



antarchile

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Sustainability Yearbook  
Member 2021

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S&P Global

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# EARNINGS ANALYSIS

Second Quarter  
2021



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2Q21  
 2Q20

AntarChile posted net income of US\$227 million in 2Q21, a US\$231 million increase year-over-year (YoY).

That change was due to operating income climbing US\$563 million, mainly explained by Arauco (+US\$362 million) due to pulp and wood products revenue increasing 34.4% and 62.2%, respectively. Copec also had higher operating income (+US\$187 million), on account of greater margins from a higher revaluation of inventories and increased sales volumes in Chile and Colombia.

Non-operating income rose US\$36 million, mainly related to Arauco (+US\$38 million) from a drop in other expenses due to lower fixed asset provisions and write-offs.

There was higher tax expense of US\$195 million, due to the higher net income in the year.

 2Q21  
 1Q21

AntarChile had a net income increase of US\$90 million quarter-over-quarter (QoQ). That is explained by greater operating income of US\$188 million, mainly due to Arauco (+US\$191 million) from pulp, sawn timber and panel sales price increases of 39.9%, 7.2% and 9.7%, respectively. Abastible also posted an operating income increase (+US\$13 million) from higher sales volumes related to seasonality. That was partly offset by lower income at Copec (-US\$25 million), associated with a drop in gross profit from lower physical sales in Chile, higher distribution costs and greater administrative and sales expenses.

Non-operating income increased US\$19 million, largely due to the Colbún dividends received this quarter (+US\$23 million).

There was higher tax expense of US\$78 million, due to the higher net income in the year.

 2021  
 2020

YTD

Year-to-date (YTD), AntarChile posted net income of US\$364 million, increasing US\$371 million on that YTD 2020. That is explained by non-operating income increasing US\$793 million, mainly due to Arauco (+US\$507 million) and related to higher pulp and wood products revenue. Copec also had higher operating income (+US\$268 million), on account of greater sales volumes and margins and related to a positive revaluation of inventories.

Non-operating income rose US\$110 million, largely associated with Arauco (+US\$78 million) from lower other expenses, higher income in associates and favorable exchange rate differences. Copec also had a non-operating income increase (+US\$14 million), mainly because of higher income in associates.

There was higher tax expenditure of US\$256 million.

US\$ million	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales revenue	5,855	5,353	3,277	9%	79%	11,208	8,682	29%
EBIT	592	405	30	46%	1,903%	997	204	388%
<b>EBITDA*</b>	<b>882</b>	<b>692</b>	<b>314</b>	<b>28%</b>	<b>181%</b>	<b>1,574</b>	<b>759</b>	<b>107%</b>
Non-operating income	(39)	(59)	(75)	33%	48%	(98)	(208)	53%
Net Income	377	249	(26)	52%	1,555%	626	(20)	3,181%
<b>Net income of controlling interest</b>	<b>227</b>	<b>137</b>	<b>(4)</b>	<b>66%</b>	<b>6,528%</b>	<b>364</b>	<b>(7)</b>	<b>5,532%</b>
Net income of minority interest	150	112	(22)	35%	770%	262	(14)	2,023%
EBITDA Margin	15%	13%	10%	17%	57%	14%	9%	61%
EBITDA / net financial expense	14.8 x	7.8 x	4.8 x	90%	205%	10.6 x	4.6 x	128%

(\*) EBITDA = Operating Income + Depreciation + Amortization + Stumpage (fair value of harvested timber).

# BALANCE SHEET

consolidated



antarChile

US\$ million	jun 2021	dec 2020	Variation	
			US\$ million	%
Current assets	7,094	6,839	255	3.7%
Non-current assets	18,712	18,718	(6)	0.0%
<b>Total assets</b>	<b>25,805</b>	<b>25,557</b>	<b>248</b>	<b>1.0%</b>
Other current financial liabilities	774	730	44	6.1%
Other current liabilities	2,500	2,209	291	13.2%
Other non-current financial liabilities	8,114	8,501	(387)	-4.6%
Other non-current liabilities	2,867	2,841	26	0.9%
<b>Total liabilities</b>	<b>14,255</b>	<b>14,281</b>	<b>(26)</b>	<b>-0.2%</b>
<b>Equity of minority interest</b>	<b>4,716</b>	<b>4,597</b>	<b>119</b>	<b>2.6%</b>
<b>Equity attributable to controlling interest</b>	<b>6,835</b>	<b>6,679</b>	<b>156</b>	<b>2.3%</b>
Leverage	0.64	0.67	N.A.	-5.0%
Net financial debt	7,404	7,609	(205)	-2.7%

As of June 30, 2021, AntarChile's total consolidated assets increased 1.0% on those at December 31, 2020.

Current assets rose 3.7%, driven by higher trade receivables at Arauco and Copec and an increase in inventories. That was partly offset by lower cash and cash equivalents, related to investment disbursements and debt repayment. There was also a decrease in current tax assets, mainly at Arauco.

Non-current assets dipped slightly, explained by a drop in the biological assets of Arauco and the lower intangible assets other than goodwill of Copec. That was partly offset by an increase in property, plant and equipment, mainly related to the Arauco mill modernization and expansion (MAPA, according to the Spanish acronym) project.

On the other hand, current liabilities rose 11.4%, on account of higher other non-financial liabilities of Empresas Copec and Copec. There was also an increase in the accounts payable of Arauco, Copec and Abastible.

Non-current liabilities dropped 3.2%, mainly because of lower other financial liabilities at Arauco and Copec, which was partly offset by Abastible.

Lastly, total shareholders' equity increased 2.3% on that as of December 2020 because of higher retained earnings, which was partly offset by lower other reserves.

US\$ million	jun 2021	jun 2020	Variation	
			US\$ million	%
Cash flow from (used in) operating activities	1,135	578	557	96%
Cash flow from (used in) investing activities	(816)	(969)	153	16%
Cash flow from (used in) financing activities	(385)	324	(709)	-219%
<b>Net increase (decrease) in cash and cash equivalents, before exchange rate adjustments</b>	<b>(66)</b>	<b>(67)</b>	<b>1</b>	<b>2%</b>

The company's cash flow before the exchange rate effect was -US\$66 million in 2Q21, which was an improvement on the negative cash flow of US\$67 million YoY.

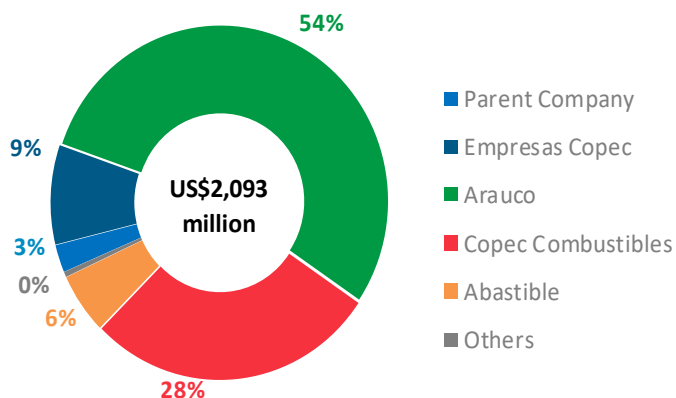
The operating cash flow in 2Q21 increased US\$557 million YoY, mainly explained by higher sales charges at Arauco, Copec and Abastible. That was partly offset by greater payments to suppliers at Copec and Abastible due to commodities price increases.

