

ARAUCO

Press Release
3Q 2020



Highlights

For more details on ARAUCO's financial statements please visit www.cmfchile.cl or www.arauco.com

Readers are referred to the documents filed by ARAUCO with the United States Securities and Exchange Commission, specifically the most recent filing on Form 20-F that identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to ARAUCO on the date hereof and ARAUCO does not assume any obligation to update such statements. References herein to "U.S.\$" are to United States dollars. Discrepancies in any table between totals and sums of the amounts listed are due to rounding. This report is unaudited.

REVENUES

US\$1,202.9 million

ARAUCO's revenues reached US\$1,202.9 million during the third quarter of 2020, a 14.6% increase compared to the US\$1,049.9 million obtained during the second quarter of 2020 and a 13.3% decrease compared to the third quarter of 2019.

NET INCOME

US\$36.0 million

ARAUCO's net income was US\$36.0 million, an increase equivalent to US\$92.0 million, compared to the -US\$55.9 million obtained during the second quarter of 2020, and a US\$65.6 million increase compared to the third quarter of 2019.

ADJUSTED EBITDA

US\$290.7 million

Adjusted EBITDA reached US\$290.7 million, a 41.3% or US\$84.9 million increase compared to the US\$205.8 million obtained during the second quarter of 2020, and a 22.1% or US\$52.5 million increase compared to the same period of 2019.

NET DEBT TO EBITDA

5.4x

Net Financial Debt decreased by US\$148.3 million or 2.9% compared to the last quarter.

Net Financial Debt / LTM Adjusted EBITDA ratio reached 5.4x in this quarter, a decrease compared to 5.9x in the second quarter of 2020 and an increase compared to the 3.3x reached during the third quarter of 2019.

CAPEX

US\$453.9 million

CAPEX reached US\$453.9 million during this quarter, 18.1% or US\$69.7 million higher than the US\$384.2 million from the second quarter of 2020.

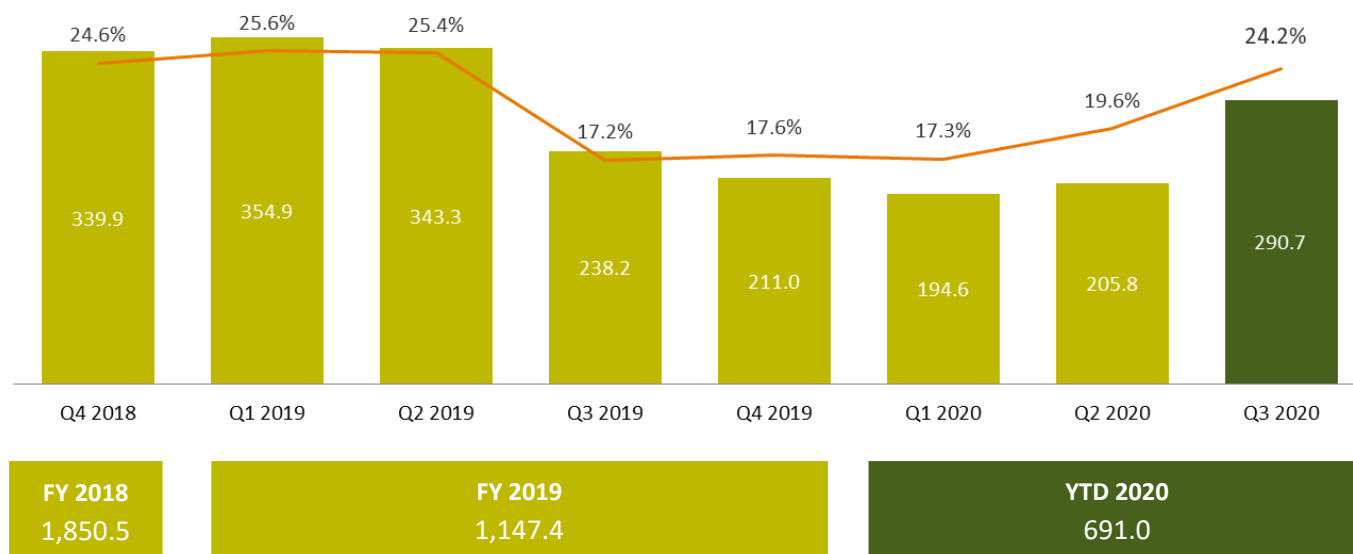
ARAUCO's net income for the third quarter 2020 was US\$36.0 million, an increase of US\$92.0 million compared to the second quarter of 2020. This is mainly explained by a significant increase in revenues in our wood products segment. Our Adjusted EBITDA was 41.3% higher than that of the second quarter, reaching US\$290.7 million. The Adjusted EBITDA margin increased from 19.6% to 24.2% on a quarterly basis.

Overview

Net Financial Debt decreased by US\$148.3 million or 2.9% compared to the last quarter. Our Net Debt/LTM EBITDA ended up in 5.4x, compared to the 5.9x reached during the second quarter of 2020.

In US\$ Million	Q3 2020	Q2 2020	Q3 2019	QoQ	YoY	YTD 2020	YTD 2019	YoY Acum
Revenue	1,202.9	1,049.9	1,387.2	14.6%	-13.3%	3,380.0	4,126.9	-18.1%
Net income	36.0	-55.9	-29.6	-164.4%	-221.8%	-49.6	153.9	-132.2%
Adjusted EBITDA	290.7	205.8	238.2	41.3%	22.1%	691.0	936.3	-26.2%
Adjusted EBITDA Margin	24.2%	19.6%	17.2%	23.3%	40.8%	20.4%	22.7%	-9.9%
LTM Adj. EBITDA	902.1	849.6	1,276.3	6.2%	-29.3%	902.1	1,276.3	-29.3%
CAPEX	453.9	384.2	281.0	18.1%	61.5%	1,283.6	915.7	40.2%
Net Financial Debt	4,901.7	5,050.0	4,253.2	-2.9%	15.2%	4,901.7	4,253.2	15.2%
Net Financial Debt / LTM Adj. EBITDA	5.4x	5.9x	3.3x	-8.6%	63.1%	5.4x	3.3x	63.1%

Adjusted EBITDA and EBITDA Margin
(in US\$ Million)



Income Statement

Net income showed an increase of US\$92.0 million during the third quarter of 2020 reaching US\$36.0 million. This is explained by a significant increase in the revenues of our wood products segment, mostly due to increases in sales volume. There were also positive effects arising from exchange rate differences during the quarter.

