

**Fideicomiso Financiero
Forestal Bosques del Uruguay
Financial Forestry
Trust Bosques del Uruguay**

**INTERIM FINANCIAL REPORT FOR THE
THREE MONTHS ENDED MARCH 31, 2022**

Fideicomiso Financiero Forestal Bosques del Uruguay

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Abbreviations:

UYU – Uruguayan peso

USD – U.S. Dollar

COMPILATION REPORT

To the Board of Directors of

EF ASSET MANAGEMENT, ADMINISTRADORA DE FONDOS DE INVERSIÓN S.A.,

We have compiled the interim statement of financial position of Fideicomiso Financiero Forestal Bosques del Uruguay as of March 31, 2022, and the related statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the selected explanatory notes. These interim financial statements report the information provided by the Management of the Company, responsible for the data contained therein and for its submission in accordance with the applicable accounting standards in Uruguay.

Our compilation of the interim financial statements was conducted in accordance with the International Standard Related Services No. 4410 as provided by Pronouncement No.18 of the Association of Accountants, Economists and Business Administrators of Uruguay, and only reports the information related to the equity, financial position and operating results of the Company provided by the Management

We have not performed an audit in accordance with the International Standards on Auditing or a limited review of the interim financial statements, therefore, we did not include any opinion or any other type of conclusion.

I hereby state that I am the Executive Director of EF ASSET MANAGEMENT ADMINISTRADORA DE FONDOS DE INVERSIÓN S.A.

Montevideo, April 29, 2022.

CPA FERRERE

LEONARDO ISOARDI

Partner

Certified Public Accountant

Retirement and Pension Fund for University Professionals No. 78,795



FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY
Interim Statement of Financial Position as of March 31, 2022

(in U.S. dollars and Uruguayan pesos)

		USD		Equivalent in UYU	
	Notes	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Assets					
Non-current assets					
Property, plant and equipment	5	28,472,922	28,473,037	1,170,664,184	1,272,602,380
Biological assets- plantations	4	36,194,842	37,286,986	1,488,150,921	1,666,541,861
Total non-currents assets		64,667,764	65,760,023	2,658,815,105	2,939,144,241
Current assets					
Inventories	3.1	1,954,933	324,246	80,377,069	14,492,155
Trade receivables and other accounts receivable	3.2	391,015	1,339,368	16,076,552	59,863,067
Other financial assets	3.3	302,425	236,884	12,434,188	10,587,590
Cash and cash equivalent	3.4	24,087	158,061	990,354	7,064,517
Total current assets		2,672,460	2,058,559	109,878,163	92,007,329
Total assets		67,40,224	67,818,582	2,768,693,268	3,031,151,570
Equity					
Participation certificates	7	50,000,000	50,000,000	931,350,000	931,350,000
Equity adjustments	7	-	-	1,039,191,829	1,259,941,435
Retained earnings		11,352,877	11,592,562	551,981,701	561,588,146
Total equity		61,352,877	61,592,562	2,522,523,530	2,752,879,581
Liabilities					
Non-current liabilities					
Loans and liabilities	3.6	1,000,000	1,000,000	41.115.000	44,695,000
Deferred tax	2.15	2,824,433	2,598,200	116.126.549	116,126,549
Total non-current liabilities		3,824,433	3,598,200	157.241.549	160,821,549
Current liabilities					
Loans and liabilities	3.6	1,551,172	1,469,965	63,776,448	65,700,104
Trade payables and other accounts payable	3.5	611,742	1,157,855	25,151,741	51,750,336
Total current liabilities		2,162,914	2,627,820	88,928,189	117,450,440
Total liabilities		5,987,347	6,226,020	246,169,738	278,271,989
Total liabilities and equity		67,340,224	67,818,582	2,768,693,268	3,031,151,570

The accompanying Notes are an integral part of these interim financial statements

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY
Interim Statement of Comprehensive Income
for the three months ended March 31, 2022

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		3/31/2022	3/31/2021	3/31/2022	3/31/2021
Operating revenues	3.7	706,850	542,388	30,673,624	23,396,336
Change in the fair value of biological assets	4	-	-	-	-
Cost of goods sold		(448,852)	(305,357)	(18,931,782)	(13,357,092)
Gross result		257,998	237,031	11,741,842	10,039,244
Administrative and selling expenses	3.8	(244,827)	(297,907)	(10,502,234)	(12,853,756)
Financial results	3.9	(252,857)	45,755	(10,846,054)	1,983,781
Profit or loss for the period before income tax		(239,686)	(15,121)	(9,606,446)	(830,731)
Income tax	2.15	-	-	-	-
Profit or loss for the period		(239,686)	(15,121)	(9,606,446)	(830,731)
Other comprehensive income for the period					
Revaluation of property, plant and equipment	5	-	-	-	-
Deferred tax associated with revaluation of property, plant and equipment	2.15	-	-	-	-
Translation reserve	2.2	-	-	(220,749,605)	93,720,867
Comprehensive income for the period		(239,686)	(15,121)	(230,356,051)	92,890,136

