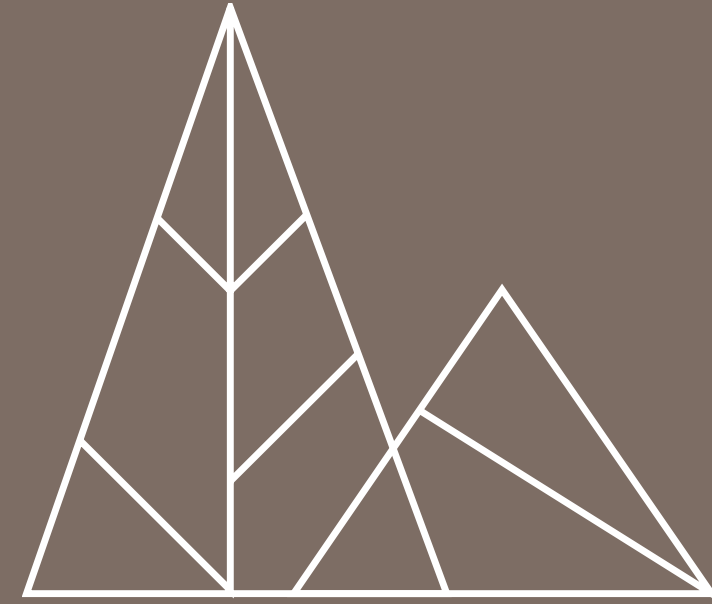


4th QUARTER
2020

Financial Results
Conference Call Presentation
March 11, 2021

Gianfranco Truffello
Chief Financial Officer



Disclaimer

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

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

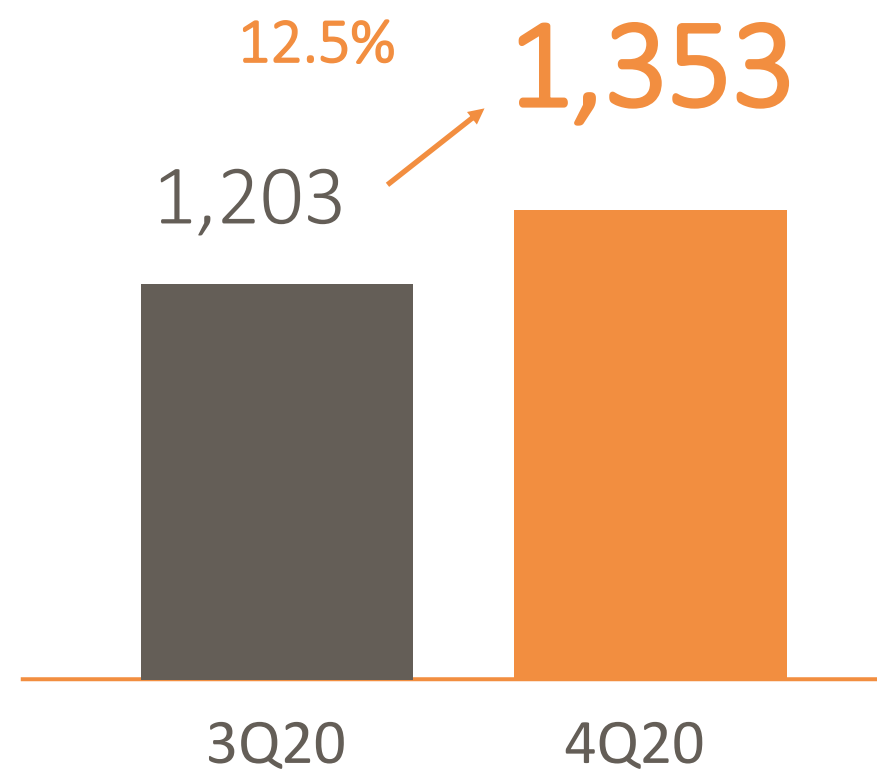
This presentation contains certain performance measures that do not represent IFRS definitions, as “EBITDA” and “Net financial debt”. These measures cannot be compared with the same previously used by Arauco and the same used by other companies.