The investing cash flow in 2Q21 was US\$153 million less negative YoY. The main reason was the lower investment in property, plant and equipment at Arauco, and higher flows from the loss of control of subsidiaries due to the sale of Forestal Los Lagos in the first quarter of 2021.

The financing cash flow dropped US\$709 million YoY, mainly explained by lower proceeds from loans at Arauco and Copec, and greater loan repayments at Arauco. That was partly offset by higher proceeds from loans at Abastible.

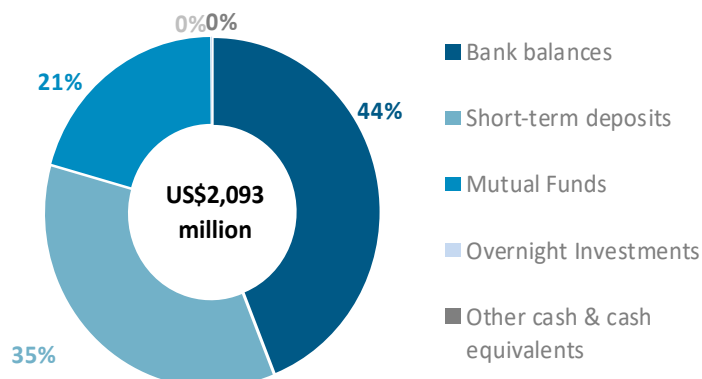
### CASH AND CASH EQUIVALENTS

by entity



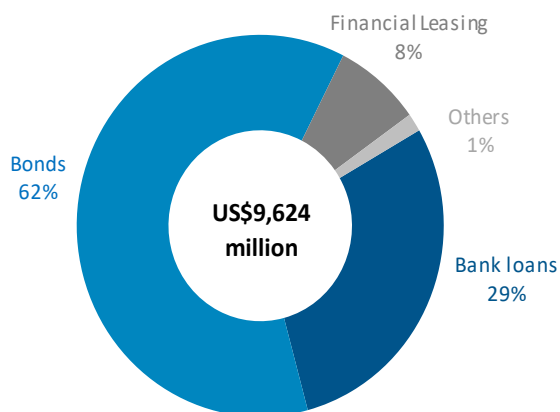
### BREAKDOWN

by instrument



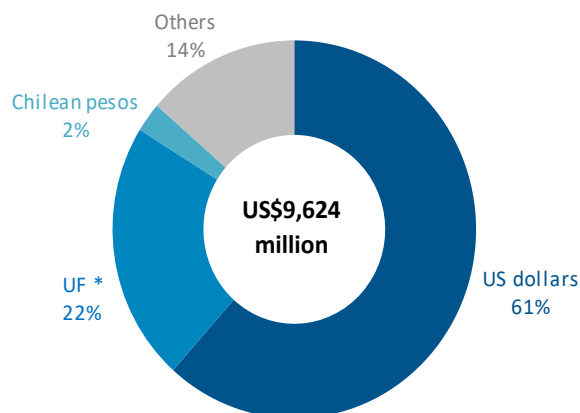
### BREAKDOWN

by instrument



### BREAKDOWN

by currency



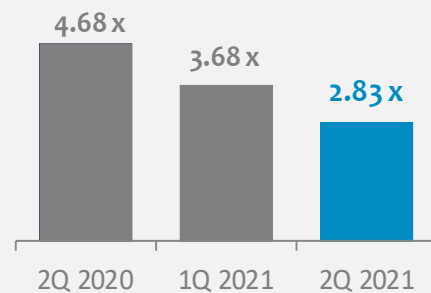
(\* "Chilean inflation-indexed currency unit"  
Source: Ministry of Finance, Chile

### FINANCIAL DEBT

Net

US\$ million	2Q 2021	1Q 2021	2Q 2020
Current financial liabilities	889	882	1,074
Non-current financial liabilities	8,735	8,720	8,151
<b>Total financial liabilities</b>	<b>9,624</b>	<b>9,602</b>	<b>9,225</b>
Cash and cash equivalents	2,093	1,932	2,110
Other current financial assets	128	140	138
<b>Net financial debt*</b>	<b>7,404</b>	<b>7,530</b>	<b>6,977</b>

### NET DEBT/ EBITDA LTM

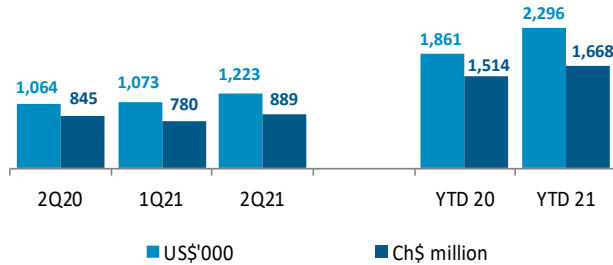


\* Net Debt = Current financial liabilities + Non-current financial liabilities - Cash and cash equivalents - Other current financial assets.



US\$ million	2Q 2021	1Q 2021	2Q 2020	Var. Q-Q	Var. Y-Y	YTD 2021	YTD 2020	Acc. Var. Y-Y
<b>Sales</b>								
Forestry	1,556	1,347	1,050	16%	48%	2,902	2,177	33%
Fuels	4,228	3,954	2,157	7%	96%	8,183	6,384	28%
Fisheries	71	52	70	36%	0%	123	120	2%
Other companies	0	0	0	-38%	-2%	0	0	7%
<b>Total</b>	<b>5,855</b>	<b>5,353</b>	<b>3,277</b>	<b>9%</b>	<b>79%</b>	<b>11,208</b>	<b>8,682</b>	<b>29%</b>
<b>EBITDA</b>								
Forestry	558	365	197	53%	183%	923	413	124%
Fuels	311	319	102	-3%	205%	630	329	92%
Fisheries	18	12	19	44%	-4%	30	27	11%
Other companies	(5)	(5)	(5)	11%	-6%	(10)	(9)	-6%
<b>Total</b>	<b>882</b>	<b>692</b>	<b>314</b>	<b>28%</b>	<b>181%</b>	<b>1,574</b>	<b>759</b>	<b>107%</b>
<b>Net income</b>								
Forestry	201	102	(56)	97%	460%	304	(86)	455%
Fuels	145	151	(6)	-4%	2,722%	296	65	354%
Fisheries	10	3	12	316%	-11%	13	7	85%
Other companies	20	(7)	24	399%	-15%	14	(7)	296%
<b>Total</b>	<b>377</b>	<b>249</b>	<b>(26)</b>	<b>52%</b>	<b>1,555%</b>	<b>626</b>	<b>(20)</b>	<b>3,181%</b>
<b>Capex</b>								
Forestry	402	340	384	18%	5%	742	830	-11%
Fuels	79	73	46	8%	71%	152	140	9%
Fisheries	5	4	2	125%	123%	10	4	157%
Other companies	0	41	4	-100%	-100%	41	49	-17%
<b>Total</b>	<b>486</b>	<b>458</b>	<b>437</b>	<b>6%</b>	<b>11%</b>	<b>945</b>	<b>1,022</b>	<b>-8%</b>