The accompanying Notes are an integral part of these interim financial statements

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY
Interim Statement of Cash Flow
for the three months ended March 31, 2022

(in U.S. dollars and Uruguayan pesos)

	USD		Equivalent in UYU	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021
Cash flow from operating activities				
Income for the period from continuing operations before income taxes	(239,686)	(15,121)	(9,606,446)	(830,731)
Adjustments				
Unpaid accrued interests	1,172	-	48,198	-
Depreciations	115	115	4,890	4,971
	(238,399)	(15,006)	(9,553,358)	(825,760)
Changes in assets and liabilities				
Trade receivables and other accounts receivable	948,353	566,825	40,689,086	24,522,833
Inventories	(505,552)	(53,142)	(21,690,687)	(2,299,109)
Other non-financial assets	(65,541)	(48,084)	(2,812,037)	(2,080,282)
Trade payables and other accounts payable	(319,880)	(80,219)	(13,724,451)	(3,470,555)
Translation adjustment	-	-	(980,166)	684,557
Net flows from operating activities	(181,019)	370,374	(8,071,613)	16,531,684
Cash flows used in investing activities				
Costs related to biological assets	(32,991)	(61,015)	(1,422,306)	(2,668,088)
Net flows from investing activities	(32,991)	(61,015)	(1,422,306)	(2,668,088)
Cash flows used in financing activities				
Loans and liabilities	80,035	(519,610)	3,280,489	(22,009,147)
Net flows from financing activities	80,035	(519,610)	3,280,489	(22,009,147)
Changes in cash flows and cash equivalents	(133,975)	(210,251)	(6,213,430)	(8,145,551)
Opening balance of cash and cash equivalents	158,061	628,192	7,064,517	26,597,669
Effect associated with the maintenance and conversion of cash and cash equivalents	-	-	139,267	15,437
Closing balance of cash and cash equivalents	24,087	417,941	990,354	18,467,555

The accompanying Notes are an integral part of these interim financial statements

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY
**Interim Statement of Changes in Equity
for the three months ended March 31, 2022**
(in U.S dollars)

	PARTICIPATION CERTIFICATES	EQUITY ADJUSTMENTS	RETAINED EARNINGS	TOTAL EQUITY
Balance at January 1, 2022	50,000,000	-	11,592,562	61,592,562
Profit or loss for the period			(239,685)	(239,685)
Balance at March 31, 2022	50,000,000	-	11,352,877	61,352,877
Balance at January 1, 2021	50,000,000	-	654,189	50,654,189
Profit or loss for the period			(15,121)	(15,121)
Balance at March 31, 2021	50,000,000	-	639,068	50,639,068

**Statement of changes in equity
for the three months ended March 31, 2022**
(in Uruguayan pesos)

	PARTICIPATION CERTIFICATES	EQUITY ADJUSTMENTS	RETAINED EARNINGS	TOTAL EQUITY
Balance at January 1, 2022	931,350,000	1,259,941,434	561,588,147	2,752,879,581
Profit or loss for the period			(9,606,446)	(9,606,446)
Revaluation of property, plant and equipment, net of deferred tax		(220,749,605)		(220,749,605)
Translation reserve				-
Balance at March 31, 2022	931,350,000	1,039,191,829	551,981,701	2,522,523,530
Balance at January 1, 2021	931,350,000	1,140,631,667	72,716,718	2,144,698,385
Profit or loss for the period			(830,731)	(830,731)
Revaluation of property, plant and equipment, net of deferred tax		93,720,867		93,720,867
Translation reserve				-
Balance at March 31, 2021	931,350,000	1,234,352,534	71,885,987	2,237,588,521

The accompanying Notes are an integral part of these interim financial statements

Fideicomiso Financiero Forestal Bosques del Uruguay

Notes to the interim financial statements for the three months ended March 31, 2022

Note 1 - General Information on Fideicomiso Forestal Bosques del Uruguay

In the city of Montevideo, on May 6, 2011, the Fideicomiso Financiero Forestal Bosques del Uruguay I was established on agreement, by the signing of the respective agreement between EF ASSET MANAGEMENT Administradora de Fondos de Inversión S.A. as "Trustee", Agroempresa Forestal S.A. as "Manager", and the initial Underwriters of the Securities as "Trustors". This agreement was recorded at the notary office on May 9, 2011.

The capital of the Trust has been paid-in with the amounts paid by the Trustors, acting as Initial Underwriters of the Securities, under the conditions set out in the Agreement and to be used for the fulfillment of the purposes of the Agreement.