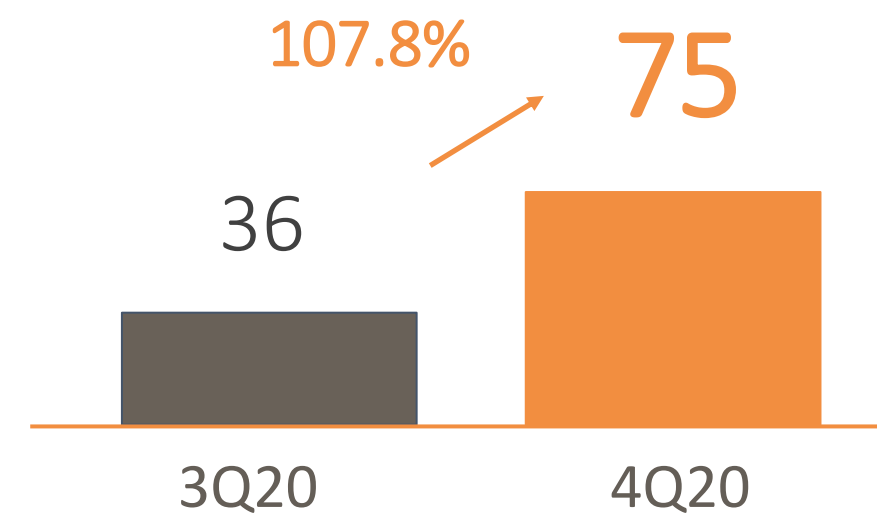
FINANCIAL REVIEW

► In US\$ million

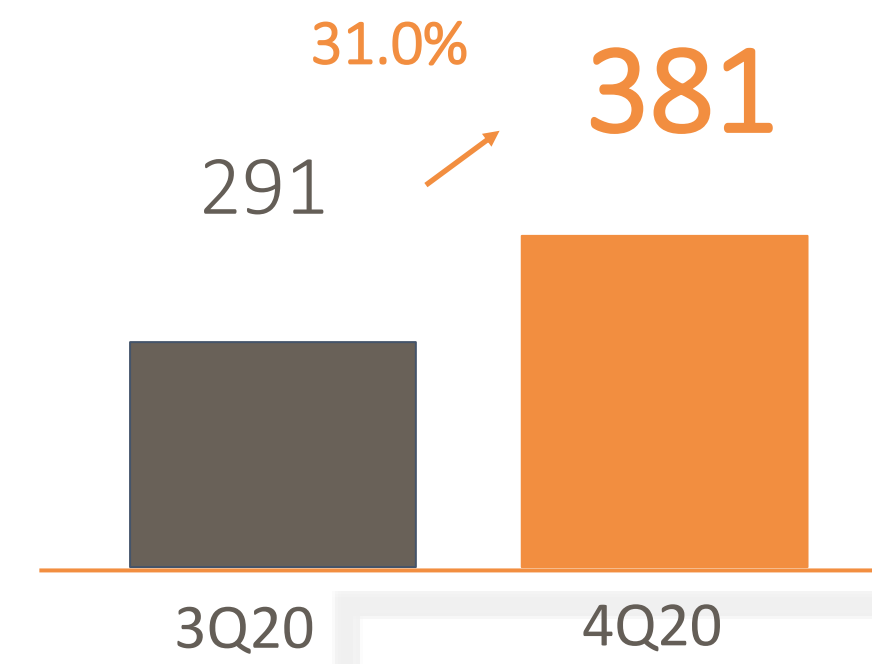
Revenues



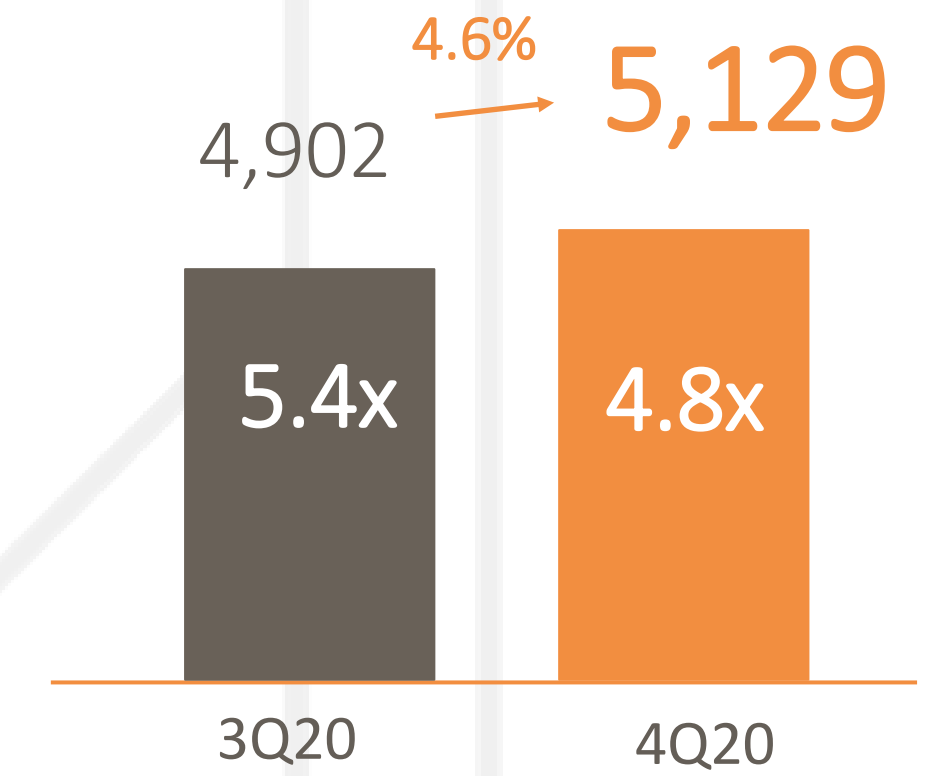
Net Income



Adjusted EBITDA



Net Debt & Leverage ⁽¹⁾

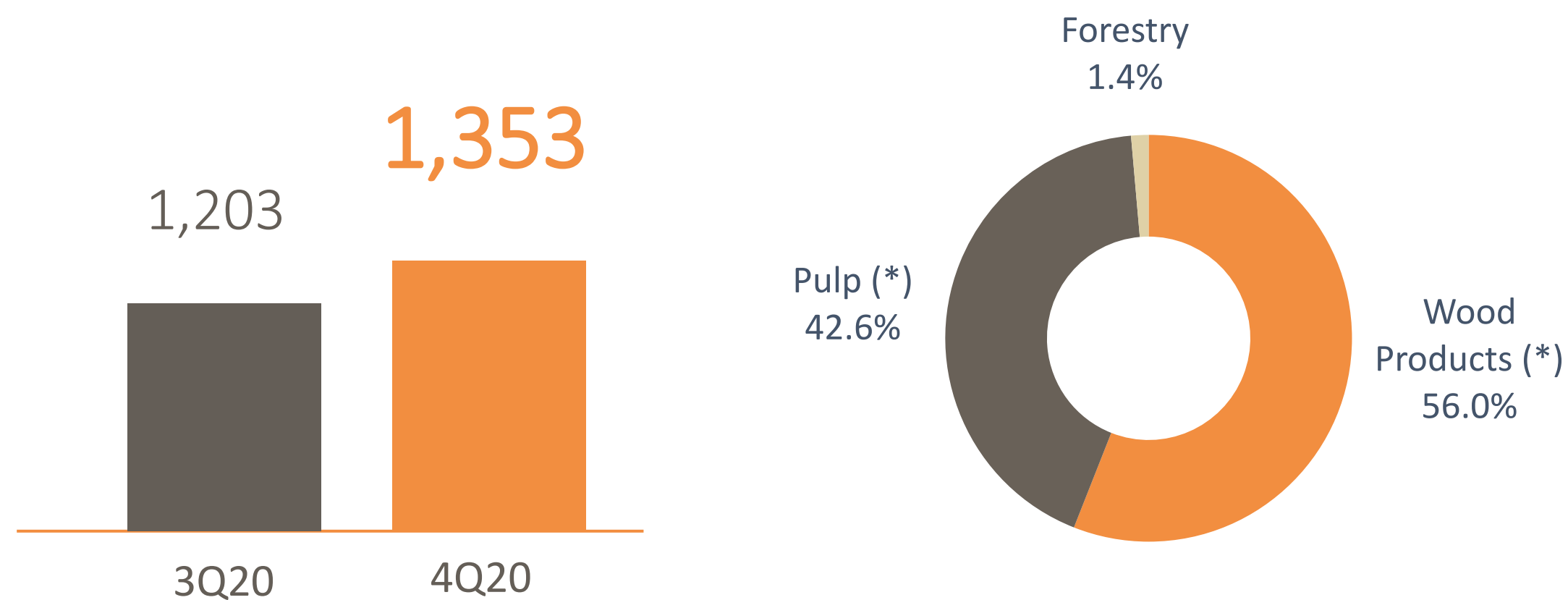


(1) Calculated as Net Debt / LTM Adj. EBITDA

► In US\$ million

Revenues increased by 12.5% compared to the third quarter.

- Pulp revenues increased by US\$109.1 million or 23.3%, mainly driven by an increase of 17.8% in sales volume. Average prices increased by 5.4%.
- Wood product revenues increased by US\$58.2 million or 8.3%, mainly due to an 6.0% increase in average prices. Sales volume increased by 3.1%.



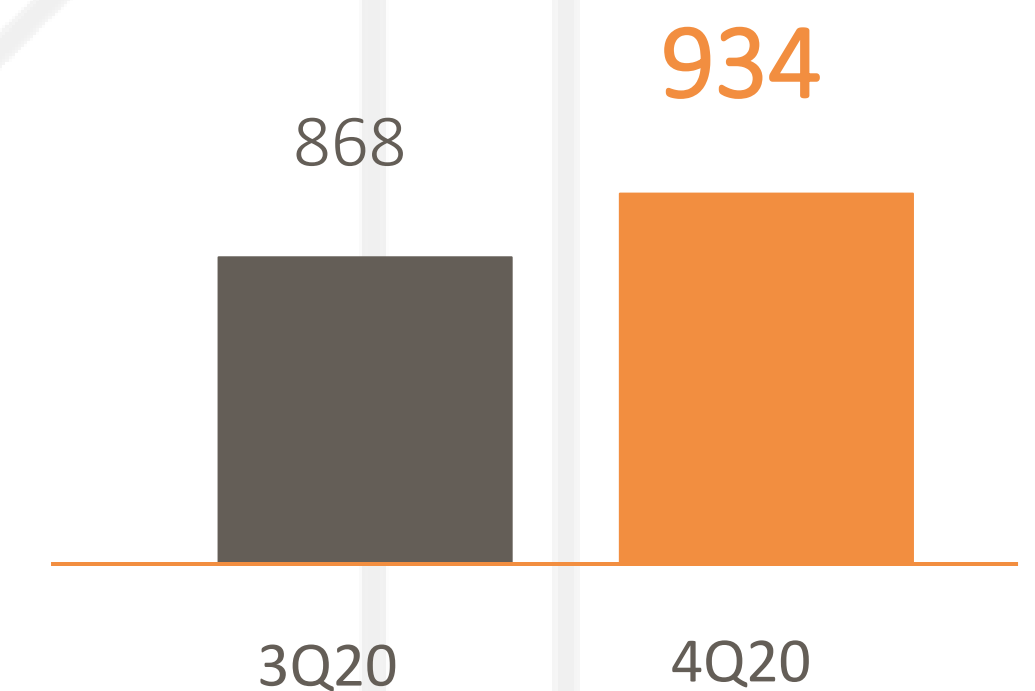
(*) Pulp and Wood division sales include energy.

Cost of sales increased by 7.6% or US\$66.0 million QoQ mainly due to an increase in sales volume in our pulp and wood products division. The main increases in costs related to this effect are:

- Timber costs increased by US\$21.5 million or 10.0%.
- Sawmill services costs increased by a US\$7.5 million or 32.8%.
- Forestry labor costs increased by US\$6.6 million or 5.4%.

Pulp unitary sale costs QoQ

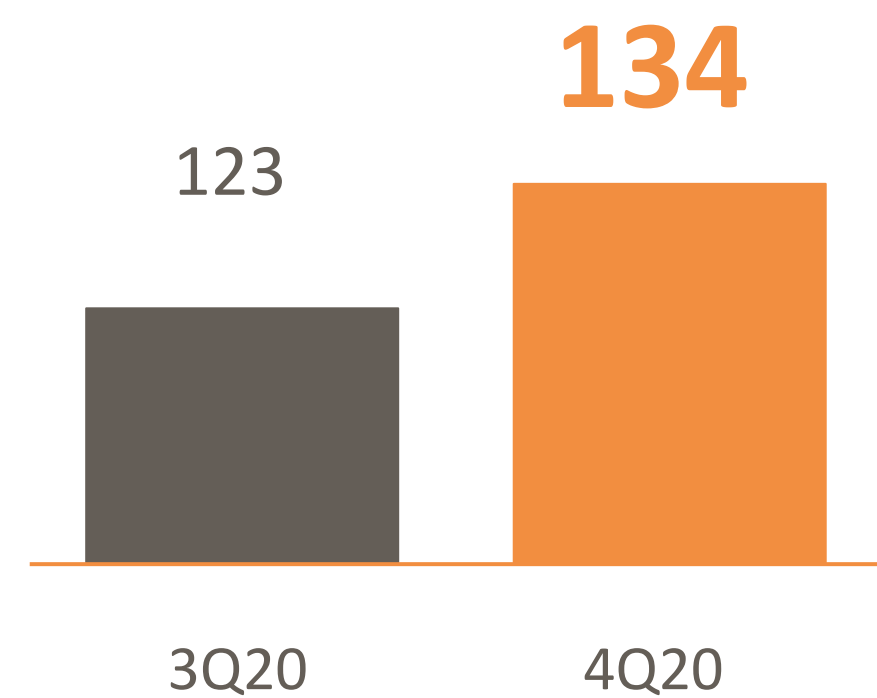
- Softwood bleached pulp ▼ 2.0%
- Hardwood bleached pulp ▲ 0.3%
- Unbleached softwood pulp ▲ 6.7%