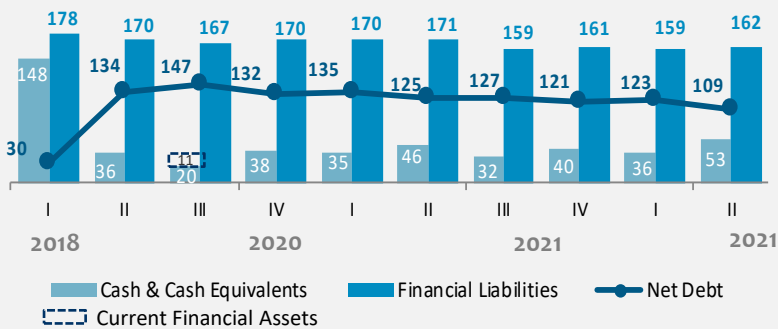
### SALES AND ADMINISTRATION EXPENSES



The administrative expenses of AntarChile (individual) in 2Q21 increased on those YoY, due to higher remunerations and board fees, related to the death of Mr. José Tomás Guzmán Dumas in January 2020, who was replaced in May 2020.

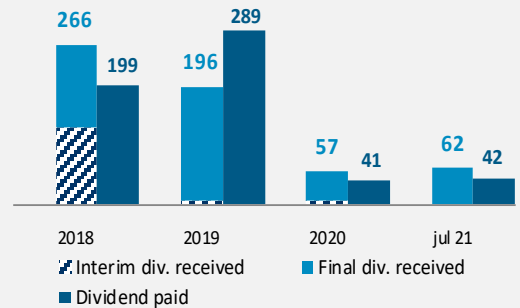
### NET DEBT

US\$ million



### DIVIDENDS

US\$ million



AntarChile seeks to maintain a relatively constant level of financial liabilities over time but with a downward trend.

Cash and cash equivalents are fully related to the dividends received by Empresas Copec and Colbún and those paid by AntarChile.

AntarChile's dividend policy is linked to that of Empresas Copec, which prevents an unnecessary build-up of cash at the holding company.

In April 2020, it was agreed to modify the dividend policy of AntarChile by reducing the percentage of net profits in the year to be distributed as a dividend from 40% to 30%. This was since Empresas Copec modified its dividend policy in the same way, along with the need of maintaining a suitable level of liquidity at AntarChile in the light of a market affected by great uncertainty, particularly from the COVID-19 pandemic. To such effect, Empresas Copec decided not to distribute an interim dividend in December 2020.

Both Empresas Copec and AntarChile pay a final dividend in May, so cash and cash equivalents normally drop in the second quarter. Besides this, in December 2018, May 2019, December 2019, May 2020, December 2020 and May 2021 the company received a dividend payment from Colbún.



EMPRESAS COPEC  
CONSOLIDATED

US\$ million	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales revenue	5,855	5,353	3,277	9%	79%	11,208	8,682	29%
EBIT	594	406	31	46%	1,837%	999	206	385%
<b>EBITDA*</b>	<b>883</b>	<b>693</b>	<b>315</b>	<b>27%</b>	<b>181%</b>	<b>1,576</b>	<b>761</b>	<b>107%</b>
Non-operating income	(59)	(57)	(90)	-3%	34%	(117)	(217)	46%
Net income	359	251	(40)	43%	998%	610	(28)	2,270%
<b>Net income of controlling interest</b>	<b>340</b>	<b>229</b>	<b>(32)</b>	<b>49%</b>	<b>1,176%</b>	<b>569</b>	<b>(25)</b>	<b>2,352%</b>
Net income of minority interest	19	22	(8)	-17%	323%	41	(3)	1,538%

(\* ) EBITDA = Operational income + Depreciation + Amortization + Stumpage (Fair value of harvested timber).

AntarChile's results are highly correlated with those of its subsidiary Empresas Copec.

The following pages contain a brief analysis of the key variations of 2Q 2021 for the principal subsidiaries.

For further details, please refer to:

- Empresas Copec, press release, at [investor.empresascopec.cl](http://investor.empresascopec.cl)
- Celulosa Arauco y Constitución, press release, at [www.arauco.cl](http://www.arauco.cl)
- Terpel, results presentation, at [www.terpel.com/en/Accionistas](http://www.terpel.com/en/Accionistas)

CELULOSA ARAUCO Y CONSTITUCIÓN, CONSOLIDATED

US\$ million	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales revenue	1,556	1,347	1,050	16%	48%	2,902	2,177	33%
EBIT	358	168	(3)	114%	11,229%	526	19	2,604%
<b>Adjusted EBITDA*</b>	<b>545</b>	<b>385</b>	<b>206</b>	<b>42%</b>	<b>165%</b>	<b>930</b>	<b>400</b>	<b>132%</b>
Non-operating income	(34)	(23)	(72)	-49%	53%	(56)	(134)	58%
Net income	201	102	(56)	97%	460%	304	(86)	456%
<b>Net income of controlling interest</b>	<b>201</b>	<b>102</b>	<b>(56)</b>	<b>97%</b>	<b>459%</b>	<b>303</b>	<b>(85)</b>	<b>454%</b>
Net income of minority interest	0	0	0	-10%	419%	1	(0)	627%

(\* ) Adjusted EBITDA = Net Income + Financial Costs – Financial Income + Taxes + Depreciation and Amortization + Fair value of harvested timber – Changes in the valuation of biological assets + Exchange rate differences + Provision.

2Q21  
2Q20

Arauco posted earnings of US\$201 million in 2Q21, US\$257 million up YoY. That is explained by a US\$362 million increase in operating income, related to pulp revenue rising 34.4% from a sales price increase of 68.3%. Wood products revenue surged 62.2%, associated with sales price and volume increases of sawn timber and panels. That was partly offset by a 12.1% decrease in the pulp volume and unit sales costs increasing 11.3% for bleached softwood.

Non-operating income rose US\$38 million, due to a drop in other expenses from lower fixed asset provisions and write-offs. There were also lower financial costs, along with higher income in associates and favorable exchange rate differences. That was partly offset by a drop in other revenue.

The tax expense increased US\$143 million.