In US\$ Million	Q3 2020	Q2 2020	QoQ
Revenues	1,202.9	1,049.9	14.6%
Cost of sales	(867.9)	(800.1)	8.5%
Distribution costs	(129.6)	(122.8)	5.5%
Administrative expenses	(122.7)	(130.2)	-5.8%
Other income	52.8	67.6	-21.9%
Other expenses	(33.1)	(57.4)	-42.2%
Financial income	4.2	12.3	-66.2%
Financial costs	(64.4)	(65.9)	-2.3%
Share of profit (loss) of associates and joint ventures accounted for using equity method	1.3	(2.0)	-164.0%
Exchange rate differences	13.9	(26.7)	-152.1%
Income before income tax	57.4	(75.3)	-176.3%
Income tax	(21.4)	19.4	-210.5%
Net income	36.0	(55.9)	-164.4%

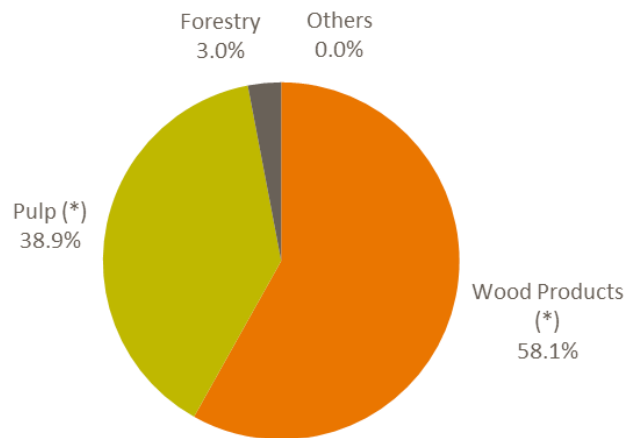
Revenues

ARAUCO's revenues reached US\$1,202.9 million in the third quarter, an increase of 14.6% when compared to the previous quarter. This variation is mostly explained by higher revenues in our wood products division, due to a significant sales volume increase of 33.2% while average prices remained stable. Revenues in our pulp division decreased by 6.1% mostly due to a 5.1% decrease in sales volume.

The following table shows a breakdown of our revenues by business segment:

In US\$ Million	Q3 2020	Q2 2020	QoQ
Pulp(*)	467.5	497.7	-6.1%
Wood Products(*)	699.3	520.2	34.4%
Forestry	36.1	32.0	13.0%
Others	0.0	0.0	-
Total	1,202.9	1,049.9	14.6%

3Q 2020 Revenue's breakdown



(*) Pulp and Wood products division sales include energy.

Cost of sales

Increased by 8.5% or US\$67.8 million compared to the second quarter of 2020. This is mostly explained by higher timber, forestry labor and other raw materials costs, all of these mainly associated to higher sales volume in our wood products division.

In US\$ Million	Q3 2020	Q2 2020	QoQ
Timber	216.0	199.9	8.1%
Forestry labor costs	122.5	108.5	13.0%
Depreciation and amortization	102.4	99.7	2.8%
Depreciation for right of use	13.9	15.1	-8.0%
Maintenance costs	55.2	53.6	3.0%
Chemical costs	114.9	105.6	8.8%
Sawmill services	22.9	21.6	6.0%
Other raw materials and indirect costs	87.1	70.5	23.4%
Energy and fuel	41.4	37.5	10.6%
Cost of electricity	7.3	8.3	-11.9%
Wage, salaries and severance indemnities	84.2	79.9	5.5%
Cost of Sales	867.9	800.1	8.5%

Administrative expenses

Decreased by 5.8% or US\$7.6 million, when compared to the previous quarter mainly due to a decrease in donations, and also in expenses associated to computer services as a result of periodic payments usually made during the second quarter. This was partially offset by an increase in wages, salaries and severance indemnities.

In US\$ Million	Q3 2020	Q2 2020	QoQ
Wages, salaries and severance indemnities	53.0	50.8	4.2%
Marketing, advertising, promotion and publications expenses	1.8	1.6	12.8%
Insurance	7.1	5.1	39.3%
Depreciation and amortization	8.8	8.6	1.6%
Depreciation for the right of use	2.0	1.4	43.3%
Computer services	7.3	11.6	-37.5%
Lease rentals (offices, warehouses and machinery)	0.8	1.6	-45.7%
Donations, contributions, scholarships	0.9	6.2	-85.4%
Fees (legal and technical advisories)	9.1	8.9	2.3%
Property taxes, patents and municipality rights	5.0	5.6	-11.5%
Other administration expenses	27.0	28.9	-6.5%
Administrative Expenses	122.7	130.2	-5.8%

Distribution costs

Distribution costs increased by 5.5%, or US\$6.8 million. This was primarily because of higher freight costs associated to higher sales volume in our wood products division.

In US\$ Million	Q3 2020	Q2 2020	QoQ
Commissions	3.6	3.3	9.8%
Insurance	0.6	1.4	-52.6%
Other selling costs	5.0	5.1	-2.8%
Port services	11.1	9.9	12.4%
Freights	97.1	91.1	6.5%
Depreciation for the right of use	0.4	0.4	0.2%
Other shipping and freight costs	11.7	11.6	1.0%
Distribution Costs	129.6	122.8	5.5%

Other income

Decreased by 21.9% or US\$14.8 million, mainly as a result of tax recoveries received during the second quarter. This was partially offset by an increase in gains from changes in fair value of biological assets.