► In US\$ million

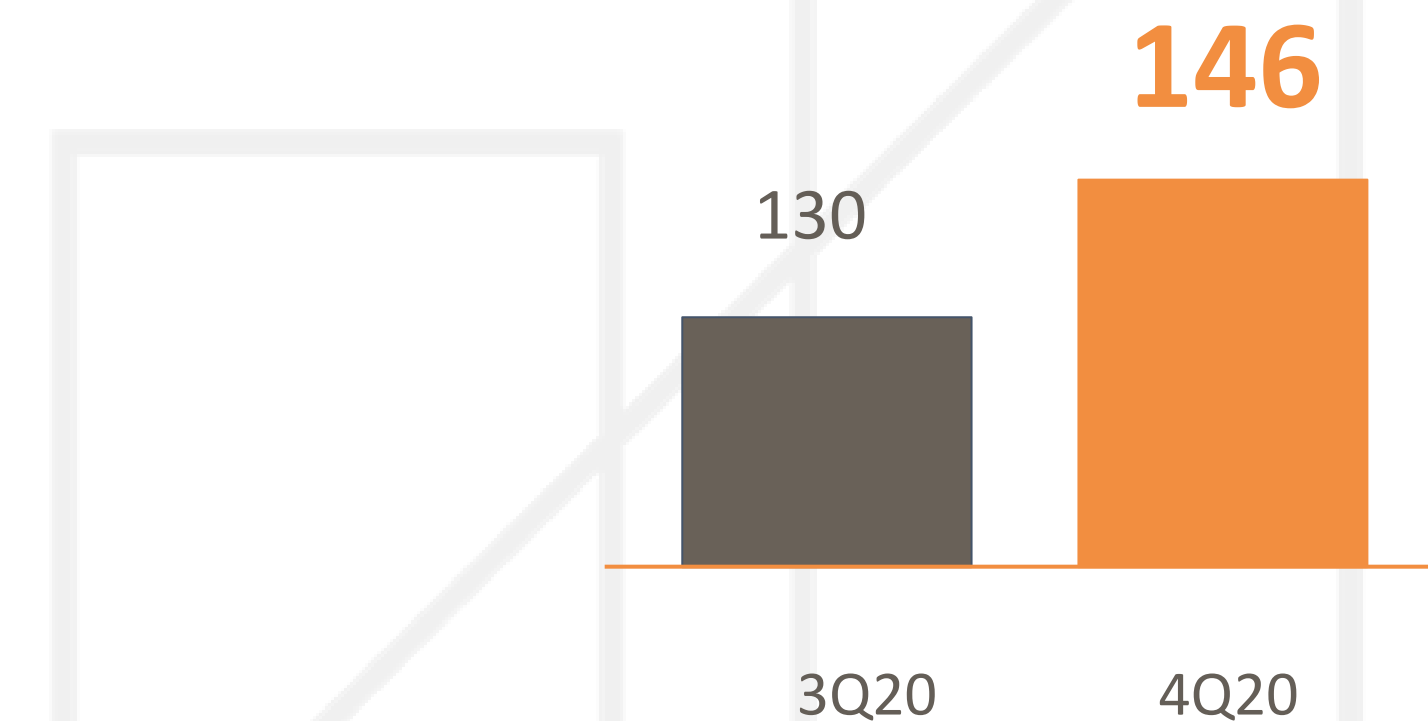
Administrative expenses increased by US\$11.1 million or 9.0% QoQ.

- Donations, contributions and scholarships increased by US\$ 4.3 million this is partially offset by a US\$1.7 million decrease in insurance expenses.

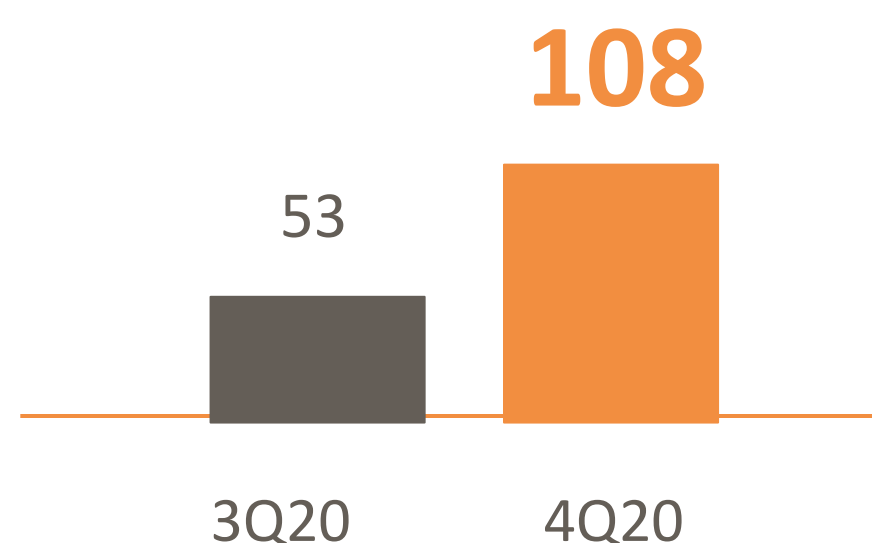


Distribution costs increased by 12.6% or US\$ 16.3 million.

- Freight costs increased by US\$18.5 million or 19.0%. This is mainly explained by an increase in sales volume in our pulp and wood products business segment.

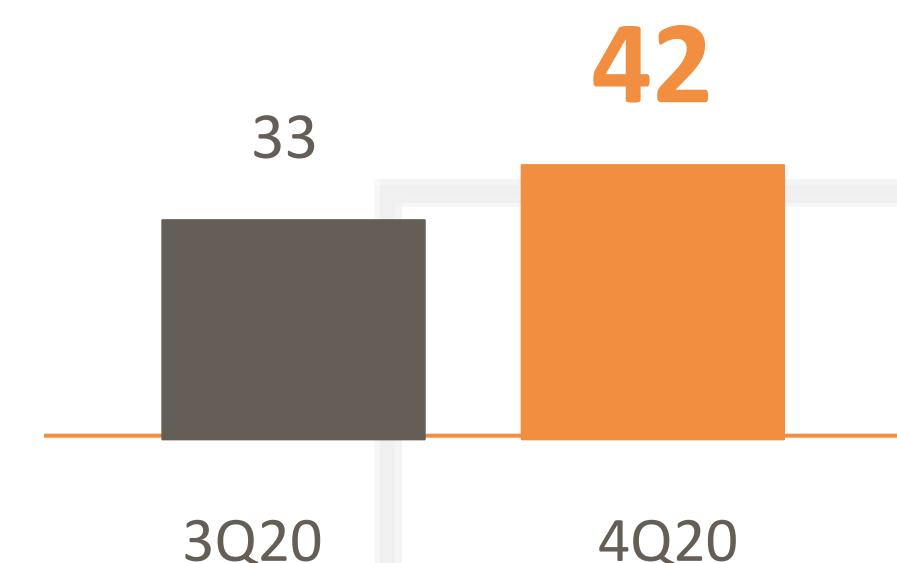


► In US\$ million



Other income increased by US\$55.4 million or 105.0% QoQ.

- The increase in other income is mainly a result of the sales of land assets in our Brazilian operations.
- Gains from changes in fair value of biological assets increased by US\$11.0 million.



Other expenses increased by US\$8.3 million or 25.1%.

- This is mostly explained by a decrease during the past quarter in impairment provisions of property, plant and equipment and other expenses associated with the Line 1 of our Arauco mill, which will cease its operations once the MAPA project is completed.
- The increase in other expenses was partially offset by a US\$2.0 million decrease in loss and repair of assets.

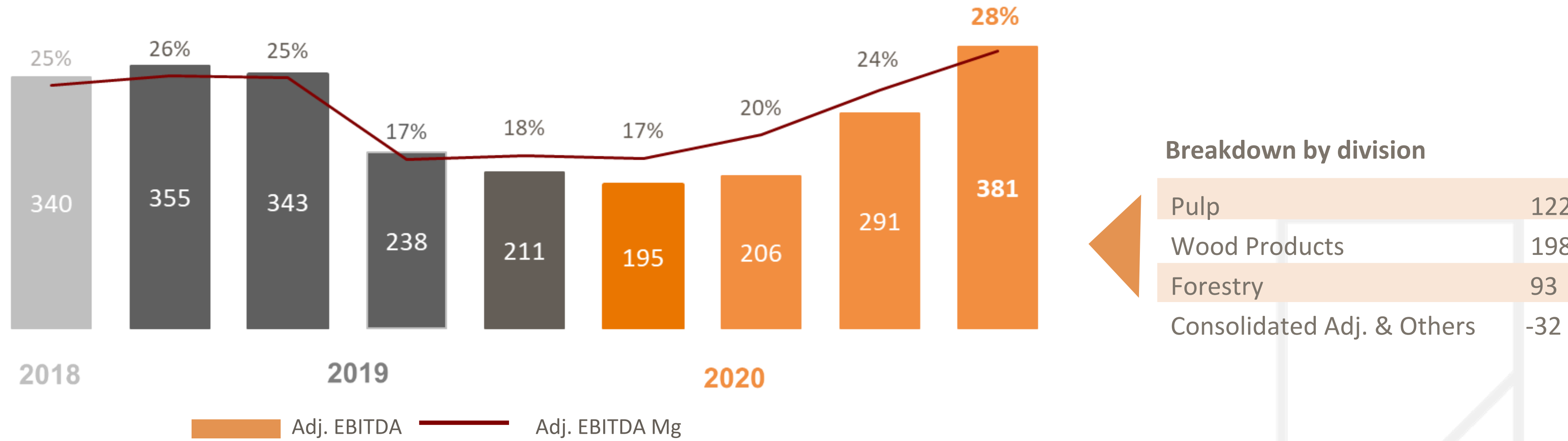
INCOME STATEMENT

► In US\$ million

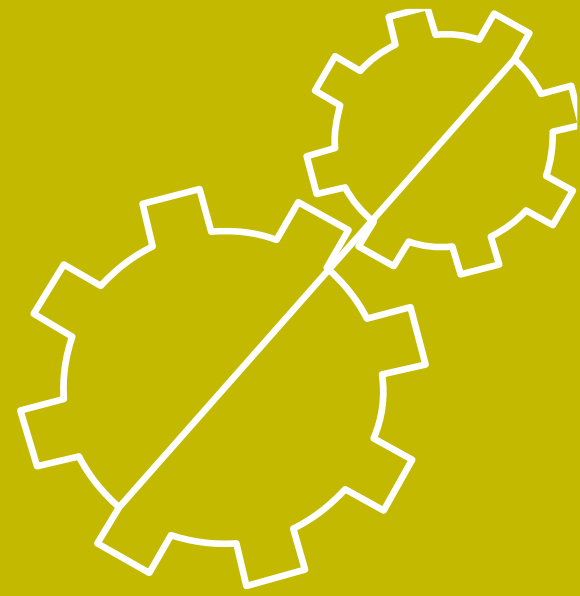
	Q4 2020	Q3 2020	QoQ
Revenue	1,352.9	1,202.9	12.5%
Cost of sales	(933.8)	(867.9)	7.6%
Gross profit	419.1	335.1	25.1%
Other income	108.2	52.8	105.0%
Distribution costs	(145.9)	(129.6)	12.6%
Administrative expenses	(133.7)	(122.7)	9.0%
Other expenses	(41.5)	(33.1)	25.1%
Financial income	5.8	4.2	38.5%
Financial costs	(66.1)	(64.4)	2.6%
Participation in (loss) profit in associates and joint ventures accounted through equity method	1.5	1.3	14.8%
Other income (loss)	0.0	0.0	-
Exchange rate differences	(22.9)	13.9	265.0%
Income before income tax	124.5	57.4	116.7%
Income tax	(49.6)	(21.4)	131.8%
Net income	74.9	36.0	107.8%