2Q21  
1Q21

Net income in 2Q21 was US\$99 million up QoQ. That was because of a US\$190 million increase in operating income due to pulp, sawn timber and panel sales prices increasing 39.9%, 7.2% and 9.7%, respectively. That was partly offset by pulp and sawn timber volume decreases of 4.2% and 2.0%, respectively. Moreover, there was a cost increase of 6.7% for bleached softwood and 2.5% for unbleached softwood.

Non-operating income dropped US\$11 million on account of lower other revenue. That was partly offset by favorable exchange rate differences, lower financial costs and other expenses.

2021  
2020

Net income YTD 2021 was US\$303 million, which is a US\$388 million increase on that YTD 2020. That was mainly due to operating income increasing US\$507 million, explained by higher pulp revenue from a 44.3% price increase, and greater wood products revenue, associated with sawn timber and panel sales price and volume increases. That was partly offset by a 5.7% decrease in the pulp sales volume, and unit sales cost increases of 8.2% for bleached softwood and 0.7% for unbleached softwood.

YTD

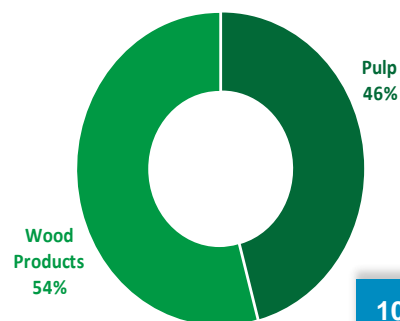
Non-operating income rose US\$78 million from lower other expenses, due to a drop in fixed asset provisions and write-offs, higher income in associates, mainly at Sonae, and favorable exchange rate differences. That was partly offset by lower financial income.

SALES

by segment

US\$ million	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.
Pulp (*)	712	575	530	24%	34%
Wood Products (**)(**)	844	771	520	9%	62%
<b>Total</b>	<b>1,556</b>	<b>1,347</b>	<b>1,050</b>	<b>16%</b>	<b>48%</b>

Total 2Q21: US\$1,556 million



(\*) Sales include energy. As of January 2021, the forestry business of Arauco was merged with pulp. Regarding the comparison with previous figures, these have been restated by adding those of the forestry business and pulp.

(\*\*) Wood products include panels and sawmills.



### PULP

Pulp demand remained stable in the second quarter of 2021 with price increases in certain markets.

Sales were affected by logistical issues, which are hitting all industries globally. Furthermore, March through May 2021 inventories increased 1 day for softwood and 2 days for hardwood.

Pulp demand has remained stable in China, despite the negative seasonality due to the summer in the Northern Hemisphere. In the second quarter, the prices of pulp futures were hit due to the measures put in place by the government to halt commodity price increases.

The tissue industry has reduced its operation rate on account of the increase in raw material prices, which has not been able to be transferred to final products. The printing and writing paper industry has remained stable, with producers trying to maintain product prices and cutting back supply and inventories.

Early in the second quarter, the hardwood price reached a high but then remained stable. The softwood price dipped slightly by the end of the quarter. The price spread dropped from US\$170 at the close of the first quarter to US\$130 as of June 2021.

There was high pulp demand in Europe. The specialty and printing and writing paper industries had higher demand for final products and price increases, so they have been able to transfer the higher cost of raw materials. The tissue industry has had stable demand for final products. However, it has been pressured because, although pulp prices have increased, it has not managed to raise the price of final products. Pulp prices increased throughout the quarter.

### PANELS

Panel demand in the Latin American market remains high. This is because different governments have implemented some measures to boost consumption, the reactivation of projects and higher demand for home improvement and refurbishment products.

### SAWN TIMBER

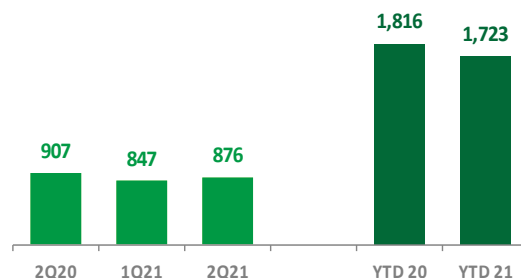
The upward plywood sale trend continued in the second quarter, mainly explained by greater demand from markets in the United States, Chile, Europe and Oceania, and the logistical headaches of some competitors due to the pandemic. Nevertheless, prices in the United States started to drop late in the quarter, whereas for the rest of the markets prices could remain stable up to the end of the year. This is due to higher demand than supply and low stocks.

The sawn timber business continued with high demand in the different markets pushing up prices. There was tough logistical supply in the quarter (cost increases and low availability), which could continue in the next few months of the year.

The results of the remanufactured product market are still positive in the United States, due to the retail sector remaining strong and the recovery of the construction, repair and refurbishment sectors. On the other hand, there is a supply shortage due to the application of tariffs and logistical issues because of the pandemic. This has enabled Arauco to gain a higher market share.

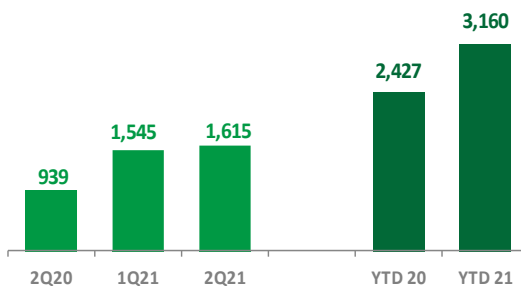
### PRODUCTION

Thousands of Adt



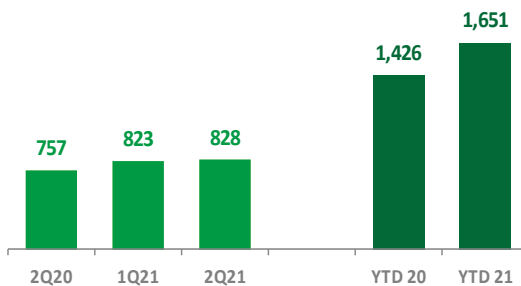
### PRODUCTION

Thousands of m<sup>3</sup>



### PRODUCTION

Thousands of m<sup>3</sup>



\* Includes sawn timber and plywood

COPEC CONSOLIDATED

Millions of Chilean Pesos	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales	2,766,042	2,657,736	1,859,279	4%	49%	5,423,778	5,040,183	8%
EBIT	123,998	143,822	(6,158)	-14%	2,114%	267,819	86,476	210%
<b>EBITDA</b>	<b>172,421</b>	<b>192,338</b>	<b>43,618</b>	<b>-10%</b>	<b>295%</b>	<b>364,759</b>	<b>185,208</b>	<b>97%</b>
Non-operating income	(12,434)	(14,098)	(26,842)	12%	54%	(26,531)	(43,773)	39%
<b>Net Income</b>	<b>74,911</b>	<b>84,322</b>	<b>(15,507)</b>	<b>-11%</b>	<b>583%</b>	<b>159,233</b>	<b>34,020</b>	<b>368%</b>
Copec Chile's physical sales (thousands of m <sup>3</sup> )	2,345	2,552	1,878	-8%	25%	4,897	4,505	9%
Copec Chile's market share	58.6%	59.1%	59.7%	-1%	-2%	58.9%	59.1%	0%
MAPCO's sales (US\$ million)	497	397	320	25%	55%	894	706	27%
MAPCO's EBITDA (US\$ million)	19	12	34	54%	-43%	32	48	-35%
MAPCO's physical sales (thousands of m <sup>3</sup> )	516	455	431	13%	20%	970	915	6%