In US\$ Million	Q3 2020	Q2 2020	QoQ
Gain from changes in fair value of biological assets	41.9	36.1	15.9%
Net income from insurance compensation	0.3	2.1	-87.0%
Leases received	0.6	0.4	39.7%
Gains on sales of assets	0.8	0.7	9.8%
Tax recovery	-	21.1	N/A
Other operating results	9.2	7.1	30.3%
Other Income	52.8	67.6	-21.9%

Other expenses

Decreased by 42.2% or US\$24.2 million when compared to the second quarter of 2020. This is mostly explained by a decrease in impairment provisions of property, plant and equipment and others due to recently closed mills in North America being fully impaired as of the previous quarter and a new assessment of the impairment of Arauco Line 1. This was partially offset by an increase in loss of forests mostly due to a fire in some of our forestry assets in Mato Grosso, Brazil.

In US\$ Million	Q3 2020	Q2 2020	QoQ
Legal payments	1.0	1.4	-33.4%
Impairment provision property, plant and equipment and others	0.8	34.5	-97.6%
Operating expenses related to plant stoppages	2.7	8.0	-66.3%
Project expenses	4.0	3.2	23.4%
Loss (gain) from asset sales	4.0	2.3	78.9%
Loss and repair of assets	1.1	1.6	-36%
Loss of forests	14.0	0.1	9819.1%
Other taxes	3.6	4.6	-21.6%
Research and development expenses	0.8	0.8	4.9%
Other expenses (donations, repayments insurance)	1.2	0.9	37.0%
Other expenses	33.13	57.36	-42.2%

Foreign exchange differences

Showed a net gain of US\$13.9 million, a US\$40.6 million increase when compared to the second quarter that ended with a US\$26.7 million loss.

The main significant effects are given by the variation of the currencies of the countries where we have industrial operations, and also due to accounting reclassifications related to financial derivatives.

Income tax

For the third quarter, income tax reached US\$21.4 million, US\$40.7 million higher than the US\$19.4 million gain in the previous quarter. This is mainly explained by this quarter's positive income before tax.

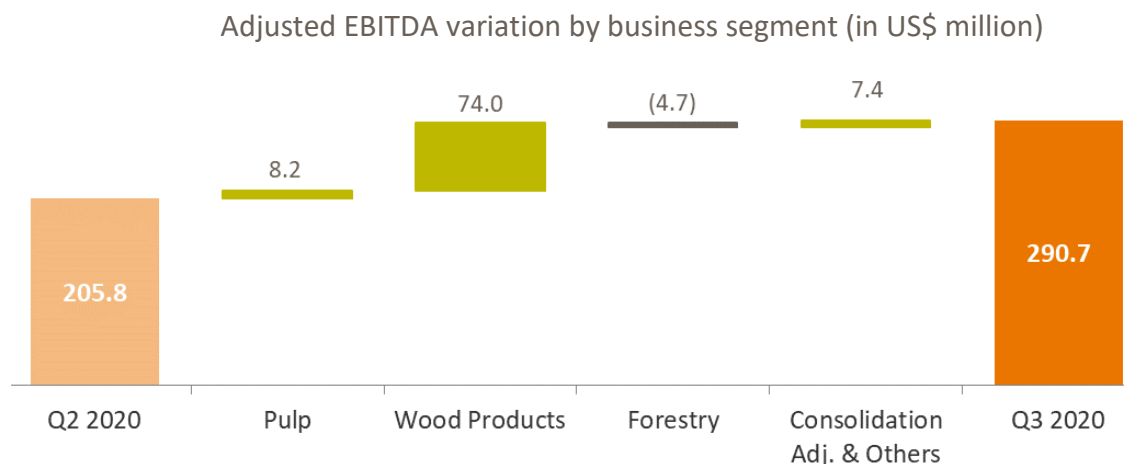
Adjusted EBITDA

Adjusted EBITDA for the third quarter of 2020 was US\$290.7 million, a 41.3% or US\$84.9 million increase when compared to the previous quarter. In terms of Adjusted EBITDA by business segment, the most significant variation was given by our wood products division with a 110.3% or US\$74.0 million increase QoQ, mainly explained by an increase in sales volume.

The Adjusted EBITDA of our pulp division increased by 8.6%, while that of our forestry division decreased by 6.6%.

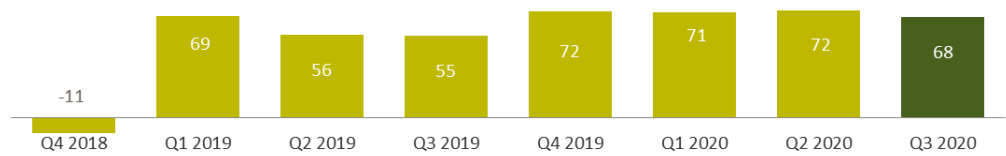
In US\$ Million	Q3 2020	Q2 2020	Q3 2019	QoQ	YoY
Net Income	36.0	(55.9)	(29.6)	-164.4%	-221.8%
Financial costs	64.4	65.9	65.8	-2.3%	-2.1%
Financial income	(4.2)	(12.3)	(7.5)	-66.2%	-44.4%
Income tax	21.4	(19.4)	(10.3)	-210.5%	-307.0%
EBIT	117.7	(21.7)	18.4	-642.8%	540.5%
Depreciation & amortization	127.8	125.4	133.6	1.9%	-4.3%
EBITDA	245.5	103.8	151.9	136.6%	61.5%
Fair value cost of timber harvested	85.8	75.3	90.1	14.0%	-4.8%
Gain from changes in fair value of biological assets	(41.9)	(36.1)	(36.1)	15.9%	16.0%
Exchange rate differences	(13.9)	26.7	12.3	-152.1%	-213.1%
Others (*)	15.2	36.2	19.9	-58.0%	-23.5%
Adjusted EBITDA	290.7	205.8	238.2	41.3%	22.1%

(*) Includes provision from forestry fires and provisions from property, plants and equipment, and others.