ADJUSTED EBITDA

► In US\$ million

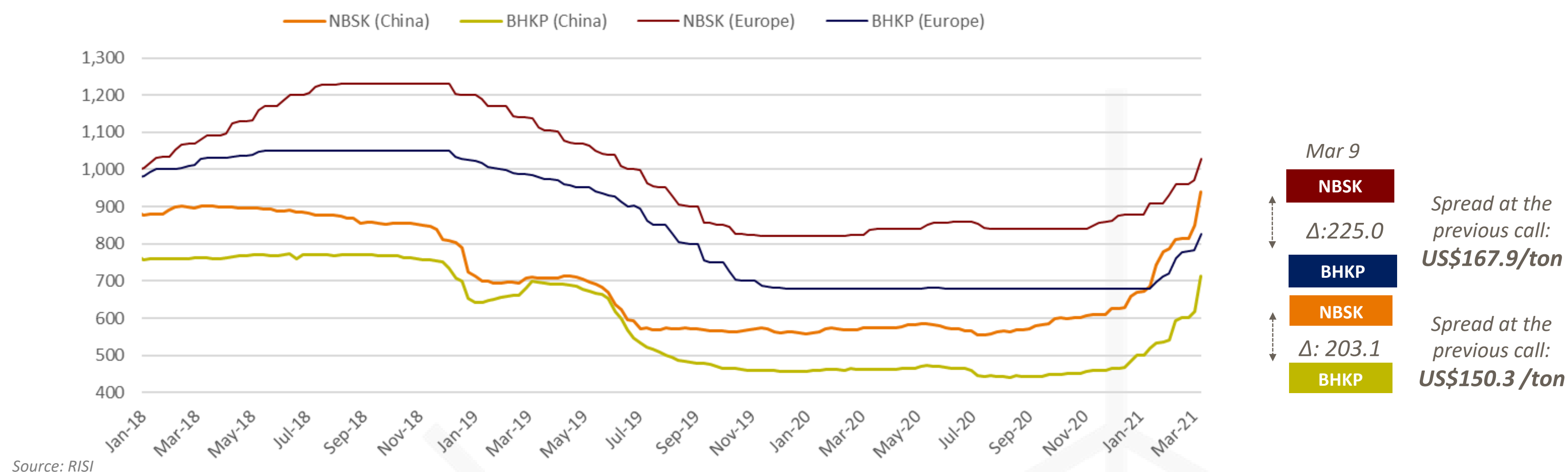


- Adjusted EBITDA during the fourth quarter reached US\$380.8 million. The most significant variation was in our wood products business segment, with an increase of 39.9% or US\$56.3 million, primarily related to higher sales volume.
- Adjusted EBITDA of our pulp division increased by 16.9% while that of our forestry division increased by 37.8%.



REVIEW BY BUSINESS SEGMENT & OUTLOOK

PIX Pulp Indexes (in US\$)



Global Bleached Chemical Pulp Demand variation – (10 months 2019 – 2020)

In '000 tonnes

Destination	Jan-Oct 2019	Jan-Oct 2020		%
North America	6,575	7,010	▲	6.6%
West Europe	11,920	11,120	▼	-6.7%
China	15,155	15,980	▲	5.4%
Others	12,500	13,245	▲	6.0%
W-20 Total BCP	46,150	47,355	▲	2.6%

Source: PPPC World-20

Global Producers Inventory Levels

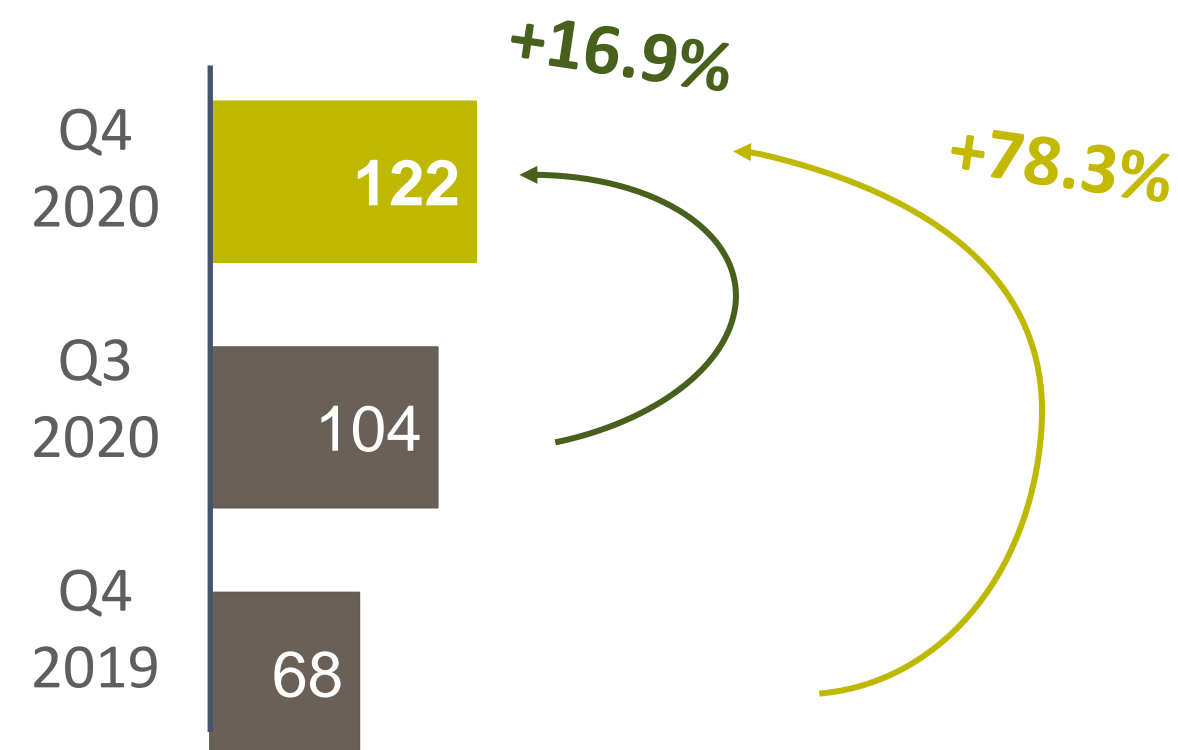
In days of supply

	Mar 2018	Jun 2018	Sept 2018	Dec 2018	Mar 2019	Jun 2019	Sept 2019	Dec 2019	Mar 2020	Jun 2020	Sept 2020	Dec 2020
BSPK	31	29	34	42	37	43	35	37	36	42	42	34
BHKP	43	42	42	57	74	72	61	37	43	41	43	36