The Trustee invested the funds from the placement of the Securities (Participation Certificates) in the purchase and/or lease of rural Properties, located within the Eastern Republic of Uruguay, which became part of the equity of the Trust, and carried out forestry activity on such Properties.

The Business Plan establishes the framework within which the Trust's strategy is developed to fulfil its purpose, and specifically indicates the general requirements that the Properties shall meet.

The Trustee shall appoint the Manager, through the Management Agreement, who shall be in charge of managing the assets of the Trust and implementing the Business Plan related to this Trust and the Management Agreement. Notwithstanding the foregoing, the Trustee shall be responsible for all the actions of the Manager with reference to the tasks subcontracted to the Manager.

The Trust shall not invest in such securities not permitted to Pension Savings Funds.

The equity of the Trust consists of its Assets and all economic rights, present and future, generated therefrom. The equity of the Trust shall be used solely and exclusively for the purposes intended, and only the rights and actions related to such assets may be exercised with respect thereto.

On August 5, 2011, EFAM issued, on behalf of the Trust, book-entry Participation Certificates amounting to fifty million U.S. dollars (USD 50,000,000).

The Participation Certificates grant Holders rights of participation in accordance with the financial performance of the Trust, and pursuant to the terms and conditions provided in the Agreement.

The Trust shall remain in full force for a maximum of 30 years, or until all its assets are liquidated and all its liabilities are paid off.

In the Meeting of Holders of February 27, 2013, the Holders resolved to amend some terms and conditions of the Trust Agreement. On March 5, 2013, in order to implement such modifications, the parties decided to amend the Trust Agreement. They agreed to add as a purpose of the Trust, apart from purchasing land, the possibility of leasing rural properties. It was also authorized the acquisition of rural properties through the execution of Preliminary Real Estate Agreements on a term basis.

In accordance with Section 330 of the Central Bank of Uruguay's Compilation of Securities Market Standards, the Trust's accounting period and fiscal year ends on each December 31.

These interim financial statements were authorized to be issued by EF Asset Management Administradora de Fondos de Inversión S.A., Trustee of the Trust, on April 29, 2022.

Note 2 - Basis of Preparation and Significant Accounting Policies

2.1 Accounting standards

Decree 124/2011, issued by the Executive Branch on April 1, 2011, provides the International Financial Reporting Standards (IFRS), adopted by the International Accounting Standard Board (IASB), translated into Spanish, as mandatory accounting standards for issuers of publicly traded securities.

This condensed interim financial reporting does not include all the information required by the International Financial Reporting Standards (IFRS) for the presentation of complete financial statements. As this report was prepared in accordance with the International Accounting Standard No. 34 - "Interim Financial Reporting", this condensed interim financial statements shall be read in conjunction with the Trust's financial statements for the year ended December 31, 2021.

2.1.1 New standards, interpretations and amendments which became effective in the current fiscal period

The accounting policies applied by the Trust for the preparation and presentation of these interim financial statements are the same as those applied by the Trust in the financial statements dated December 31, 2021, except for the adoption of the new standards effective as of January 1, 2022. The Trust did not adopt in advance other standards, interpretations or amendments which have been issued but not yet effective.

In the current period, the following new and/or revised standards issued by the IASB became effective.

- Amendment to IFRS 3 - Updating references to the Conceptual Framework.
- Amendment to IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use.
- Amendment to IAS 37 - Onerous Contracts - Cost of fulfilling a contract.
- IFRS 1 - First-time Adoption of IFRS - Subsidiary as a first-time adopter.
- Amendment to IFRS 9 Financial Instruments: Fees in the '10%' Test for Derecognition of Financial Liabilities.
- IAS 41 Agriculture - Taxation in fair value measurement.
- Amendment to IFRS 16- Covid-19-Related Rent Concessions.

The application of these new standards had no significant impact on the financial statements of the Trust.

2.1.2 New and revised standards, interpretations and amendments published whose application is not yet mandatory

On the date of the authorization of these financial statements, the standards and interpretations issued by the IASB, which are not yet effective for the periods beginning on January 1, 2022, and were not adopted in advanced by the Trust, are as follows:

- IFRS 17 - Insurance Contracts. (1)
- Amendment to IAS 1 - Classification of Liabilities as Current or Non-current. (1)
- IAS 8 - Definition of Accounting Estimates. (1)
- IAS 1 - Disclosure of Accounting Policies. (1)
- IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. (1)

(1) Effective for periods beginning on January 1, 2023.

The Management estimates that the application of these amendments will not significantly affect the financial statements.

The following are the main accounting policies applied:

2.1.3 Functional currency and criteria used for the translation of financial statements into Uruguayan pesos

The regulation in force in Uruguay establishes that the functional currency shall provide useful information about the Trust and reflect the economic substance of events and relevant circumstances to the Trust. If a particular currency is widely used by the Trust or has a significant impact on the Trust, it may be appropriate as a functional currency.