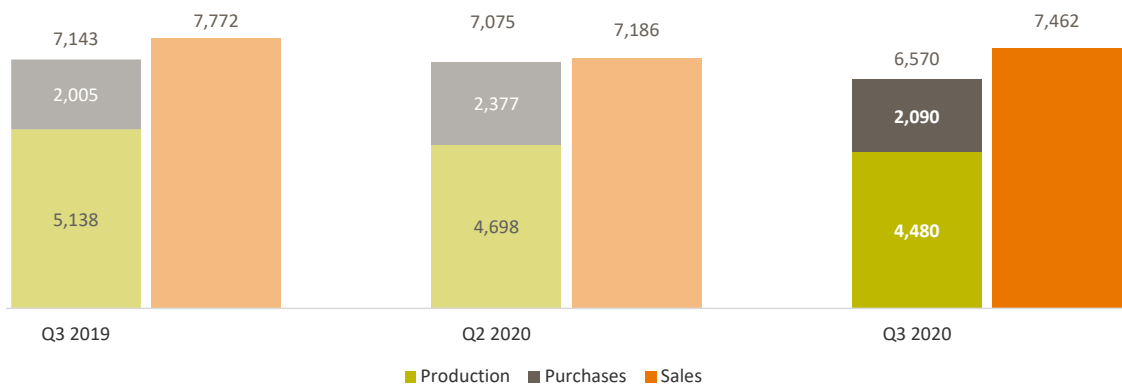
Forestry Business

The Adjusted EBITDA for our forestry business was US\$67.7 million for the third quarter, which translates to a US\$4.7 million decrease compared to the previous quarter.



The production during the third quarter was 4.5 million m³, 4.9% down compared to the previous quarter. Sales volume increased slightly reaching 7.5 million m³.

Production, Purchase and Sales Volume (in thousand m³)



Pulp Business

The third quarter of 2020 began with a lower demand due to the seasonality effects of summer in the northern hemisphere. However, as time passed the situation improved. During the third quarter there was a decrease in supply of market pulp, in comparison to the second quarter, due to integrated paper and/or dissolving pulp producers that decided to switch back from producing paper-grade pulp as they did during the past quarter. Nevertheless, supply continues to surpass demand thereby keeping prices stable.

Global Pulp Demand Change		
North America	▲	4.6%
West Europe	▼	-4.9%
China	▲	7.9%
Others	▲	9.8%
Total	▲	4.6%

Last 8 months, Jan-Aug 2019 and 2020

Source: World-20 Bleached Chemical Pulp Demand. Hawkins Wright Report

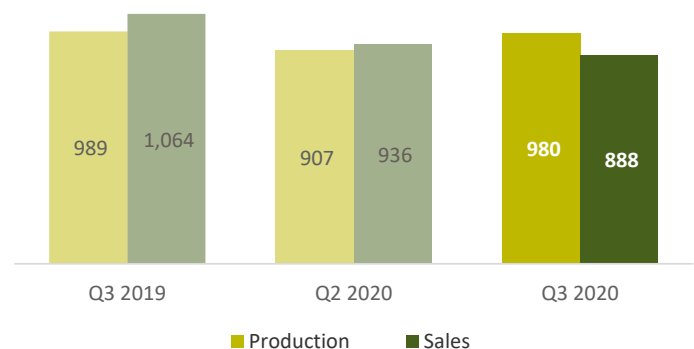
Tissue demand declined after the increase seen during the second quarter, but this decrease was partially offset by higher activity in the P&W paper segment. Pulp inventories in days of supply increased by 4 and 2 days respectively for long and short fiber, between June and August.

In China, despite increasing demand the third quarter also had a complex start due to seasonality and high levels of supply and pulp inventories. This affected primarily the tissue segment, since it experienced a decrease in prices paired with an increase in inventories of final products. This situation normalized towards the end of the quarter. P&W markets improved slightly due to schools resuming classes. The packaging segment also began to improve due to an increase in both export and e-commerce sales. Average prices remained stable.

In Europe, as lockdown-related measures decreased the local economies began to recover. This led to an improvement of the P&W and specialties segments, allowing some clients' mills that were previously shut down to start production again. Additionally, the tissue segment (particularly with products used by hotels and restaurants) started to improve, yet in a moderate fashion. Other "Away from Home" products remained with low activity throughout the quarter.

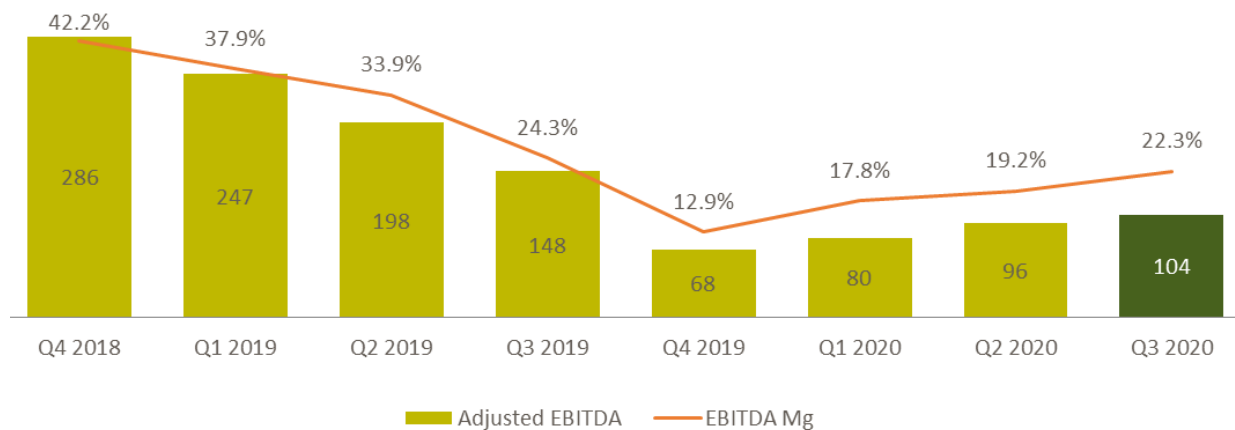
Our production during the quarter remained stable when compared to the same quarter of 2019, due to no maintenance stoppages. On a quarterly basis, our production increased by 8.0%.

Production and Sales Volume (In thousand tonnes)



The Adjusted EBITDA for our pulp business reached US\$104.0 million during this quarter, which translates to a 8.6% or US\$8.2 million increase compared to the second quarter of 2020.

Pulp EBITDA Mg reached 22.3%, 3.0% up from the previous quarter.