Source: PPPC, December 2020

Adjusted EBITDA

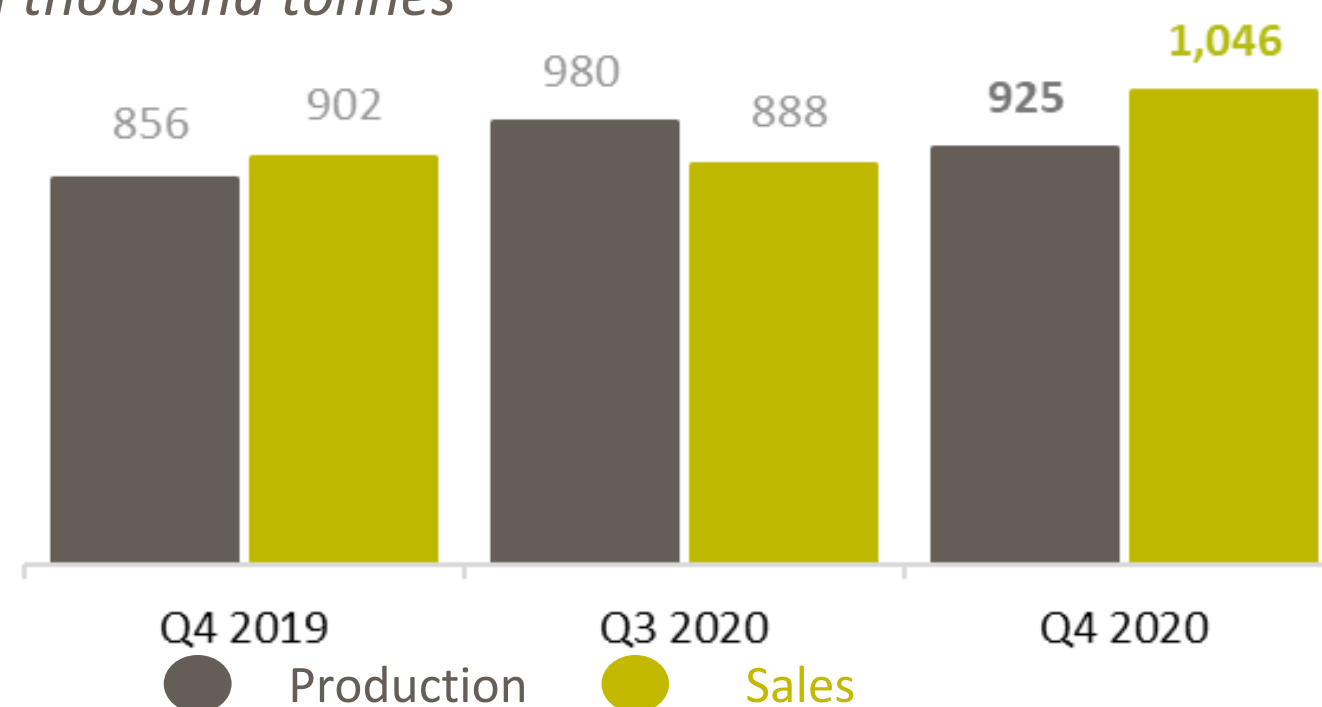
► In US\$ million



	Price	Volume	Sales
QoQ	5.4%	17.8%	23.3%
YoY	0.5%	16.0%	9.5%

Production and Sales Volume

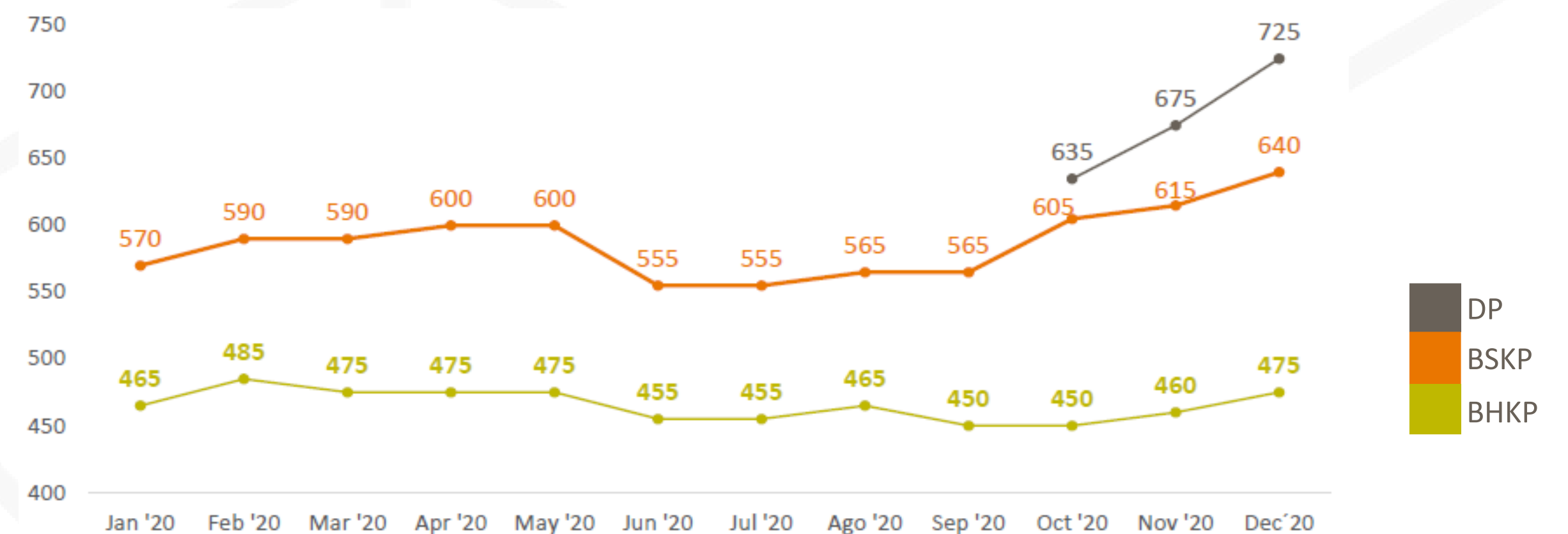
In thousand tonnes



Q4 2020

- The fourth quarter of 2020 was the best of the year in terms of price and sales volume. During this quarter there was a recovery in the P&W industry despite mobility restrictions implemented in some countries as a result of the COVID-19 pandemic. The tissue market remained relatively stable, in contrast with the demand increases during the first half of the year.
- In China we experienced higher demand in the P&W, packaging and specialty paper industries which led to us raising prices, especially for our long fiber, that also is reacting faster triggered by the futures market.
- In Europe, the P&W, packaging and specialty paper industries also improved as a result of higher operating rates, of lower stocks in supply chains and lower imports of paper products.

BHKP, BSKP and DP Net prices - China

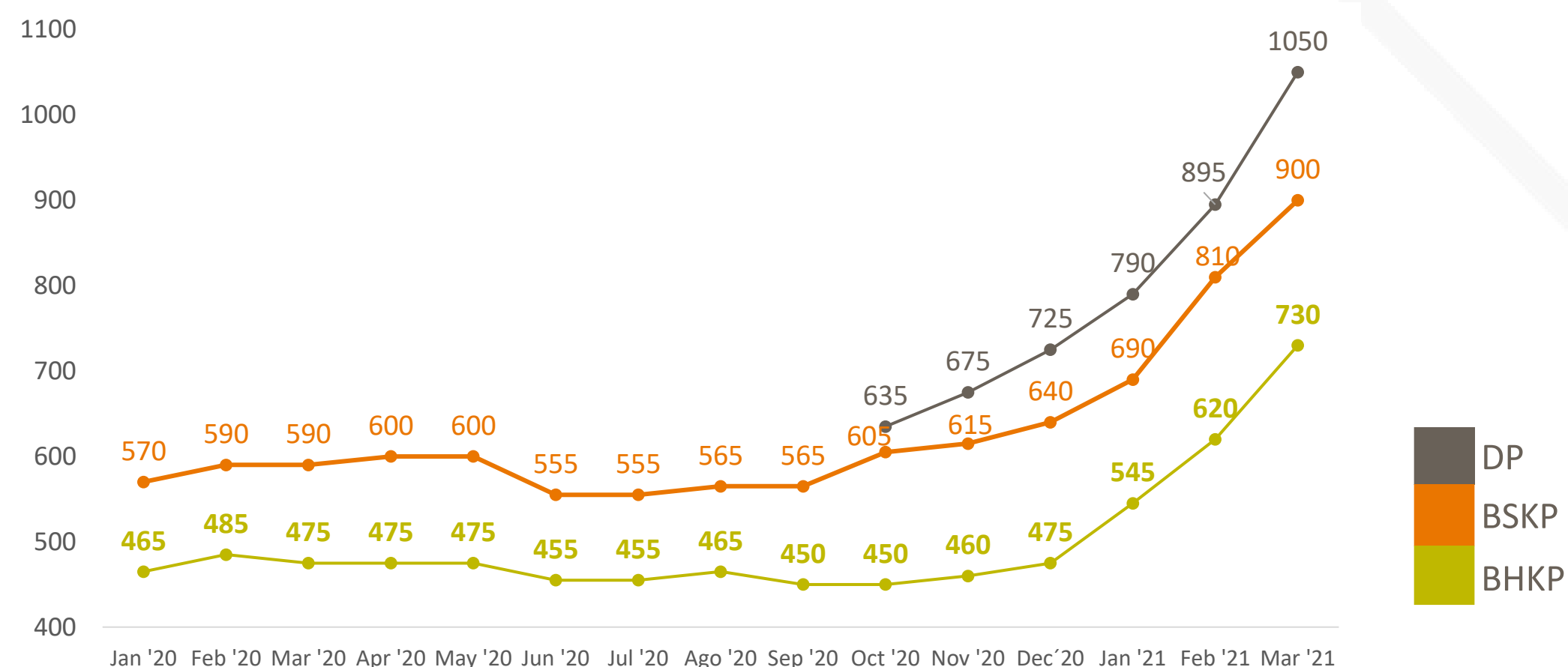


Source: ARAUCO

For the first quarter of 2021,

- Softwood pulp prices, both bleached and unbleached, started to go up aggressively in Asia, Europe and North America during Q4 2020, though hardwood pulp only started to react only at the end of it with a small increase in Asia.
- For Q1 2021, markets look very healthy with strong demand, some supply issues and with inventories going down. Prices are moving upwards very aggressively reaching before COVID-19 levels and higher. The market has also been affected by higher levels of maintenance downtimes due to stoppage postponements from 2020 to the first half of 2021.
- Strong demand in the textile industry is pushing demand and prices of VSF (Viscose Staple Fiber) and consequently pushing prices of Dissolving Pulp upwards.

