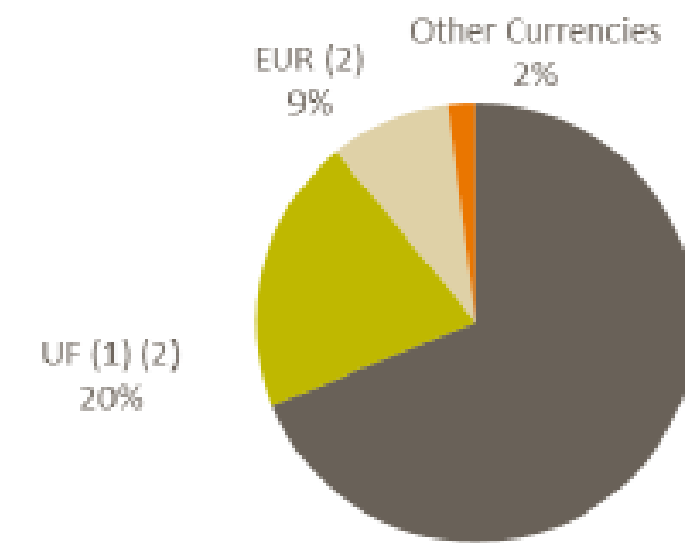


Debt Breakdown

by Instrument



by Currency



As of March 2022

(1) U.
(2) Swapped to USD

to inflation.

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MAPA NEW PULP LINE AT ARAUCO MILL & COGENERATION PLANT

Modernization and Expansion of the Arauco Mill (MAPA) consists in the construction of a **third pulp line of 1.56 million tonnes of short fiber production capacity.**



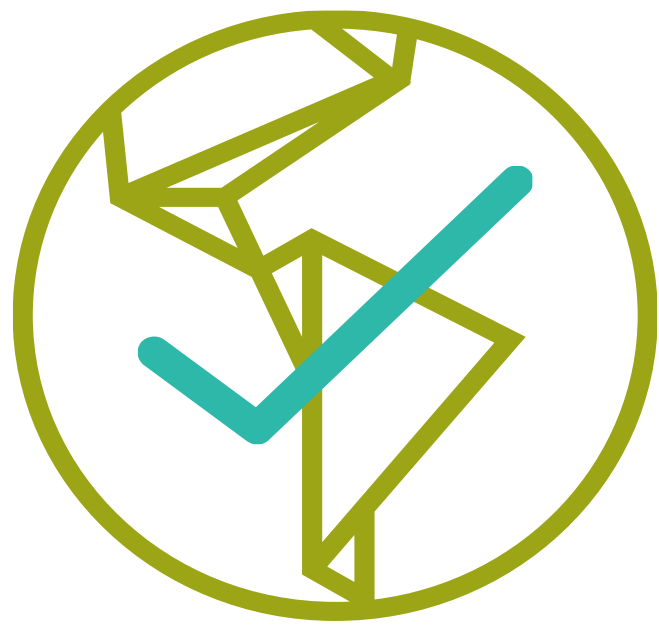
We currently estimate the investment for this project to be of approximately **US\$ 2.8 billion.**

The Project also considers the shut down of Arauco's line 1 of **290 th. tonnes** of short fiber pulp (done on January 3rd 2022), and the construction of a cogeneration plant that we expect will generate a surplus of 142 MW to be made available for the national grid.



It is expected that the new line will commence its operations on late-Q3, increasing ARAUCO's total yearly pulp production capacity to more than **5 million tonnes.**

SUSTAINABILITY STRATEGY



THE WORLD'S FIRST CARBON NEUTRAL FORESTRY COMPANY

Deloitte officially validated our carbon neutrality for 2018 and 2019 (Method applied in accordance with the Deloitte Neutrality Protocol guidelines). **On 2019, we generated a net surplus of 13,053,590 tons of CO₂e captured.**

Price Waterhouse Coopers audited the entire estimation process of captures and storage in forestry products.

ARAUCO was the first company to successfully apply this protocol.

The goal is to be able to expand the use of this protocol which may be applied to other firms and industries.

SUSTAINABILITY STRATEGY



14,789

suppliers and US\$3.97 billion paid to local suppliers during 2021

US\$10 million

invested during 2021 on social programs, and

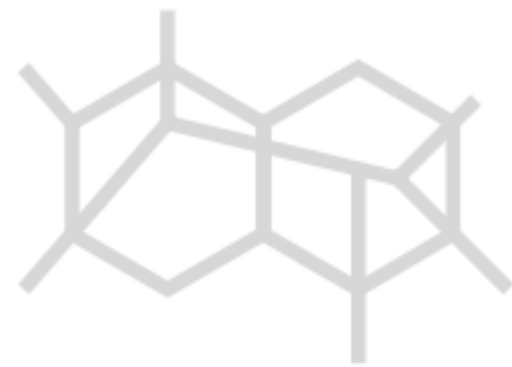
We maintain and protect more than

167

Areas of High Conservation Value

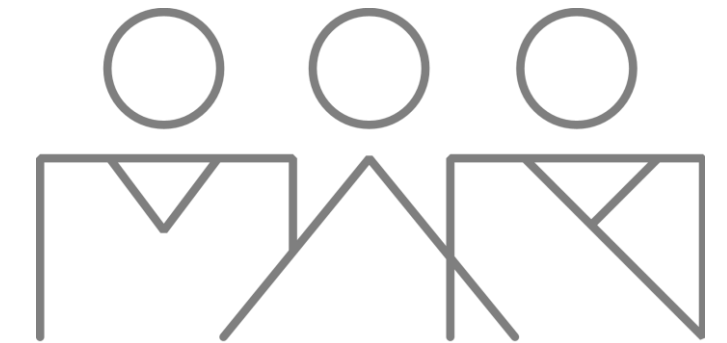
100%

of our products manufactured with renewable raw materials



US\$55 million

of environmental investments during 2021



Educational Foundation with more than

545

schools supported



67

Health & Safety Committees

1.05 Million CERs

sold to third-parties so they could offset their emissions during 2021

Source: ARAUCO Sustainability Report 2020

**FOR FURTHER INFORMATION,
PLEASE CONTACT:**

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