Days of Stoppages

Mill	2020			
	1Q	2Q	3Q	4Q
Arauco - Line 1		19	6	
Arauco - Line 2	13	5		
Constitución		6		22
Licancel	57	9	16	
Nueva Aldea		10		
Valdivia			7	
Alto Paraná				12
Montes del Plata				13

Maintenance Stoppages:

Finished
 Planned

Non-operational Stoppages:

COVID-19
 Water Shortage

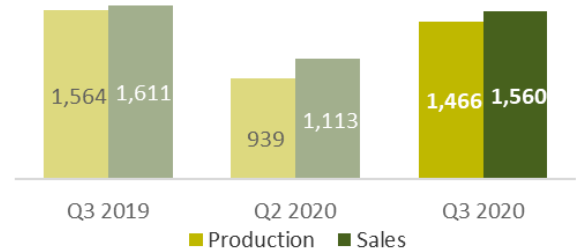
Wood Products Business

Panels

Revenues increased significantly compared to the second quarter, with sales volume increasing by 40.2%. Average prices remained stable.

During the third quarter we saw a recovery coming from the reactivation of markets, and because of consumption-encouraging measures taken by different governments. In Latam, this quarter marked a return to the trends seen during the beginning of the year with improvements in terms of sales volumes.

Production and Sales Volume: Panels ⁽¹⁾
(In thousand m³)

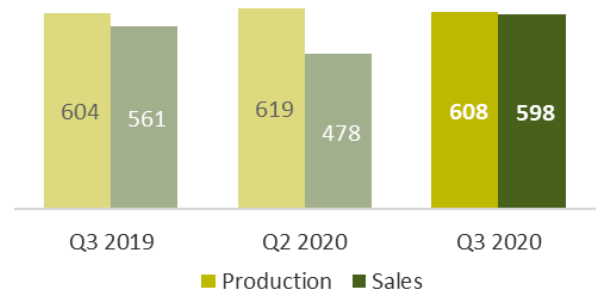


Sawn timber

During the third quarter sales volume increased by 20.2%. Average prices also increased by 2.1%.

Results for remanufactured wood products in the US market remained positive, mainly due to strong retail channels and the recovery of the economic activity. On the supply side, some of our competitors in the US were suffering from tariff issues. In terms of demand, even with the effects of the global pandemic, a supply deficit allowed us to continue observing market improvements.

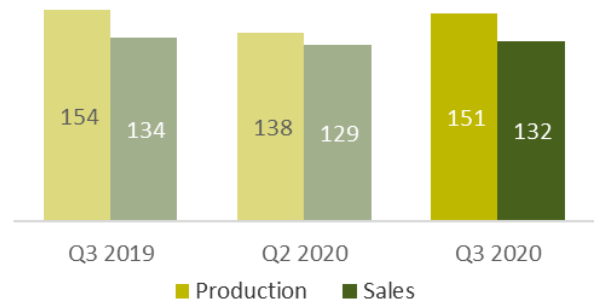
Production and Sales Volume: Sawn Timber ⁽²⁾
(In thousand m³)



Plywood

Sales volume increased by 2.4% during the third quarter. We saw a return to what we had seen during Q1 2020, with sales volume increases when compared to 2019. This is explained by a higher demand in some markets such as the US, Europe and Oceania, and logistic complications of our competitors due to the pandemic. Average prices increased by 14.5% on a quarterly basis.

Production and Sales Volume: Plywood
(In thousand m³)



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

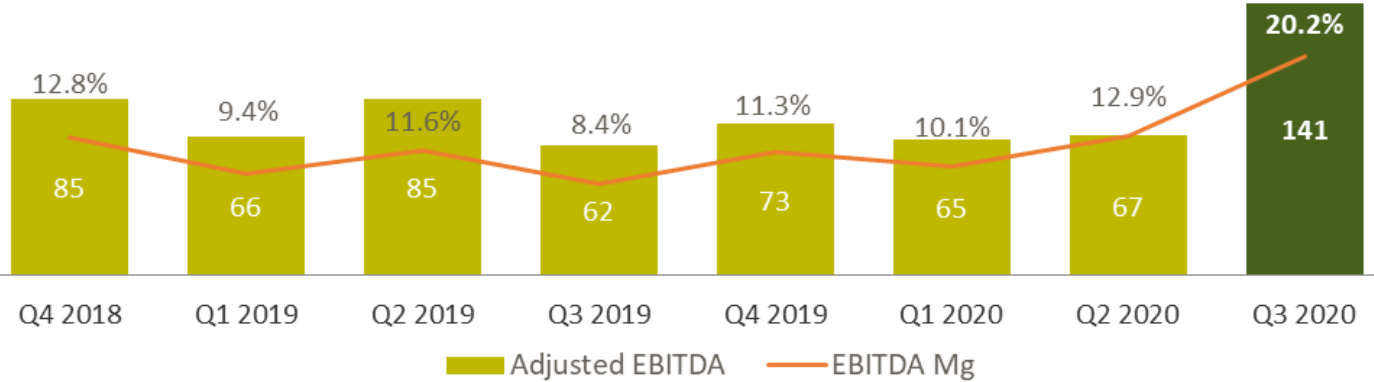
(2) Includes sawn timber, kilned sawn timber, remanufactured wood products, pallets.

Note: Sales include trading



Adjusted EBITDA for our wood products business reached US\$141.1 million during the third quarter of 2020, which translates to a 110.3% or US\$74.0 million increase, compared to the previous quarter.

Wood products EBITDA Mg was 20.2%, higher than the 12.9% reached during the second quarter.



Capital Expenditures

During this quarter, capital expenditures(*) reached US\$453.9 million, US\$69.7 million or 18.1% higher than the previous quarter.

This was mainly due to a 28.1% or US\$91.5 million increase in *purchase and sale of property, plant and equipment*.

Our main project expenditures during the third quarter were related to the MAPA project and reached US\$275.9 million. This is an increase when compared to the US\$257.6 million spent during the second quarter.