2Q21  
2Q20

Copec posted earnings of Ch\$74,911 million in 2Q21, Ch\$90,418 million up YoY. That was due to an operating income increase of Ch\$130,156 million, mainly because of increased margins from a greater revaluation of inventories, and greater sales volumes in Chile and Colombia. At Copec Chile, sales volumes increased 37.8% in the dealer channel and 10.6% in the industrial channel. Terpel's liquid fuel sales volumes surged 69.2%. MAPCO had a drop in EBITDA from lower unit sales margins, which was partly offset by sales volumes increasing 19.7%.

Non-operating income rose Ch\$14,408 million, due to higher income in associates, favorable exchange rate differences and lower financial costs. That was partly offset by a drop in financial and indexation income.

There was higher tax expenditure of Ch\$54,146 million.

2Q21  
1Q21

Net income in the quarter was Ch\$9,411 million down QoQ. That is explained by lower operating income of Ch\$19,824 million, due to a lower gross profit, higher distribution costs and greater administrative and sales expenses. Sales volumes dropped 8.1% at Copec Chile, which was partly offset by liquid fuel sales volumes increasing 2.1% at Terpel and 13.4% at MAPCO.

Non-operating income rose Ch\$1,664 million, related to higher indexation income and favorable exchange rate differences. That was partly offset by lower other revenue.

2021  
2020  
YTD

Copec's net income YTD increased Ch\$125,213 million compared to that YTD 2020.

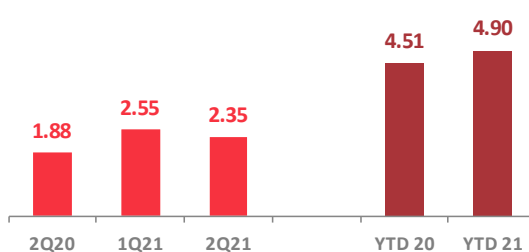
Operating income climbed Ch\$181,343 million, due to sales volumes increasing 8.7% at Copec Chile, and liquid fuel sales increases of 23.9% at Terpel and 6% at MAPCO. There were also higher sales margins, related to a positive revaluation of inventories in Chile and at Terpel. That was partly offset by lower fuel distribution margins of MAPCO.

Non-operating income rose Ch\$17,202 million due to higher income in associates, explained by Copec Aviation, and lower financial costs and other expenses.

Tax expenditure increased Ch\$73,372 million.

COPEC CHILE FUEL SALES

Millions of m<sup>3</sup>



ORGANIZACIÓN TERPEL CONSOLIDATED

Millions of Colombian Pesos	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales	5,118,214	4,887,592	2,641,596	5%	94%	10,005,807	7,958,378	26%
EBIT	172,252	231,890	(110,198)	-26%	256%	404,142	(44,936)	999%
<b>EBITDA</b>	<b>270,035</b>	<b>326,894</b>	<b>(15,774)</b>	<b>-17%</b>	<b>1,812%</b>	<b>596,929</b>	<b>137,941</b>	<b>333%</b>
Non-operating income	(38,061)	(45,247)	(57,981)	16%	34%	(83,308)	(107,372)	22%
<b>Net income of controlling interest</b>	<b>94,266</b>	<b>137,469</b>	<b>(147,363)</b>	<b>-31%</b>	<b>164%</b>	<b>231,735</b>	<b>(141,274)</b>	<b>264%</b>
<b>Net income of minority interest</b>	<b>4</b>	<b>5</b>	<b>(5)</b>	<b>-16%</b>	<b>186%</b>	<b>9</b>	<b>(5)</b>	<b>304%</b>
<b>Physical sales of Terpel (thousands of m<sup>3</sup>)</b>								
Colombia	1,732	1,818	1,046	-5%	66%	3,549	2,859	24%
Panama	238	224	126	6%	89%	463	375	23%
Ecuador	299	289	189	3%	58%	588	478	23%
Dominican Republic	47	37	11	26%	312%	84	65	29%
Peru	23	21	9	11%	148%	44	38	17%
<b>Physical sales of Gazel (thousands of m<sup>3</sup>)</b>								
Colombia	45	47	28	-5%	61%	92	83	11%
Peru	13	13	7	3%	95%	26	24	9%

2Q21  
2Q20

Terpel's net income in 2Q21 rose COP\$241,629 million YoY. Operating income was up COP\$282,450 million, due to higher margins from a favorable inventory revaluation effect, and liquid fuel sales volumes surging 69.2%, explained by increases of 65.6% in Colombia, 88.5% in Panama, 58.2% in Ecuador, 312.3% in Dominican Republic and 148.0% in Peru. Vehicular natural gas (VNG) sales volumes also increased 80.5% in Colombia and 133.5% in Peru.

Non-operating income climbed COP\$19,920 million, largely due to a better result of other expenses and lower financial costs.

Tax expenditure rose COP\$60,733 million.

2Q21  
1Q21

Net income in 2Q21 dropped COP\$43,203 million QoQ. That was due to lower operating income of COP\$59,638 million from higher distribution costs and administrative expenses. That was partly offset by liquid fuel sales volumes increasing 6.2% in Panama, 3.3% in Ecuador, 25.5% in Dominican Republic and 10.9% in Peru. VNG volumes also rose 6.1% in Colombia and 22.9% in Peru.

On the other hand, non-operating income was up COP\$7,189 million from higher other revenue. The tax expense dropped COP\$9,247 million due to the lower income of this quarter.

2021  
2020

Net income YTD rose COP\$373,009 million compared to that YTD 2020. This is explained by an operating income increase of COP\$449,078 million from higher sales volumes and margins associated with favorable inventory revaluation income. Liquid fuel sales volumes increased 24.1% in Colombia, 23.5% in Panama, 22.9% in Ecuador, 28.5% in Dominican Republic and 16.8% in Peru. VNG volumes also rose 10.6% in Colombia and 9.4% in Peru.

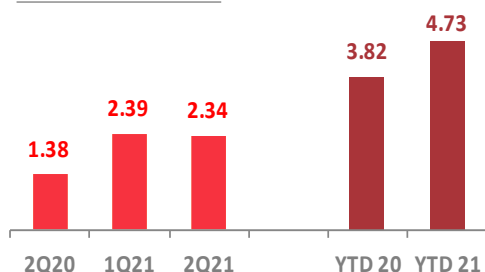
YTD

Non-operating income was up COP\$24,064 million due to lower financial costs.