A currency may be deemed functional in accordance with the standard when:

- purchases are financed in that currency;
- collections of trade receivables are denominated in that currency;
- prices for goods or services sold are denominated in that currency;
- the cost of goods sold or services rendered is denominated in that currency.

The U.S. dollar is the functional currency of the Trust since its main income and expenses are denominated in that currency.

The Uruguayan peso shall be the reporting currency of Trust's financial statements in order to comply with the legal and fiscal provisions in force.

In accordance with such regulations, in order to translate the Trust's financial statements from the functional currency into the reporting currency:

- assets and liabilities shall be translated at the closing exchange rate;
- income and expenses shall be translated at the exchange rate in effect on the date of the respective transactions;
- equity, except for the results for the period, shall be translated at the closing exchange rate;
- translation gains and losses shall be directly recognized in equity without affecting the results for the period.

The equity items have been retranslated as follows: 1) Equity is presented at its value in historical Uruguayan pesos; 2) retained earnings correspond to the results of prior fiscal years expressed in U.S. dollars and translated in accordance with the general translation standard.

The difference resulting from the use of the closing exchange rate for assets, liabilities and equity translation, and the exchange rate in effect on the date of each transaction for the result for the period is directly presented in the equity item under the heading equity adjustment and in the statement of comprehensive income as "Translation Reserve".

2.3 Balances in currencies other than the functional currency

Assets and liabilities in currencies other than the functional currency are valued at the closing exchange rates for the period. Exchange differences are recognized in the results. Balances of assets and liabilities denominated in non-functional currency for the period are summarized in Note 6.

2.4 Overall valuation criteria for assets and liabilities

Assets and liabilities (except for biological assets, and property, plant and equipment) are valued according to the cost initially disbursed or the commitment assumed respectively, and subsequently measured at amortized cost. In all cases, these amounts were adjusted as mentioned in the preceding item.

2.5 Cash and cash equivalents

Current and demand deposits held in financial institutions are considered cash and cash equivalents.

2.6 Financial assets and liabilities

Financial assets and liabilities are measured at amortized cost.

The Trust holds bank loans with local financial institutions.

2.7 Trade receivables and other accounts receivable

Trade receivables and other accounts receivable are presented at their amortized cost using the effective interest method. The Trust Management has not established an allowance for bad debts based on the expected credit loss method, considering the probability of default and the amount expected to recover in that scenario, therefore, the effect of its application does not have a significant effect on the financial statements of the Trust.

2.8 Other non-financial assets

Non-financial assets are presented at their face value and correspond mainly to tax credits.

2.9 Biological assets – plantations

Forest plantations and the costs incurred in the formation of the forests between December 31, 2021 and March 31, 2022, are presented at their fair value in the statement of financial position as of December 31, 2021.

The Trust annually determines the value of forest plantations according to a valuation of its forests carried out by independent forest consultants. The fair value of forest plantations is estimated by the independent consultant using current value techniques of estimated cash flows, and mainly income or expectation approach techniques.

On the basis of the methodology describe above, the independent expert determined that the fair value of the biological assets as of December 31, 2021, was USD 37,286,986, equivalent to UYU 1,666,541,861.

To this end, the following elements are considered:

- the representative prices estimated for the period of the projection,
- variable and fixed annual costs related to timber production,
- an estimated discount rate based on a capital asset price model, which amounts to 7.5%.

Changes in fair value measurement (combination of biological growth, changes in prices, costs and expenses) are recognized in the statement of comprehensive income.

Biological assets are recognized and measured at their fair value separately from land.

The fair value of these assets is determined mainly by using sources of information of hierarchy Level 3.

2.10 Inventories

Inventories are valued at acquisition cost.

This cost is determined based on the FIFO valuation method for the allocation of the products sold.

The Trust estimates that the accounting values of the inventories will not exceed their net realizable value.

2.11 Property, plant and equipment

The components and evolution of property, plant and equipment balances for the three-month period ended March 31, 2022, is set out in Note 5 of these financial statements.

In accordance with the terms of the agreement, lands were valued by an independent expert on December 31, 2021. The book value of the lands was adjusted to the values provided in the report issued by such expert, which amounted to USD 28,463,214, equivalent to UYU 1,727,163,350.

The fair value of these lands is determined mainly by using sources of information of hierarchy Level 3.

These amounts were translated into Uruguayan pesos as expressed in Note 2.2.

Improvements and other improvements are presented in U.S. dollars historical acquisition cost, after deducting the relevant accumulated depreciation. During the third quarter of 2020, a change in the valuation of the useful life of the Improvements was made. It was estimated that they have a useful life of 30 years instead of 50. This change in valuation has been made prospectively, starting from the net values of the improvements as of December 31, 2019, and depreciating the remainder on a straight-line basis.

Disbursements after the acquisition of item of property, plant and equipment are included to the carrying amount of assets when it is likely that future economic benefits, in addition to those originally assessed, will be derived therefrom.