US\$ Million	Q3 2020	Q2 2019	Q3 2019	YTD 2020	YTD 2019
Cash flow used to obtain control of subsidiaries or other businesses	-	-	21.0	-	69.7
Cash flow used to purchase in associates	0.0	0.1	-	15.2	0.5
Purchase and sale of property, plant and equipment	417.6	326.1	208.9	1,100.4	652.5
Purchase and sale of intangible assets	3.1	5.5	6.5	14.6	15.3
Purchase of other long-term assets	33.2	52.5	44.7	153.2	177.7
Total CAPEX (*)	453.9	384.2	281.0	1,283.6	915.7

(*) On a cash basis.

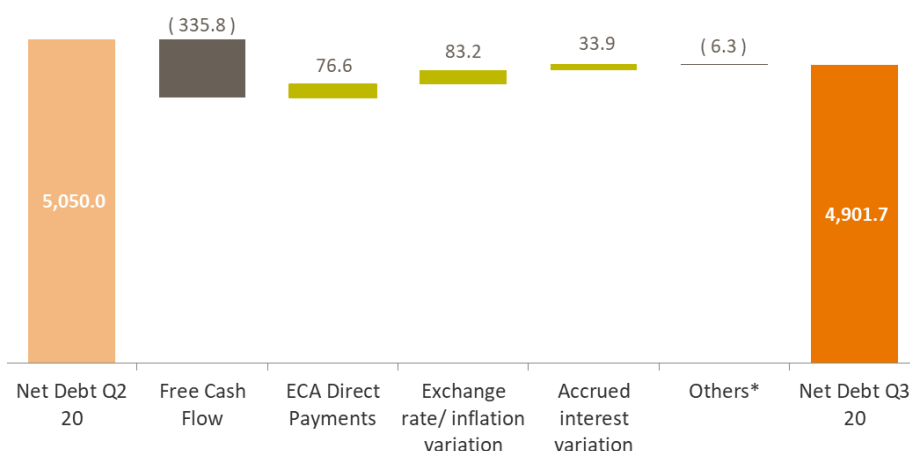
Free Cash Flow

During the third quarter, free cash flow increased by US\$479.1 million compared to the previous quarter, ending with a surplus of US\$335.8 million. Cash provided by operating activities increased by US\$287.6 million mainly due to a decrease in payments to suppliers and an increase in cash receipts. Cash used in investment activities increased by 18.4% or US\$70.0 million. Cash from financing activities increased by US\$259.2 million, mainly because of the capital injection of September 2020.

US\$ Million	Q3 2020	Q2 2020	Q3 2019
Adjusted EBITDA	290.7	205.8	238.2
Working Capital Variation	76.7	5.8	152.2
Interest paid and received	(44.9)	(87.0)	(39.8)
Income tax received (paid)	8.7	83.0	(50.9)
Other cash inflows (outflows)	221.4	57.4	74.1
Cash from Operations	552.6	265.0	373.8
Capex (1)	(453.9)	(384.2)	(281.0)
Proceeds from investment activities	2.4	2.6	2.5
Other inflows of cash, net	1.6	1.8	6.5
Cash from (used in) Investment Activities	(449.9)	(379.9)	(272.0)
Dividends paid	(0.3)	(0.1)	-
Other inflows of cash, net	243.3	(25.0)	(19.1)
Cash from (used in) Financing Activities - Net of Proceeds and Repayments	234.1	(25.1)	(19.1)
Effect of exchange rate changes on cash and cash equivalents	(1.0)	(3.4)	(20.1)
Free Cash Flow	335.8	(143.4)	62.6

(1) On a cash basis.

Net Debt Variation Q3 2020 – Q2 2020 (in US\$ million)



(*) The total amount corresponds to leasing variation.

Financial Debt and Cash

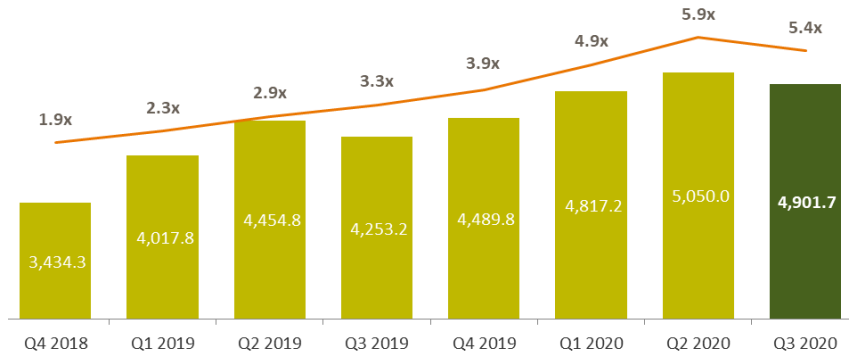
ARAUCO's total financial debt as of September 30, 2020 reached US\$6,064.4 million, a decrease of 3.4% or US\$215.6 million when compared to June 30, 2020.

Our consolidated net financial debt decreased 2.9% or US\$148.3 million when compared with June 2020, while cash and cash equivalents decreased by US\$67.3 million.

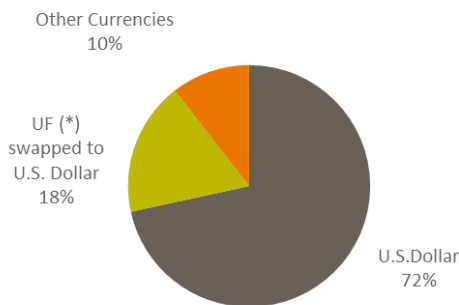
Our leverage, measured as Net Financial Debt/LTM Adjusted EBITDA was 5.4x, which compares to the 5.9x in the last quarter.