BSKP, BHKP and DP Net Prices - China



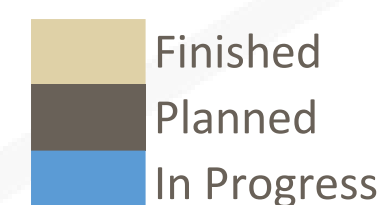
Source: ARAUCO

2020-2021

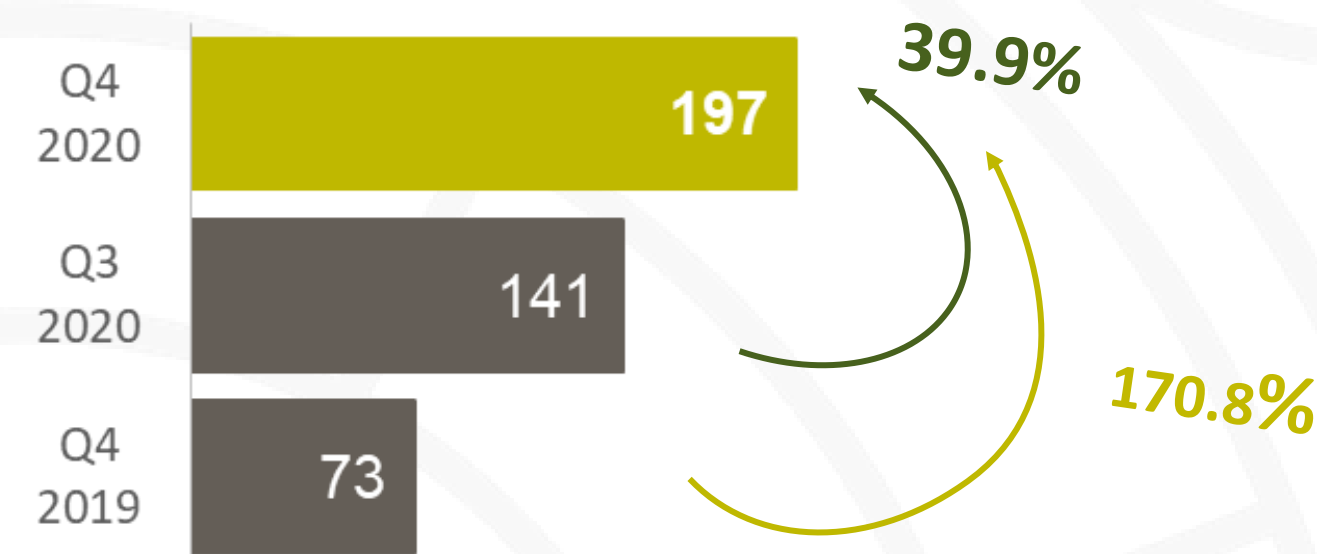
Pulp Mills Days of Stoppages

Mill	2020	2021			
	4Q	1Q	2Q	3Q	4Q
Arauco - Line 1		11			
Arauco - Line 2			20		
Constitución	22				35
Licancel			10		
Nueva Aldea		15			
Valdivia		9			
Alto Paraná	12		24		
Montes del Plata	15				10

Maintenance Stoppages:



Adjusted EBITDA In US\$ million



Panels*

	Price	Volume
QoQ	5.6%	-1.1%
YoY	3.1%	4.5%

Solid Wood**

	Price	Volume
QoQ	5.8%	11.9%
YoY	10.5%	25.0%

*MDF, PBO, HB

**Sawn Timber, Remanufactured Wood products and Plywood

Q4 2020

- Panels sales increased on a quarterly basis mainly due to an increase in average prices (+5.6%). During this quarter, we saw an increase in demand continuing the trend seen during the previous quarter because of the reactivation of markets and improvements coming from consumption-encouraging measures taken by different governments.
- Sawn timber sales volume also increased during this quarter (+11.9%). Positive results due to a strong retail channel and the recovery of construction, repair and remodeling sectors.
- During the fourth quarter, Plywood average prices increased by 9.0%, while sales volume increased by 7.3%. This was mainly due to higher demand in markets such as the US, Europe and Oceania, coupled with logistical complications of some of our competitors.

WOOD PRODUCTS PRODUCTION AND SALES VOLUME

REVIEW BY BUSINESS SEGMENT & OUTLOOK

► In '000 m³



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

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

Note: Sales include trading

● Production ● Sales

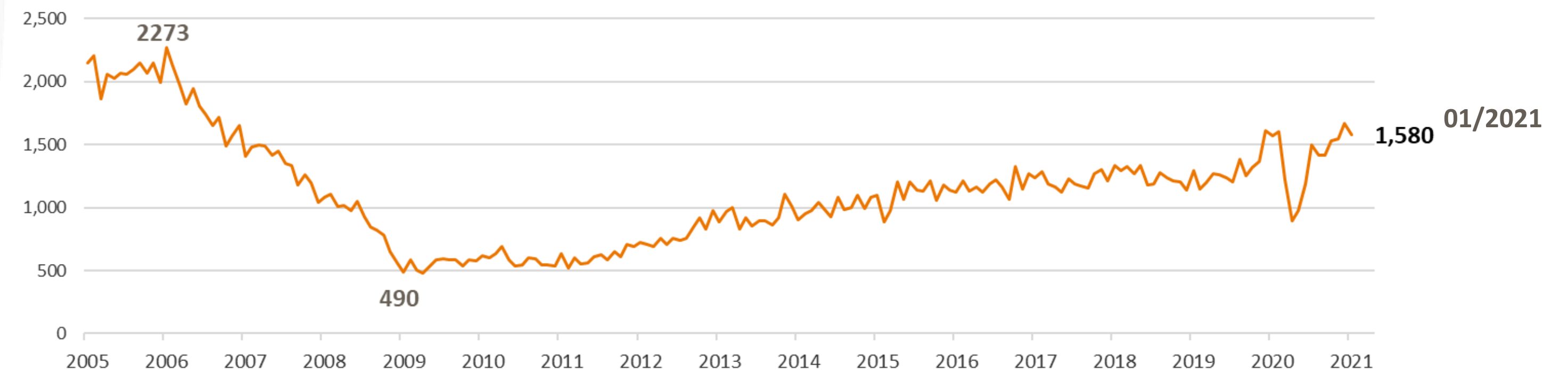
50%
North
America

PB/MDF: during the 4Q, demand has remained strong with high repair and remodeling and strong new construction segments. Prices continue to increase throughout most regions and products. We expect these market conditions to continue at least until Q2 2021, with the uncertainty of a “tough Covid second wave”, highly restricted logistical availability in some markets and effects of a successful vaccination process in some countries. In the US, residential construction indicator looks strong (building permits).

REMANUFACTURED PRODUCTS: we continue observing a very active market. Markets in the US, Latam and Oceania continue to experience high levels of consumption (which are atypical for this time of the year due to seasonality). Reduced supply from China due to import duties has also tightened the market.

PLYWOOD: demand has steadily increased during the past months, while prices have reached record levels.

U.S. Housing Starts Index
(‘000 units per year)



Source: Bloomberg

37%
Central and
South America

10%
Asia and Oceania

3%
Europe and
Middle East

BRAZIL:

- Demand remains stronger than supply, when it comes to panels.
- We expect volumes and prices to remain stable in the coming months, subject to the development of the situation regarding COVID-19

CHILE:

- Demand higher than supply, subject to the COVID-19 situation development.
- Increased activity in plywood and panels (especially on channels such as furniture, kitchen, cabinets and mouldings). Sawn timber also in high demand and improving. Prices reaching record levels.

ASIA:

- Improvements especially on sawn timber, and particularly in China with prices reaching levels not seen before.

EUROPE:

- Plywood still improving and have remained at record levels.

MIDDLE EAST:

- Strong demand because of increased activity in different sectors.

ARGENTINA:

- As in Brazil and Chile, we have seen an increase in demand and prices
- There have been price increases that have more than compensated inflation and devaluation

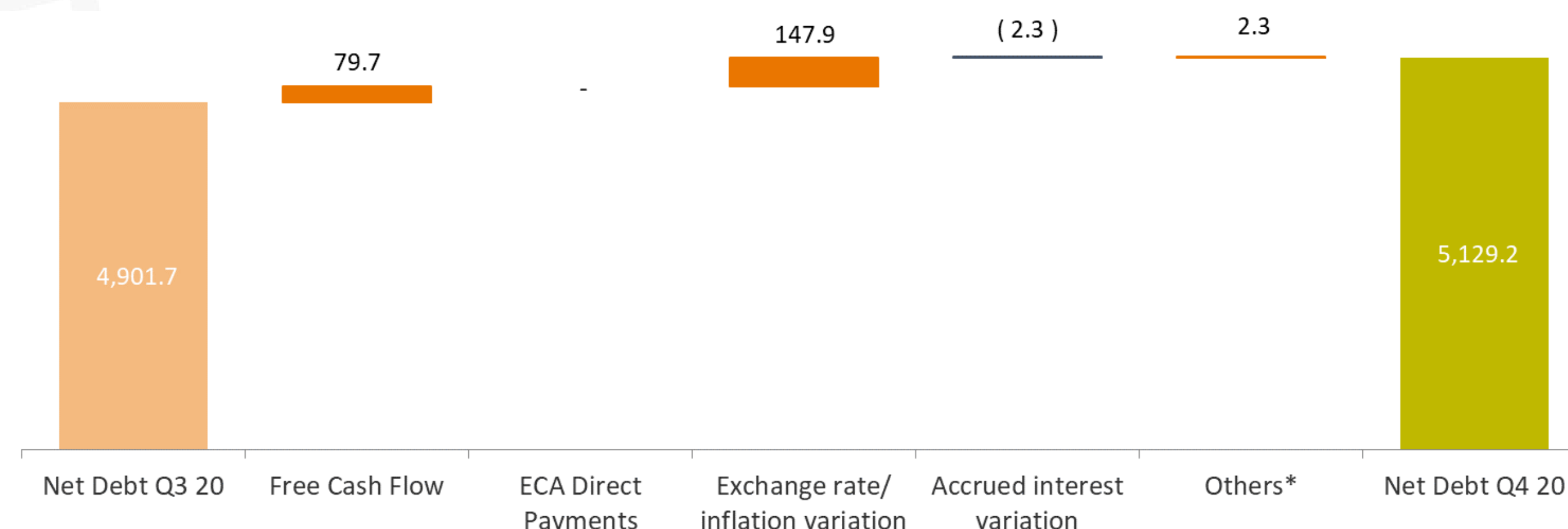
- Sales also strong in SE Asia.
- Reduced supply from China.