There was higher tax expense of COP\$60,733 million.

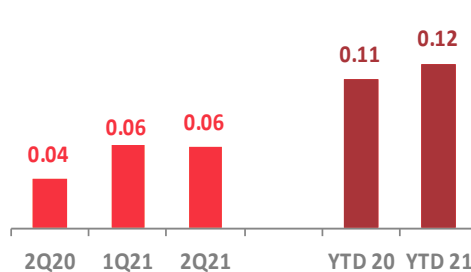
TERPEL FUEL SALES

Millions of m<sup>3</sup>



GAZEL FUEL SALES

Millions of m<sup>3</sup>



## ABASTIBLE CONSOLIDATED

Millions of Chilean Pesos	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales	273,009	217,411	186,022	26%	47%	490,420	380,823	29%
EBIT	26,872	17,514	23,448	53%	15%	44,386	40,013	11%
<b>EBITDA</b>	<b>39,688</b>	<b>29,234</b>	<b>35,520</b>	<b>36%</b>	<b>12%</b>	<b>68,922</b>	<b>64,086</b>	<b>8%</b>
Non-operating income	(4,891)	(4,795)	(5,598)	-2%	13%	(9,686)	(9,375)	-3%
<b>Net Income</b>	<b>15,456</b>	<b>7,234</b>	<b>18,240</b>	<b>114%</b>	<b>-15%</b>	<b>22,690</b>	<b>15,947</b>	<b>42%</b>
Physical sales of LPG in Chile (thousands of tons)	153	116	135	32%	13%	269	245	10%
Physical sales of LPG in Colombia (thousands of tons)	59	60	52	-2%	15%	119	107	11%
Physical sales of LPG in Peru (thousands of tons)	106	96	75	11%	41%	202	171	18%
Physical sales of LPG in Ecuador (thousands of tons)	128	122	108	5%	19%	250	223	12%

2Q21  
2Q20

Abastible posted earnings of Ch\$15,456 million in 2Q21, Ch\$2,784 million down YoY. That was mainly due to greater tax expenditure from the higher exchange rate effect on the valuation of investments abroad.

The operating income increase of Ch\$3,424 million was due to sales volumes increasing 13% in Chile, 15% in Colombia, 41% in Peru and 19% in Ecuador. There was a higher EBITDA in Chile and Peru, related to the appreciation of their currencies.

Non-operating income rose Ch\$707 million, on account of higher other revenue, lower other expenses and financial costs.

2Q21  
1Q21

Abastible's net income increased Ch\$8,222 million QoQ from higher operating and non-operating income.

Operating income rose Ch\$9,358 million from higher sales volumes related to the seasonality. Sales volumes climbed 32.2% in Chile, 10.9% in Peru and 5.4% in Ecuador. That was partly offset by a sales volume decrease of 1.5% in Colombia.

Non-operating income was in line with the previous quarter.

2021  
2020

Net income YTD increased Ch\$6,743 million on that YTD 2020. That was due to higher operating income of Ch\$4,373 million from sales volumes increasing 10% in Chile, 11% in Colombia, 18% in Peru and 12% in Ecuador.

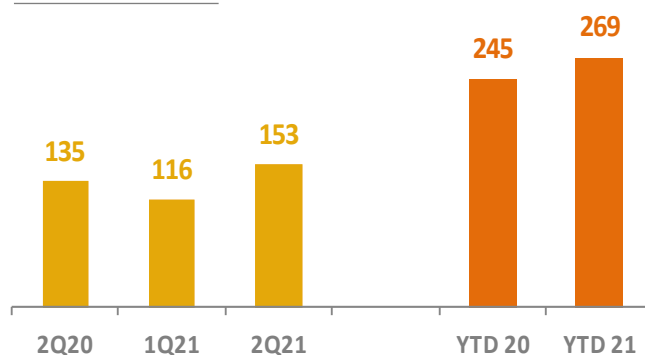
Non-operating income was in line with YTD 2020.

YTD

There was also lower tax expense of Ch\$2,681 million.

### ABASTIBLE CHILE LPG SALES

Thousands of tons



INVERSIONES NUTRAVALOR

US\$ million	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales	94.5	71.8	108.7	32%	-13%	166.3	187.2	-11%
EBIT	0.1	(7.3)	3.2	101%	-98%	(7.2)	(7.9)	9%
<b>EBITDA*</b>	<b>7.2</b>	<b>(0.0)</b>	<b>11.1</b>	<b>18,060%</b>	<b>-35%</b>	<b>7.1</b>	<b>7.7</b>	<b>-7%</b>
Non-operating income	7.6	0.9	1.1	743%	581%	8.5	(3.1)	371%
<b>Net income of controlling interest</b>	<b>3.5</b>	<b>(2.5)</b>	<b>3.1</b>	<b>241%</b>	<b>13%</b>	<b>1.0</b>	<b>(3.0)</b>	<b>134%</b>
Net income of minority interest	1.8	(1.7)	1.3	206%	45%	0.1	(2.2)	105%
<b>Physical Sales</b>								
Fishmeal & other protein foods (tons)	70,488	83,503	92,174	-16%	-24%	153,991	176,669	-13%
Fish oil (tons)	10,996	1,075	5,536	923%	99%	12,071	6,580	83%

(\*) EBITDA = Gross profit – Distribution cost – Administrative expenses + Depreciation + Amortization of intangible assets + Other revenue – Other expenses.

2Q21  
2Q20

Net income in 2Q21 increased US\$0.4 million YoY. That variation is explained by higher non-operating income of US\$6.5 million, due to favorable exchange rate differences (+US\$5 million) and higher income in associates and joint ventures (+US\$1.4 million), largely explained by FASA and the incorporation of Caleta Bay Agua Dulce.

Operating income dropped US\$3.2 million due to higher distribution costs and lower gross margin.

There was higher tax expense of US\$2.4 million.

2Q21  
1Q21

Inversiones Nutravalor reported earnings of US\$3.5 million in 2Q21, US\$6.0 million up on the loss of the previous quarter. Such change was due to operating income increasing US\$7.3 million on account of a higher gross margin, mainly explained by a fishmeal sales price increase and higher fish oil sales volume. That was partly offset by lower other revenue by function (-US\$1.9 million) related to the income in the year of Caleta Bay.

Non-operating income rose US\$6.7 million, due to favorable exchange rate differences (+US\$4.2 million) and higher income in associates (+US\$3.0 million), largely explained by FASA and the incorporation of Caleta Bay Agua Dulce.

There was also higher tax expenditure of US\$4.5 million.

2021  
2020

Net income YTD is US\$4.0 million higher than that YTD 2020. Such increase is explained by a US\$11.6 million increase in non-operating income, due to favorable exchange rate differences (+US\$7.8 million) and higher income in associates (+US\$3.5 million), largely on account of FASA, the incorporation of Caleta Bay Agua Dulce and KMP.