The Board and the Management estimate that the net book value of the assets will not exceed their use value and that there were no losses due to impairment of property, plant and equipment.

Depreciations for the period are charged to administration and sales expenses.

2.12 Accrual basis and revenue recognition

Revenue is recognized when earned and expenses when incurred, regardless of when they are collected or paid, respectively. Income in general is recognized when future economic benefits are likely to enter the Trust's equity as a result of transactions carried out by the Trust.

Revenue from sales of goods and services is recognized when the most significant risks associated with the ownership of the assets are transferred to the buyer and the amount of revenue can be quantified with reasonable accuracy.

Income and expenses included in the statement of comprehensive income are entered with the amount originally obtained or disbursed for the goods or services.

Administration and sales expenses, financial results and others are considered in accordance with the principle of accruals.

2.13 Definition of capital

The difference in value of equity as of March 31, 2022, with respect to the amount of capital to be maintained has been regarded as the result for the period. The definition of capital used for this purpose is financial capital.

2.14 Definition of funds

In preparing the statement of cash flow, the definition of funds as for cash and cash equivalents is used, applying the indirect method.

2.15 Taxes, current income tax and deferred tax

The Trust is subject to VAT, Income Tax on Economic Activities [IRAE, for its acronym in Spanish] and Wealth Tax. It is also a withholding agent for the Personal Income Tax.

The Trust is subject to IRAE for all income generated in Uruguay and not included in the exemptions granted by Law No. 15,939, intended to promote the forestry sector.

The Trust shall pay the Wealth Tax, however, the yield of forest plantations in forestry priority areas, as well as the farms on which such plantations are located are exempted from such tax.

Regarding the aforementioned tax, in 2013, Law No. 19,088 amended the exemption regulating the agricultural sector and applied a surcharge to those taxpayers.

Decree No. 293/013, which regulates such Law, introduced an amendment extending the exemption from the Wealth Tax to trusts, which already existed for certain listed companies. This exemption is applicable for five fiscal years since the creation of the trust.

Therefore, for the period ended on March 31, 2022, the Trust does not enjoy such Wealth Tax and Surcharge exemption.

On March 8, 2016, the General Revenue Office [DGI, for its acronym in Spanish] published a consultation to establish that the exemptions from the agricultural wealth tax are also applicable to the surcharge. In this regard, and according to the new information available, the Trust requested the DGI and obtained the refund for the amounts paid for such concept, by means of credit certificates for the fiscal year ended June 30, 2016, and for the fiscal years 2013, 2014 and 2015.

The sale of agricultural products in their natural state is subject to the suspended VAT system. The sale of uncut logs, and the felling of forests planted by the Trust or acquired standing, are considered agricultural products in their natural state for the purpose of their sale. Therefore, the VAT will remain on hold, and the tax included in the purchases, which is part of their cost, can be recovered. Grazing income is exempt from VAT, thus a portion of indirect purchasing VAT cannot be recovered as it is associated with such type of income.

The Trust shall pay the Rural Real Estate Tax for the farms acquired. However, as provided by Law No. 18,245, those farms used for forest plantations and included in the Quality Timber projects defined by the Ministry of Livestock, Agriculture and Fisheries, are exempted from the Rural Real Estate Tax.

Additionally, the Trust determines the amount of Income Tax by the Deferred Tax Method, which consists in the recognition (as credit or debit) of the tax effect on the temporary differences between the accounting and fiscal valuation of assets and liabilities, determined at the current rate of 25%, and its subsequent imputation to the results for the period in which their reversal occurs.

2.16 Provisions

Provisions are financially recognized when the Trust has a present obligation (legal or contractual) as a result of a past event; it is likely that in the future resources will be used to cancel such obligations, which may be reliably estimated.

2.17 Financial Instruments

The main financial instruments of the Trust are deposits in bank checking accounts, credits and debts. The main purpose of maintaining more liquid assets is for the Trust to have cash and cash equivalents available to meet its operational needs. The Trust has not contracted derivative financial instruments for this period.

2.18 Estimates and assumptions in the application of accounting policies

The preparation of financial statements requires the Trustee to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

The most significant accounting policies, estimates and assumptions to determine the accounting values of assets and liabilities are as follows:

(a) Fair value of property, plant and equipment, and biological assets (plantations)

The Trust annually hires independent expert appraisers to determine the fair value of lands (Note 2.11) and biological assets (Note 2.9).

The methods used to determine the fair value require to make estimates and assumptions based on objective information and knowledge of the business. Such estimates are highly sensitive, and any variation in them may lead to a significant variation in the fair values of biological assets recognized in the financial statements. Therefore, estimates are periodically revised, and adjusted accordingly, if necessary.