In US\$ Million	Sep 2020	Jun 2020	Sep 2019
Short term financial debt	335.5	659.7	555.7
Long term financial debt	5,728.8	5,620.3	4,839.8
TOTAL FINANCIAL DEBT	6,064.4	6,280.0	5,395.4
Cash and cash equivalents	1,162.7	1,230.0	1,142.2
NET FINANCIAL DEBT	4,901.7	5,050.0	4,253.2
LTM Adjusted EBITDA	902.1	849.6	1,276.3

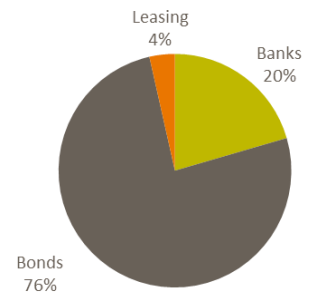
Net Financial Debt and Leverage (In US\$ Million)



Debt by Currency



Debt by Instrument



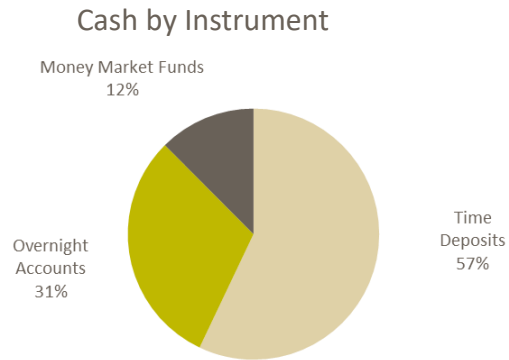
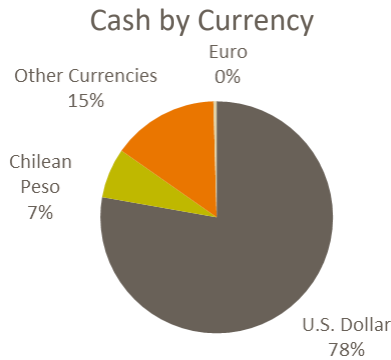
(*) UF is a Chilean monetary unit indexed to inflation.



Cash

Our cash position was US\$1,162.7 million at the end of the third quarter, which translates to a 5.5% decrease equivalent to US\$67.3 million when compared to the end of the second quarter of 2020. Cash provided by operating activities increased by US\$287.6 million, mainly due to an increase in receipts from sales of goods and a decrease in payments of suppliers. Cash used in investment activities increased by 18.4% mainly due to higher CAPEX. Cash provided by financing activities decreased by US\$361.8 million, explained by repayments of local bonds and bank loans during the quarter. This was partially offset by the equity injection we received during September.

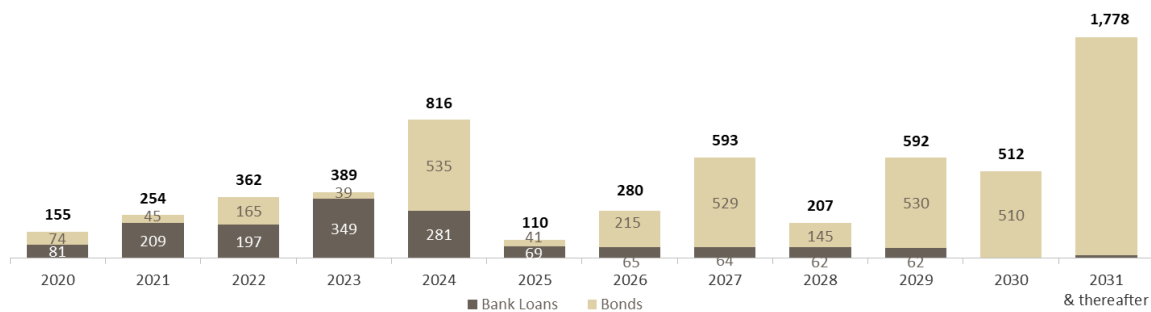
In terms of liquidity, and additionally to our strong cash position, the Company has a committed credit facility for a total amount of US\$375 million, which as of the date of this report hasn't been withdrawn. This facility is due in February 2025.



Financial Debt Profile

For the remainder of 2020, bank and bond obligations (which includes accrued interest) sum up US\$155.0 million. Bank obligations include the following maturities: US\$57.0 million in bank loans and US\$23.8 million in leasing. Bond obligations for the remainder of the year sum up US\$74.2 million. These obligations include amortizations of local bonds, and interest payments of our USD-denominated bonds.

Debt Amortization Profile as of September 30, 2020 (In US\$ Million)



Third Quarter

Subsequent Events and News

COVID-19 *update*

During March 2020, our industrial activities were declared as essential businesses by the authorities in most of the countries where we have operations.

Our strategy strictly follows the guidelines issued by the health authorities, and is based on three basic principles: testing, tracking and isolating. We have implemented enhanced health and safety protocols in all our facilities in order to prevent COVID-19 contagions. These include social distancing, body temperature measurement, home office policies, limiting the number of people in meetings, preventive testing, increasing workplace sanitation frequency, suspending domestic and international travels, among others. We have also requested our contractors, including those of the MAPA project, to take similar measures. These efforts have been further extended to support local communities and hospitals with medical devices and a wide range of sanitary and health related actions.

Capital Increase *update*

On May 19, 2020, ARAUCO's Shareholders' Meeting approved the proposal of the Board of Directors to increase the capital of ARAUCO, up to a maximum amount of US\$700 million. Of the total amount approved, US\$250 million were paid during September 2020, while the remaining US\$450 million could be paid during the course of 2021, depending on the resources required in that year.

The capital increase would aim to strengthen ARAUCO's financial position which has been affected by ongoing and past projects, trade tensions between China and the US, and the decrease in the demand of products that has been observed worldwide as a result of the COVID-19 pandemic.

MAPA Project *update*

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

During the last quarter we have intensified the measures related to preventing contagions of COVID-19. We have also received visits of government health authorities to inspect on the sanitary conditions of the project.

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

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

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

Sustainable Bond Annual Report

During October 2020, one year after our first Sustainable Bond issuance, we published the Annual Report that details expenditures related to our commitment to use an amount of funds equivalent to the total issuance amount in green and social projects. This report was evaluated by a third party which issued an opinion regarding the correct categorization of such investments and expenses. The aforementioned commitment was fulfilled in accordance with our Sustainable Bond Framework.

Please visit our Sustainable Bond Annual Report 2020 and Sustainable Bond Framework on our website.