YTD

Operating income rose US\$0.7 million, mainly due to lower distribution costs.

There was also negative tax variation of US\$6.0 million.

PESQUERA IQUIQUE-GUANAYE, IGEMAR

US\$ million	2Q 2021	1Q 2021	2Q 2020	Q-Q Var.	Y-Y Var.	YTD 2021	YTD 2020	Y-Y Acc. Var.
Sales	70.6	52.	70.3	36%	0%	122.6	120.1	2%
EBIT	15.9	9.0	15.3	77%	4%	24.9	20.7	20%
<b>EBITDA</b>	<b>17.9</b>	<b>12.4</b>	<b>18.8</b>	<b>44%</b>	<b>-4%</b>	<b>30.4</b>	<b>27.4</b>	<b>11%</b>
Non-operating income	(1.7)	(5.3)	0.0	67%	3,964%	(7.0)	(10.1)	31%
<b>Net income</b>	<b>8.8</b>	<b>1.6</b>	<b>9.8</b>	<b>444%</b>	<b>-10%</b>	<b>10.4</b>	<b>5.0</b>	<b>107%</b>
<b>Physical Sales</b>								
Fishmeal (tons)	13,021	4,775	11,190	173%	16%	17,797	17,233	3%
Fish oil (tons)	3,252	1,079	5,473	201%	-41%	4,331	6,155	-30%
Canned fish (cases)	748,962	898,602	1,108,755	-17%	-32%	1,647,563	2,103,471	-22%
Frozen fish (tons)	14,014	7,550	10,357	86%	35%	21,564	21,165	2%
<b>Catch (tons)</b>	<b>121,074</b>	<b>107,919</b>	<b>106,457</b>	<b>12%</b>	<b>14%</b>	<b>228,993</b>	<b>182,812</b>	<b>25%</b>

2Q21  
2Q20

Igemar reported earnings of US\$8.8 million in 2Q21, US\$1.0 million down YoY. That was due to a non-operating income decrease of US\$1.7 million from unfavorable exchange rate differences and higher other expenditure. That was partly offset by lower financial costs.

Operating income rose US\$0.6 million due to a higher gross margin, related to a sales price increase of 23.7% for canned fish and 35.8% for frozen fish. Fishmeal and frozen fish sales volumes also increased 16.4% and 35.3%, respectively. That was partly offset by lower fishmeal and fish oil sales prices (3.9% and 15.6%), and lower fish oil and canned fish sales volumes (40.6%, and 32.5%, respectively).

2Q21  
1Q21

Net income in 2Q21 rose US\$7.2 million QoQ. That is explained by an operating income increase of US\$6.9 million, due to sales volumes increasing 201.4% for fish oil, 172.7% for fishmeal and 85.6% for frozen fish, partly offset by a 16.7% decrease in the canned fish volume.

Non-operating income climbed US\$3.6 million on account of higher income in associates and a positive effect of exchange rate differences.

2021  
2020

Net income YTD is US\$10.4 million, increasing US\$5.4 million on that YTD 2020. This is explained by an operating income increase of US\$4.2 million due to a higher gross margin. Sales volume rose 3.3% for fishmeal and 1.9% for frozen fish, and canned fish and frozen fish sales prices increased 12.3% and 15.8%, respectively. That was partly offset by sales volume decreases of 29.6% for fish oil and 21.7% for canned fish, and fishmeal and fish oil price decreases of 1.5% and 6.0%, respectively.

YTD

Non-operating income rose US\$3.1 million due to favorable exchange rate differences.

All that was partly offset by higher tax expense.





antarChile

## HIGHLIGHTS

### SALE OF FOREST ASSETS

- > In May, Arauco signed a contract to sell 461 forest lands comprising 80,489 hectares, of which 61,742 are productive. The total value of the operation is US\$385.5 million plus VAT. It is estimated that the sale of all the lands could have a positive effect on after tax income of about US\$192.5 million.
- > The closing of the operation was subject to meeting of suspensive conditions that are customary for these kinds of transactions, including authorization by the antitrust authorities. Having met such conditions, on August 17 the operation was closed with the purchase and sale of 430 lands for US\$343.7 million + VAT.
- > Moreover, the parties entered into other contracts, highlighting the following: (i) a supply and preemptive right contract to purchase the pulpable volume of radiata pine, (ii) a firefighting service contract, and (iii) a transitory service contract to manage forest lands and operations.
- > Regarding the remaining 31 lands, as laid down in the framework contract, the parties expect to complete the purchase and sale, provided that each of them meet certain particular conditions in the following months.

### ABASTIBLE CLOSES THE SALE OF ITS SHAREHOLDING IN GASMAR

- > In May, Abastible signed a contract with the company Inversiones Arco 4 SpA, an investment vehicle that is part of the Arroyo Energy Group, pursuant to which it agreed to sell its interest in Gasmar S.A. which is 36.25% of the capital stock.
- > The operation was closed on August 2, for which Arauco received payment of US\$114.6 million. This will have a positive effect on the income of Abastible of about US\$102.7 million before tax.

### PROGRESS WITH THE MAPA PROJECT

- > In July 2020, the Arauco board approved the Arauco mill modernization and expansion (MAPA, according to the Spanish acronym) project, with an estimated CapEx of US\$2,350 million.
- > MAPA had 85.6% progress as of late July 2021. At present, the construction works are continuing and the commissioning of some equipment and facilities started.
- > The highlights in the second quarter of 2021 were: the completion of the traveling cranes on the washing and machinery buildings, the start of the hydraulic test of the digester, and the start of production of demineralized water.
- > To date, there have been over 389,000 polymerase chain reaction (PCR) tests of workers, who have had a lower positivity rate than the national average reported by the Ministry of Health in its daily reports.
- > Due to the pandemic, the construction of MAPA has been a challenge, which has delayed the project. The estimated commissioning date of the project and closure of line 1 is the fourth quarter of 2021.

### MINA JUSTA PROJECT MAKES FIRST SHIPMENTS

- > On April 23, 2020, Inversiones Alxar S.A. signed an agreement with the Peruvian mining company Minsur S.A. to develop the Mina Justa copper project. The project will entail an investment of around US\$1.6 billion.
- > Mina Justa started up in March 2021. The first sales and shipments of copper concentrate and cathodes were made in July 2021 in a very positive price scenario.
- > The Mina Justa operation is in a ramp-up process with work on updating the production plan for the life of the mine.