(b) Income tax

The Trust recognizes the effects of deferred tax based on estimates and assumptions depending on how its assets and liabilities are realized and canceled, respectively. Changes in such estimates and assumptions could significantly modify the balance of assets and liabilities accounted for deferred income tax for the period in which such modifications occur. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are reviewed at each reporting date and are not recognized unless there are future taxable profits from which the deductible temporary differences can be discounted. Additionally, in order to determine the portion of deferred tax assets to be recognized in the statement of financial position, whether or not there are future taxable temporary differences with which the deductible temporary differences can be compensated should be considered. For these purposes, the Trustee estimates the reversions of temporary differences and the future tax results, as well as the available tax planning opportunities (Note 2.15).

2.19 Impairment loss of tangible assets

At each year-end, the Trust hires an independent expert to determine the fair value of the lands and forests.

Key assumptions used to determine the fair value

In order to determine the impairment loss, the Management hires an independent expert, who estimates future cash flows for the remaining life of the Trust.

The determination of the recoverable amount of the trust is based on complex estimates that require the application of assumptions and professional judgment by the expert, which include:

(a) Wood flow

Wood flows are predicted by a five-step process, as follows:

- Stratify forest plantations
- Validation of growth and yield performance tables
- Design of harvesting scenarios
- Programming of wood supply
- Wood flow planning

(b) Land sales flow

According to the variations estimated by the income approach, the valuation considered land sales in the following years:

- year of disinvestment
- year zero cash flow

(c) Operating and management costs

- Forest costs: These costs are related to the amount spent to establish and cultivate the forest until it is ready for the final harvest.
- General expenses: These expenses are related to the amount spent on activities such as management, office maintenance, forest inventory, protections and certification, vehicles, roads, security and communications.

(d) Wood price

These are the prices of wood by assortment class, which are the expected prices of wood set at the sawmill door discounted from the company's average transport and harvest costs.

(e) Land price and cost

It is the weighted average potential price of land.

(f) Determining the discount rate

The discount rate refers to the capital cost of the resources (debt and equity) used in the financing of net operating assets and is determined as the average cost of such sources of financing weighted by their relative share in the financial structure of the Trust sector.

The Weighted Average Cost of Capital (WACC) represents a weighted average cost of debt and equity. The cash flows used in the discounted fund flows are presented as the cash flow that is available to both debt and equity holders. Therefore, free cash flow is converted to present value through the application of a "WACC".

(g) Sensitivity analysis

The Trust applies the sensitivity analysis to assess whether changes in the discount rate estimates, wood prices, forest and general costs, and land sales prices may make a significant difference in the financial statements. The sensitivity analysis did not identify any significant impairment losses.

2.20 Consistency of accounting principles

Except as stated in Note 2.1, the criteria applied in the valuation of assets and liabilities, as well as to determine the financial results for the three-month period ended March 31, 2022, are similar to the ones applied for the fiscal year ended December 31, 2021.

Note 3 - Opening of Items

3.1 Inventories

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Wood	1,930,489	308,954	79,372,039	13,808,667
Herbicide	23,446	14,294	963,981	638,865
Fertilizer	998	998	41,049	44,623
	1,954,933	324,246	80,377,069	14,492,155

3.2 Trade receivables and other accounts receivable

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Trade receivables	389,314	1,338,787	16,006,583	59,837,120
Receivables for grazing	1,701	581	69,969	25,947
	391,015	1,339,368	16,076,552	59,863,067

3.3 Other non-financial assets

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Advances to suppliers	2,190	2,230	90,051	99,656
Tax credits	298,702	234,654	12,281,096	10,487,934
Other sundry assets	1,533	-	63,041	-
	302,425	236,884	12,434,188	10,587,590

3.4 Cash and cash equivalents

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	12/31/2021	1/31/2022	12/31/2021
Banks	24,087	158,061	990,354	7,064,517
	24,087	158,061	990,354	7,064,517

3.5 Trade accounts and other accounts payable

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Trade payables	450,727	999,771	18,531,586	44,684,762
Tax creditors	150,481	130,376	6,187,045	5,827,157
Other accounts payable	10,534	27,708	433,110	1,238,417
	611,742	1,157,856	25,151,741	51,750,336

3.6 Loans and liabilities - current and non-current

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Bank loan	2,551,172	2,469,965	104,891,448	110,395,104
	2,551,172	2,469,965	104,891,448	110,395,104

The bank loan in U.S. dollars, as of March 31, 2022, taken out from a local bank, for the principal amount of USD 2,000,000, equivalent to UYU 82,230,000, shall be paid in four equal semi-annual payments as of June 2022.

The Trust has also taken out a loan in U.S. dollars with a local bank, for the principal amount of USD 450,000, equivalent to UYU 18,501,750, to be paid in a single payment on January 2023.

Finally, the Trust has taken out a loan in U.S. dollars from a local bank, for the principal amount of USD 100,000, equivalent to UYU 4,111,500, to be paid in a single payment on January 2023.