UPCOMING EVENTS

3Q RESULTS CONFERENCE CALL

Wednesday, November 18, 2020

12:00 Santiago Time

10:00 Eastern Time (New York)

Dial in:

+1 (844) 450 3845 from the US

+56 (44) 208 1274 from Chile

+55 (11) 3181 8565 from Brazil

+1 (412) 317 6368 from other countries

Conference ID: Arauco

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Financial Statements

Income Statement

In US\$ Million	Q3 2020	Q2 2020	Q3 2019	YTD 2020	YTD 2019
Revenues	1,202.9	1,049.9	1,387.2	3,380.0	4,126.9
Cost of sales	(867.9)	(800.1)	(1,054.3)	(2,511.5)	(2,960.2)
Gross profit	335.1	249.8	332.9	868.5	1,166.7
Other income	52.8	67.6	41.6	175.6	173.6
Distribution costs	(129.6)	(122.8)	(160.4)	(389.8)	(448.6)
Administrative expenses	(122.7)	(130.2)	(140.4)	(376.4)	(427.9)
Other expenses	(33.1)	(57.4)	(37.2)	(141.4)	(87.2)
Financial income	4.2	12.3	7.5	23.7	22.3
Financial costs	(64.4)	(65.9)	(65.8)	(202.1)	(192.7)
Share of profit (loss) of associates and joint ventures accounted for using equity method	1.3	(2.0)	(5.8)	0.8	3.9
Other income (loss)	0.0	0.0	0.0	0.0	0.0
Exchange rate differences	13.9	(26.7)	(12.3)	(16.2)	(19.5)
Income before income tax	57.4	(75.3)	(39.9)	(57.3)	190.6
Income tax	(21.4)	19.4	10.3	7.7	(36.6)
Net income	36.0	(55.9)	(29.6)	(49.6)	153.9
Profit attributable to parent company	36.2	(56.0)	(29.5)	(49.3)	153.7
Profit attributable to non-parent company	(0.1)	0.1	(0.1)	(0.3)	0.3

Balance Sheet

In US\$ Million	30-09-2020	30-06-2020	30-09-2019
Cash and cash equivalents	1,162.7	1,230.0	1,142.2
Other financial current assets	12.7	37.0	0.4
Other current non-financial assets	153.2	194.9	168.9
Trade and other receivables-net	629.8	654.5	773.5
Related party receivables	8.1	6.8	6.2
Inventories	998.7	1,028.0	1,074.8
Biological assets, current	270.3	276.6	324.4
Tax assets	149.2	175.1	106.8
Non-Current Assets classified as held for sale	3.9	4.3	5.5
Total Current Assets	3,388.6	3,607.2	3,602.7
Other non-current financial assets	1.0	1.3	31.3
Other non-current and non-financial assets	122.3	133.5	93.2
Non-current receivables	6.7	7.1	11.3
Investments accounted through equity method	298.4	288.1	284.8
Intangible assets	97.9	102.5	96.7
Goodwill	58.1	58.5	73.5
Property, plant and equipment	8,314.7	8,078.8	7,773.1
Biological assets, non-current	3,300.2	3,323.7	3,308.6
Deferred tax assets	7.0	7.1	6.6
Total Non-Current Assets	12,206.2	12,000.9	11,679.1
TOTAL ASSETS	15,594.8	15,608.1	15,281.8
Other financial liabilities, current	338.0	663.7	557.5
Trade and other payables	596.4	569.9	696.8
Related party payables	3.2	5.7	4.5
Other provisions, current	0.3	0.4	1.3
Tax liabilities	23.5	14.0	1.9
Current provision for employee benefits	5.9	5.7	5.6
Other non-financial liabilities, current	39.3	34.6	115.2
Total Current Liabilities	1,006.6	1,294.1	1,382.8
Other non-current financial liabilities	5,914.2	5,921.3	4,951.3
Trade and Other payables non-current	0.0	0.0	2.2
Other provisions, non-current	30.1	30.8	31.8
Deferred tax liabilities	1,270.9	1,285.0	1,371.8
Non-current provision for employee benefits	68.5	66.6	65.1
Other non-financial liabilities, non-current	76.3	79.3	110.3
Total Non-Current Liabilities	7,359.9	7,383.0	6,532.6
Non-parent participation	29.6	29.4	35.7
Net equity attributable to parent company	7,198.7	6,901.6	7,330.8
TOTAL LIABILITIES AND EQUITY	15,594.8	15,608.1	15,281.8

Cash Flow Statement

US\$ Million	Q3 2020	Q2 2020	Q3 2019	YTD 2020	YTD 2019
Receipts from sales of goods and rendering of services	1,242.0	1,163.3	1,566.9	3,528.1	4,493.5
Other cash receipts (payments)	145.6	120.7	94.0	341.4	210.4
Payments of suppliers and personnel (less)	(799.2)	(1,013.9)	(1,195.2)	(2,934.9)	(3,780.7)
Interest paid and received	(44.9)	(87.0)	(39.8)	(167.2)	(138.9)
Income tax paid	8.7	83.0	(50.9)	36.3	(273.5)
Other (outflows) inflows of cash, net	0.4	(1.0)	(1.3)	(1.7)	(4.8)
Net Cash Provided by (Used in) Operating Activities	552.6	265.0	373.8	801.8	505.9
Capital Expenditures	(453.9)	(384.2)	(281.0)	(1,283.6)	(915.7)
Other investment cash flows	4.0	4.3	9.0	17.0	24.5
Net Cash Provided by (Used in) Investing Activities	(449.9)	(379.9)	(272.0)	(1,266.6)	(891.2)
Proceeds from borrowings	11.0	238.8	58.2	389.8	1,146.2
Repayments of borrowings	(414.1)	(20.9)	(229.5)	(479.9)	(431.2)
Dividends paid	(0.3)	(0.1)	0.0	(0.4)	(182.1)
Other inflows of cash, net	234.4	(25.0)	(19.1)	188.2	(67.7)
Net Cash Provided by (Used in) Financing Activities	(169.0)	192.8	(190.4)	97.7	465.2
Total Cash Inflow (Outflow) of the Period	(66.3)	77.9	(88.5)	(367.1)	79.9
Effect of exchange rate changes on cash and cash equivalents	(1.0)	(3.4)	(20.1)	(30.2)	(13.6)
Cash and Cash equivalents at beginning of the period	1,230.0	1,155.5	1,250.9	1,560.0	1,075.9
Cash and Cash Equivalents at end of the Period	1,162.7	1,230.0	1,142.2	1,162.7	1,142.2