FREE CASH FLOW

► In US\$ million

	Q4 2020	Q3 2020
Adjusted EBITDA	380.8	290.7
Working Capital Variation	(14.7)	76.7
Interest paid and received	(80.4)	(44.9)
Income tax received (paid)	(17.6)	8.7
Others	72.2	221.4
Cash from Operations	340.3	552.6
Capex (1)	(456.9)	(453.9)
Others	44.7	4.0
Cash from Investment Activities	(412.2)	(449.9)
Cash from Financing activities (net of debt)	(23.2)	234.1
Effect of exchange rate changes on cash	15.4	(1.0)
Free Cash Flow	(79.7)	335.8

(1) On a cash basis.



* Leasing variation

Cash flow from operating activities decreased US\$212.3 million, mainly due to a decrease in other cash inflows (which increased during 3Q due to VAT returns associated to MAPA, and other cash receipts) and working capital variation.

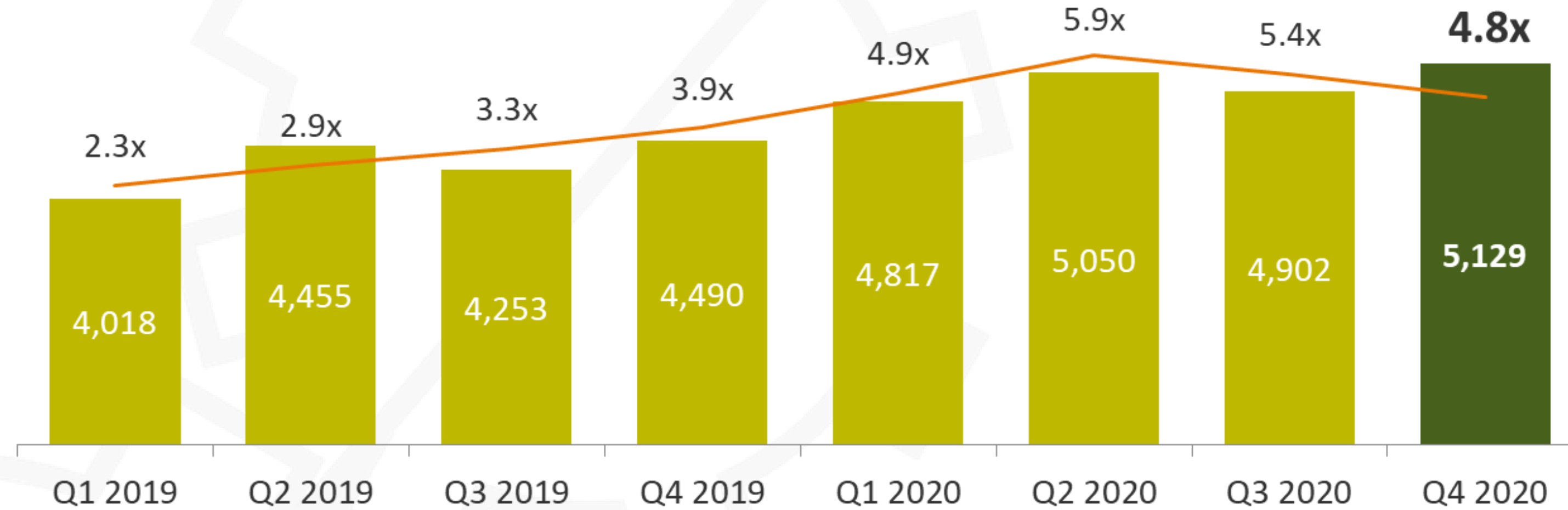
Cash flow used in investment activities decreased 9.1% mainly due to higher proceeds from investing activities from the selling of some lands located in Brazil. Capex remained stable.

Cash flow used in financing activities reached US\$23.2 million. A significant QoQ variation mainly due to last quarter's capital injection of US\$250.0 million.

► Net Debt increased by US\$227.5 million or by 4.6% QoQ, mainly due to exchange rate/inflation variation.

NET FINANCIAL DEBT

► In US\$ million



Net Leverage (*)

Cash and cash equivalents decreased by 8.4% or US\$97.9 million QoQ.

Total Financial Debt increased by 2.1% or US\$128.6 million QoQ.

LTM Adjusted EBITDA reached US\$1,071.8 million, 18.8% higher QoQ.

Net Leverage (*) decreased from 5.4x to 4.8x QoQ, mainly due to the increase of LTM Adjusted EBITDA.

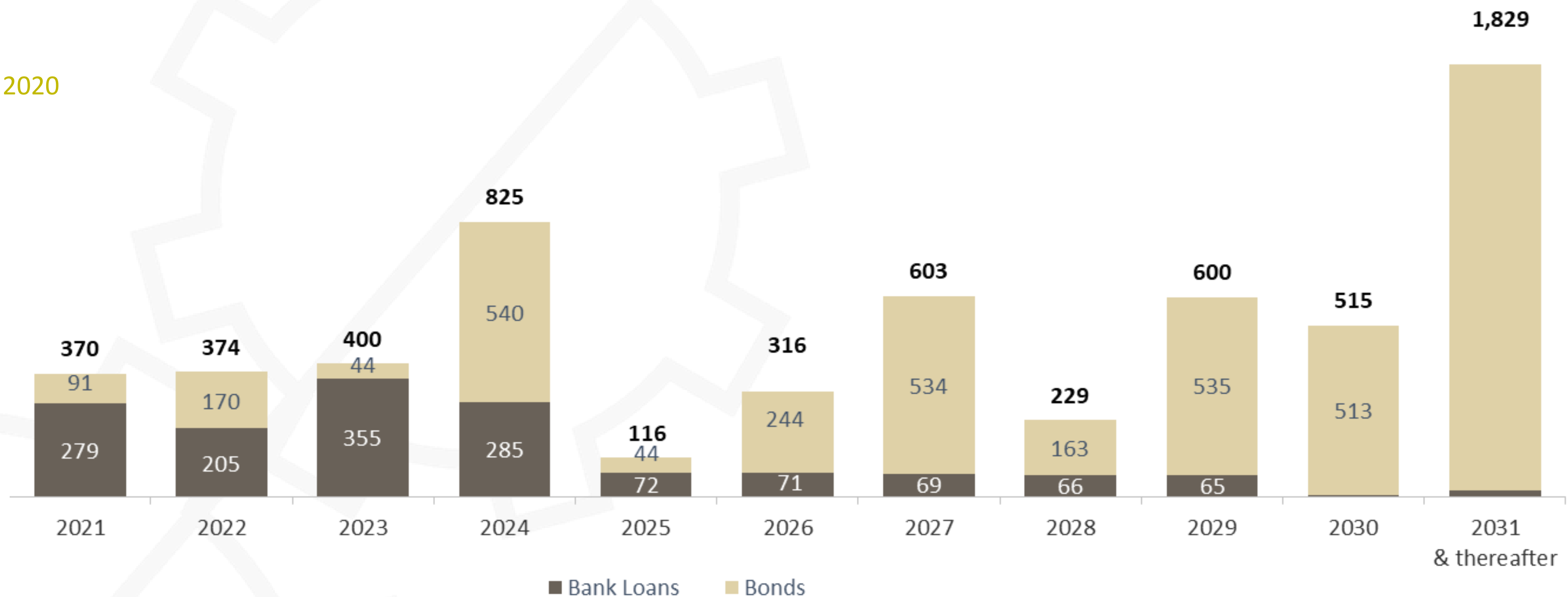
	December 2020	September 2020
Short Term Debt	370	336
Long Term Debt	5,824	5,729
Total Debt	6,194	6,064
Cash	1,065	1,163
Net Debt	5,129	4,902

(*) Net Debt / LTM Adjusted EBITDA

DEBT

► In US\$ million

AS OF DECEMBER 2020



BANK OBLIGATIONS FOR 2021 INCLUDE:

- US\$ 215 million in bank loans
- US\$ 64 million in leasing

BOND OBLIGATIONS FOR 2021 INCLUDE:

- US\$ 91 million in bond obligations. This includes amortizations of local bonds and interest payments.



MATERIAL FACTS AND NEWS

THE WORLD'S FIRST CERTIFIED CARBON NEUTRAL FORESTRY COMPANY



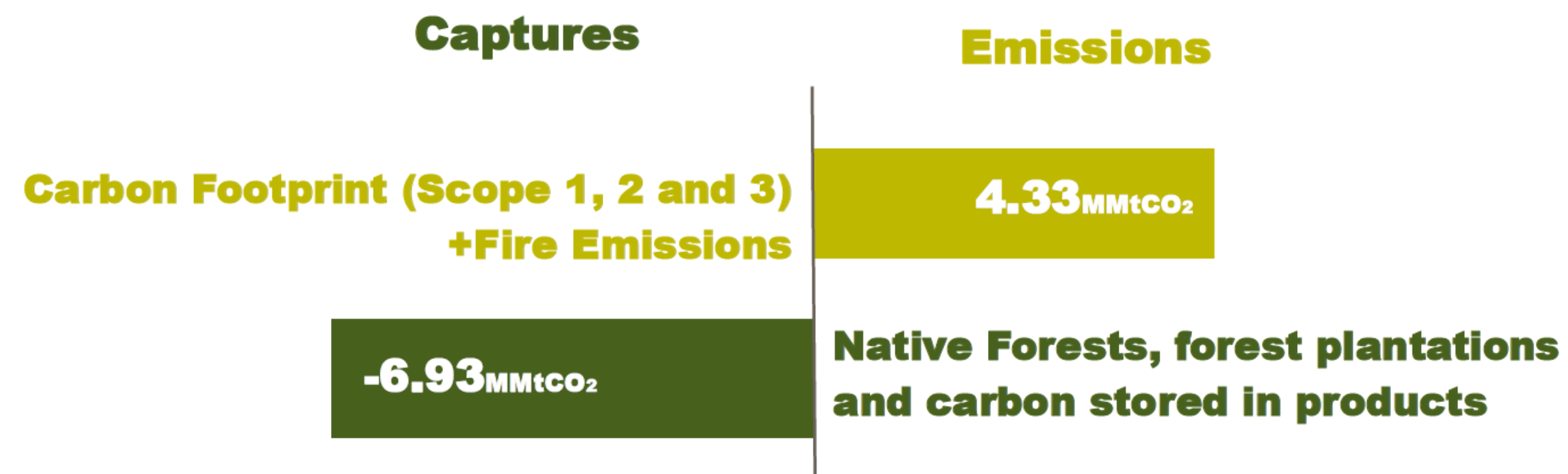
- During September 2020, Deloitte officially validated our carbon neutrality for 2018 by using Deloitte Neutrality Protocol guidelines. Our carbon footprint emission is captured by our native forests, our forest plantations and carbon stored in products. A significant and real contribution to fight the climate crisis.
- Price Waterhouse Coopers audited the entire estimation process of captures and storage in forestry products. ARAUCO is the first company to successfully apply this protocol.