The bank loan as of December 31, 2021, in U.S. dollars taken out from a local bank, for the principal amount of USD 2,000,000, equivalent to UYU 89,390,000, shall be paid in four equal semi-annual payments as of June 2022.

Besides, the Trust has taken out a loan in U.S. dollars from a local bank, for the principal amount of USD 200,000, equivalent to UYU 8,939,000, to be paid in a single payment on January 2022.

Furthermore, the Trust has taken out a loan in U.S. dollars from a local bank, for the principal amount of USD 125,000, equivalent to UYU 5,586,875, to be paid in a single payment on January 2022.

Finally, the Trust has taken out another loan in U.S. dollars from a local bank, for the principal amount of USD 125,000, equivalent to UYU 5,586,875, to be paid in a single payment on January 2022.

Accrued and unpaid interest as of the date of this report amount to USD 1,172, equivalent to UYU 48,198, as of March 31, 2022, and USD 19,965, equivalent to UYU 892,354 as of December 31, 2021.

3.7 Operating income

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021
Income from sale of wood	672,289	509,705	29,202,980	21,982,456
Income from grazing	34,440	32,683	1,465,634	1,413,880
Income from beehives	121	-	5,010	-
	706,850	542,388	30,673,624	23,396,336

3.8 Administration and selling expenses

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021
Forestry operator fee	124,808	147,288	5,311,265	6,351,844
Other fees	26,087	27,834	1,138,154	1,189,002
Field expenses	67,052	102,928	2,892,860	4,458,449
Taxes	718	1,035	30,534	44,396
Sundry	9,809	4,720	433,496	203,472
Insurances	16,353	14,102	695,925	606,593
	244,827	297,907	10,502,234	12,853,756

3.9 Financial results

<i>Item</i>	USD		Equivalent in UYU	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021
Exchange rate difference	227,749	(69,469)	9,771,581	(3,005,469)
Interest on loans	21,595	20,707	921,065	893,346
Interest and bank charges	3,513	3,007	153,408	128,342
	252,857	(45,755)	10,846,054	(1,983,781)

Note 4 - Biological Assets – Plantations

Biological assets comprise forest plantations located mainly in the departments of Cerro Largo, Durazno and Florida; which are composed mainly by Eucalyptus Grandis, Saligna, Dunnii and Globulus species. As of March 31, 2022, forest plantations comprised 5,392 hectares on an area of approximately 9,500 hectares.

The evolution of the biological asset for the three-month period ended March 31, 2022, and December 31, 2021, is detailed below:

	USD		Equivalent in UYU	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021
Opening balance	37,286,986	32,277,823	1,666,541,861	1,366,643,023
Cost increase added to biological assets	32,991	237,687	1,422,306	10,380,180
Reduction by harvest of biological assets	(1,125,135)	(736,009)	(50,287,929)	(32,895,922)
Change in the fair value of biological assets	-	5,507,485	-	246,157,037
Translation adjustments	-	-	(129,525,317)	76,257,543
	36,194,842	37,286,986	1,488,150,921	1,666,541,861

Note 5 - Property, Plant and Equipment

Property, plant and equipment is composed as follows:

In U.S. dollars:

Item	03/31/2022										12/31/2021
	Source values				Depreciations					Net values	Net values
	Opening Values	Revaluation	Additions	Closing values	Accumulated	For the period	Write off	Translation adjustments	Accumulated at closing		
Lands	28,463,214	-	-	28,463,214	-	-	-	-	-	28,463,214	28,463,214
Improvements	12,380	-	-	12,380	(2,557)	(115)	-	-	(2,672)	9,708	9,823
TOTAL	28,475,594	-	-	28,475,594	(2,557)	(115)	-	-	(2,672)	28,472,922	28,473,037

Equivalent in Uruguayan pesos:

Item	3/31/2022										12/31/2021
	Source values				Depreciations					Net values	Net values
	Opening Values	Revaluation	Translation adjustments	Closing values	Accumulated at opening	For the period	Write off	Translation adjustments	Accumulated at closing		
Lands	1,272,163,351	-	(101,898,308)	1,170,265,043	-	-	-	-	-	1,170,265,043	1,272,163,351
Improvements	553,331	-	(44,319)	509,012	(114,302)	(4,890)	-	9,321	(109,871)	399,141	439,029
TOTAL	1,272,716,682	-	(101,942,627)	1,170,774,055	(114,302)	(4,890)	-	9,321	(109,871)	1,170,664,184	1,272,602,380

Note 6 - Assets and Liabilities in a Currency other than the Functional Currency

The statement of financial position includes the following balances in currencies other than the functional currency:

	March 31, 2022		December 31, 2021	
	UYU	Equivalent in UYU	UYU	Equivalent in UYU
Assets				
Current assets				
Other non-financial assets	12,419,148	302,059	10,587,599	236,886
Cash and cash equivalents	50,982	1,240	45,411	436
Total	12,470,130	303,299	10,633,010	237,902
Total assets	12,470,130	303,299	10,633,010	237,902
Liabilities				
Non-current liabilities				
Deferred tax	(116,126,549)	(2,824,433)	(116,126,549)	(2,598,200)
Total	(116,126,549)	(2,824,433)	(116,126,549)	(2,598,200)
Current liabilities				
Trade payables and other accounts payable	(9,140,856)	(222,324)	(34,325,384)	(767,992)
Total	(9,140,856)	(222,324)	(34,325,384)	(767,992)
Total liabilities	(125,267,405)	(3,046,757)	(150,451,933)	(3,366,192)
Net position	(112,797,275)	(2,743,458)	(139,818,923)	(3,128,290)

The U.S. dollar exchange rate as of March 31, 2022 was UYU 41.115 and UYU 44.695 as of December 31, 2021.

Note 7 – Equity

The participation certificates issued by the Trust, in nominal values, amount to USD 50,000,000 (equivalent to UYU 931,350,000).

The balance of adjustments to equity, which amounts to UYU 1,039,191,829 as of March 31, 2022 and UYU 1,259,941,435 as of December 31, 2021, includes the equity translation reserve when the financial statements are presented in Uruguayan pesos.

Note 8 – Commitments

As of March 31, 2021, the Trust entered into commitments for grazing contracts amounting to USD 33,094 for 9,128 hectares of pastured land.

Note 9 - Balances and Transactions with Related Parties

a) The balances of Trade payables and other accounts payable with related parties are composed as follows:

	USD		UYU	
	3/31/2021	12/31/2021	3/31/2021	12/31/2021
Agroempresa Forestal S.A.	52,567	62,036	2,161,302	2,772,687
	52,567	62,036	2,161,302	2,772,687

b) Transactions with related parties are composed as follows:

	USD		UYU	
	3/31/2022	3/31/2021	3/31/2022	3/31/2021
Accrued fees				
Agroempresa Forestal S.A.	124,807	147,288	5,311,265	6,351,844
	124,807	147,288	5,311,265	6,351,844

Note 10 - Financial Risk Management

The main types of risks to which the financial instruments of the Trust and their management policies are exposed, are detailed below.

10.1 Credit Risk

Credit Risk is the risk of financial loss faced by the Trust if a debtor or counterparty of a financial instrument fails to meet his or her contractual obligations.

The Trust is exposed to a low risk since the financial instruments in which it can invest have the same restrictions as Pension Savings Funds.

Accounts receivables risk is comprised by approximately four debtors that pay timber sales in the short term and that have always met their obligations.

10.2 Liquidity risk

Liquidity risk occurs if the Trust fails to meet its financial obligations as they expire. The Trust main obligation is to pay the participation certificates. In accordance with Note 1, such certificates give holders the right to participate in the revenue.

The Trust is not significantly exposed to this risk in accordance with the business plan established in the Trust Agreement and the limitations on the assets to be invested in.

10.3 Market risk

Market risk occurs when changes in market prices, for example, in the exchange rate and interest rates, affect the income of the Trust or the value of the financial instruments held.

a) **Currency Risk**

The Trust is exposed to this risk because of its monetary position in Uruguayan pesos (Note 6). The Trust's sensitivity to a 10% increase and decrease in the Uruguayan peso against the U.S. dollar is detailed below. The sensitivity analysis included outstanding monetary items expressed in foreign currency. With a 10% strengthening of the Uruguayan peso against the U.S. dollar, the comprehensive income for the period would decrease by USD 304,829, equivalent to UYU 11,279,728. If a weakening of 10% were to occur, the comprehensive income for the period would increase by USD 249,405, equivalent to UYU 11,279,728.

b) Interest Rate Risk

The Trust is exposed to low interest rate risk. Loans are at a fixed interest rate.

c) Price risk

Price risk occurs when changes in market prices relevant to the activity carried out by the Trust affect its income or the value of the financial and non-financial instruments it holds. The main assets exposed to this risk at each year-end of the Financial Statements are as follows:

	USD		Equivalent in UYU	
	3/31/2021	12/31/2021	3/31/2021	12/31/2021
Inventory	1,954,933	324,246	80,377,069	14,492,155
Property, plant and equipment (Lands)	28,463,214	28,463,214	1,170,265,043	1,272,163,351
Biological assets	36,194,842	37,286,986	1,488,150,921	1,666,541,861
	66,612,989	66,074,446	2,738,793,033	2,953,197,367

Note 11 – Subsequent Events

After March 31, 2022, with the exception of Decree 106/022 dated April 5, 2022, which provides for the termination of the national health emergency for the COVID-19 pandemic, no other events or circumstances have occurred that significantly affect the financial position of the Trust, its operating results, and its cash flows.