### BALANCE SHEET

US\$ million	2Q 2021	1Q 2021	2Q 2020
Cash and cash equivalents	2,093	1,932	2,110
Other current financial assets	128	140	138
Other current non-financial assets	252	270	229
Trade and other receivables, current	1,882	1,670	1,445
Related party receivables	25	38	32
Inventories	1,767	1,622	1,669
Current biological assets	298	296	277
Current tax assets	154	296	231
Non-current assets classified as held for sale	496	493	342
<b>Total current assets</b>	<b>7,094</b>	<b>6,757</b>	<b>6,473</b>
Other non-current financial assets	383	468	410
Other non-current non-financial assets	173	180	183
Non-current fees receivable	25	26	15
Non-current accounts receivable from related parties	15	8	8
Investments accounted for using the equity method	1,166	1,130	1,080
Intangible assets other than goodwill	876	894	904
Goodwill	384	388	399
Property, plant and equipment	11,637	11,405	10,664
Right-of-use assets	731	743	728
Non-current biological assets	3,190	3,166	3,324
Investment property	29	29	26
Deferred tax assets	101	111	540
<b>Total non-current assets</b>	<b>18,712</b>	<b>18,549</b>	<b>18,281</b>
<b>TOTAL ASSETS</b>	<b>25,805</b>	<b>25,306</b>	<b>24,754</b>
Other current financial liabilities	774	760	1,074
Current lease liabilities	115	122	118
Trade and other current payables	1,763	1,617	1,320
Related party payables	17	13	11
Other short-term provisions	23	23	19
Current tax liabilities	114	96	43
Current provisions for employee benefits	12	11	12
Other current non-financial liabilities	264	214	49
Liabilities included in groups of disposal assets classified as held for sale	191	194	166
<b>Total current liabilities</b>	<b>3,274</b>	<b>3,050</b>	<b>2,812</b>
Other non-current financial liabilities	8,114	8,096	8,151
Non-current lease liabilities	622	624	598
Other non-current accounts payable	1	1	1
Non-current account payable to related companies	2	2	2
Other long-term provisions	65	67	70
Deferred tax liabilities	1,915	1,879	2,105
Non-current provisions for employee benefits	125	122	111
Other non-current non-financial liabilities	137	124	147
<b>Total non-current liabilities</b>	<b>10,981</b>	<b>10,916</b>	<b>11,183</b>
Non-parent participation	4,716	4,598	4,376
<b>Net equity attributable to owners of parent</b>	<b>6,835</b>	<b>6,743</b>	<b>6,382</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>25,805</b>	<b>25,306</b>	<b>24,754</b>

## INCOME STATEMENT

US\$ million	2Q 2021	1Q 2021	2Q 2020	YTD 2021	YTD 2020
Sales revenue	5,855	5,353	3,277	11,208	8,682
Cost of sales	(4,667)	(4,397)	(2,770)	(9,064)	(7,449)
<b>Gross Margin</b>	<b>1,187</b>	<b>957</b>	<b>506</b>	<b>2,144</b>	<b>1,233</b>
Other income	53	84	68	137	140
Distribution costs	(315)	(294)	(256)	(609)	(567)
Administration expenses	(280)	(258)	(221)	(538)	(462)
Other expenses	(41)	(43)	(63)	(85)	(126)
Other income (loss)	(1)	(1)	(3)	(1)	(4)
Net financial expenses	(60)	(89)	(65)	(149)	(164)
Share of profit (loss) of associates and joint ventures	26	6	6	32	0
Exchange rate differences	(17)	(15)	(17)	(32)	(55)
<b>Income (loss) before tax</b>	<b>553</b>	<b>346</b>	<b>(45)</b>	<b>899</b>	<b>(3)</b>
Income tax expense	(176)	(98)	19	(273)	(17)
Income (loss) from continuing operations	377	249	(26)	626	(20)
Income (loss) from discontinued operations	-	-	-	-	-
<b>Income (loss) attributable to owners of parent</b>	<b>227</b>	<b>137</b>	<b>(4)</b>	<b>364</b>	<b>(7)</b>
Income (loss) attributable to minority interests	150	112	(22)	262	(14)
<b>Net Income</b>	<b>377</b>	<b>249</b>	<b>(26)</b>	<b>626</b>	<b>(20)</b>



### CONSOLIDATED CASH FLOW

US\$ million	YTD 2021	YTD 2020
Cash receipts from the sale of goods and service provision	11,696	9,920
Cash receipts from royalties, quotas, fees and other current revenue	-	-
Leasing charges and their subsequent sale	-	-
Cash received from premiums and claims, annuities and other policy benefits	1	0
Other cash received from operating activities	272	404
Payments to suppliers for goods and services	(9,992)	(8,865)
Payments to and on behalf of employees	(572)	(523)
Payment for premiums and claims, annuities and other policy obligations	(8)	(8)
Other cash payments for operating activities	(137)	(255)
Dividends paid	(81)	-
Dividends received	47	22
Interest paid	(193)	(139)
Interest received	17	19
Income tax rebates (paid)	82	(0)
Other cash inflows (outlays)	3	4
<b>Net cash flow from (used in) operating activities</b>	<b>1,135</b>	<b>578</b>
Cash flows from losing control of subsidiaries or other businesses	48	2
Cash flows used in obtaining control of subsidiaries or other business	-	(4)
Cash flows used in the purchase of non-controlling interests	(50)	(64)
Other cash receipts from the sale of equity or debt instruments of other entities	-	7
Other cash payments to acquire equity or debt instruments of other entities	-	0
Other cash payments to acquire an interest in joint ventures	(5)	-
Loans to related parties	(0)	-
Proceeds from the sale of property, plant and equipment	18	5
Purchase of property, plant and equipment	(740)	(807)
Proceeds from the sale of intangible assets	-	-
Purchase of intangible assets	(19)	(27)
Proceeds from other long-term assets	4	6
Purchase of other long-term assets	(131)	(120)
Cash advances and loans to third parties	0	(0)
Charges from the reimbursement of advances and loans to third parties	0	0
Cash payments for futures, forwards, share options and swap contracts	(7)	-
Charges to related parties	1	-
Dividends received	-	4
Interest received	-	0
Other cash inflows (outlays)	64	17
<b>Net cash flow from (used in) investing activities</b>	<b>(816)</b>	<b>(969)</b>
Proceeds from issuing shares	0	-
Amounts paid for equity stakes	(1)	-
Proceeds from long-term borrowings	111	537
Proceeds from short-term borrowings	251	505
Payments of lease liabilities	(39)	(2)
Loans from related parties	-	-
Payment of borrowings	(672)	(489)
Payments of financial leasing liabilities	(33)	(66)
Loan payments to related parties	(2)	-
Dividends paid	-	(92)
Interest paid	-	(57)
Other cash inflows (outlays)	0	(13)
<b>Net cash flow from (used in) financing activities</b>	<b>(385)</b>	<b>324</b>
<b>Net increase (decrease) in cash and cash equivalents before the exchange rate change effect</b>	<b>(66)</b>	<b>(67)</b>
Effect of exchange rate changes on cash and cash equivalents	(28)	(76)
Cash and cash equivalents at the beginning of the year	2,186	2,253
<b>Cash and cash equivalents at the end of the year</b>	<b>2,093</b>	<b>2,110</b>