Deloitte.



NET EMISSIONS **-2.59 MMTCO₂**

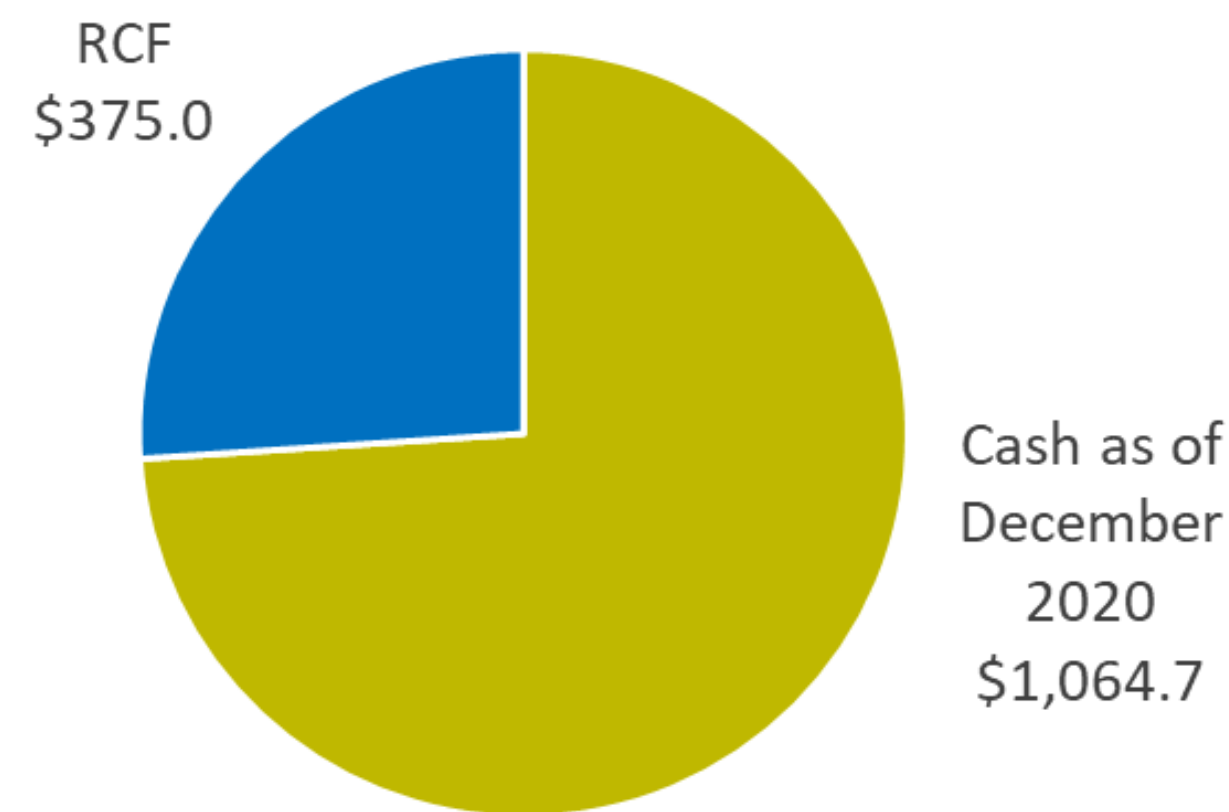
ARAUCO achieved neutrality in 2018, generating a surplus of 2,599,753 tons of CO₂e.



arauco

Our cash position was US\$1,064.7 million at the end of the fourth quarter. In terms of liquidity, the Company has a revolving credit facility (RCF) for a total amount of US\$375 million due in February 2025, which as of the date of this report hasn't been withdrawn. During September 2020, we received US\$250.0 million as part of the capital increase previously approved by the board.

An additional US\$450.0 million may be received during 2021 also as a capital increase, depending on the required resources in that year.

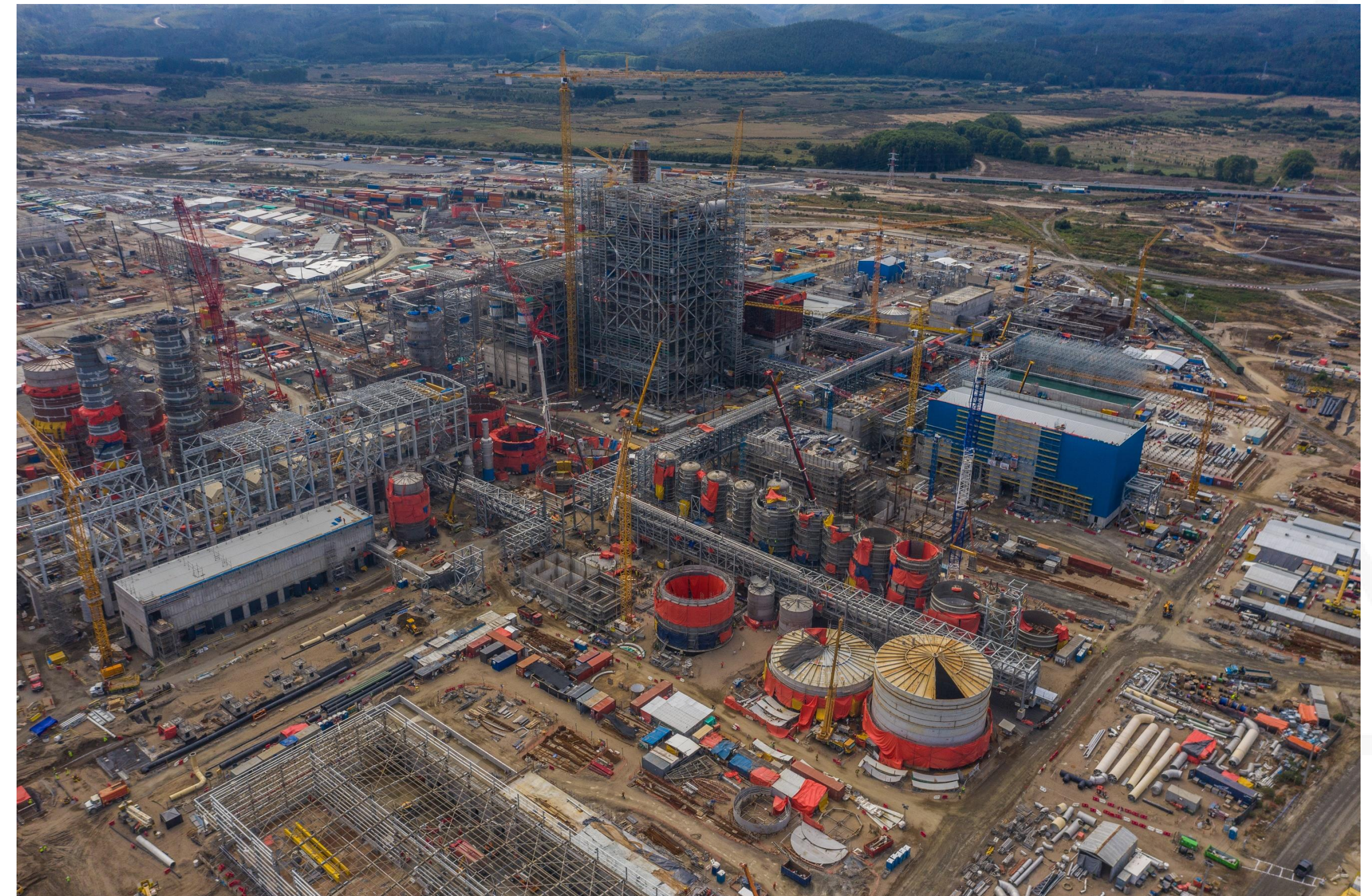


Total: US\$1,439.7 million

- **MAPA Project progress as of the end of February 2021 was 77.7%. We have already received the main equipment and parts to complete the project, and the construction and assembly of equipment continues.**

Recent Highlights

- Power boiler test completed
 - Assembly of the continuous digester with the installing of the top separator
 - Finished installing the 8 DDWashers of the fiber line
 - Line 2 substation energized
 - Agreement signed regarding the new road access to the project
-
- **We have 5 test center installed with a capacity of performing up to 2,000 PCR exams per day. To date, more than 170,000 PCR tests have been applied to workers of the project.**



- We 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.



Q&A

INVESTOR RELATIONS

A replay of this conference call will be available on our web site
and through the following numbers until March 23, 2021

Replay for USA	+1-877-344-7529
Replay for other countries	+1-412-317-0088
Replay Access Code	10152968

FOR FURTHER INFORMATION

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