

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL
URUGUAY IV

FINANCIAL FORESTRY TRUST BOSQUES DEL URUGUAY
IV

Financial statements for the year ended December 31, 2022, and independent
auditor's report.

NOTICE: This is a translation of the original document in Spanish. This
document was translated by a third party. In case of any deviation, the
original version prepared by the auditor is available and shall prevail.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Financial statements for the year ended December 31, 2022, and independent auditor's report.

Contents

Independent Auditor's Report

Statement of Financial Position

Statement of Comprehensive Income

Statement of Cash Flows

Statement of Changes in Equity

Notes to the Financial Statements



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Independent Auditor's Report

To the Board of Directors and Shareholders of
EF Asset Management Administradora de Fondos de Inversión S.A.,

Opinion

We have audited the accompanying financial statements in U.S. dollars of the Trust Fideicomiso Financiero Forestal Bosques del Uruguay IV, which comprise the statement of financial position as of December 31, 2022, the statement of comprehensive income, cash flows, and changes in equity for the year then ended, as well as the notes about significant accounting policies and other explanatory notes attached to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fideicomiso Financiero Forestal Bosques del Uruguay IV as of December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with the International Standard on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Fideicomiso Financiero Forestal Bosques del Uruguay IV, in accordance with the provisions of the Ethical Standards for chartered accountants of the International Ethics Standards Board of Accountants, and we have fulfilled our responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair Value Measurement of Tangible Assets

To determine the fair value of land and forests, the Trustee, with the assistance of independent appraisers (see Notes 2.9 and 2.11), has chosen the income approach (net present value technique) as the valuation technique. Determining such values requires the application of assumptions and professional judgment (IFRS 13 Fair Value Measurement categorized within Level 3) as such valuation comprises relevant assumptions, for example estimated market prices, future wood availability, discount rate, operating costs (harvesting, transportation, etc.) and average values taken from available publications to reflect the characteristics of the asset. Therefore, determining such values requires the application of assumptions and professional judgment by the Management.

In this regard, the main audit procedures carried out were as follows:

- We evaluated the processes established by the Trustee and the Surveillance Committee, to appoint independent appraisers.
- We evaluated the technical suitability of the appraisers and their professional independence.
- We cross-checked the relevant underlying data used in the valuation report with external sources (specialized land price publications)
- With regard to the discounted cash flows, we analyzed the key assumptions such as the discount rates, wood prices, etc. We used experts, who analyzed the reasonableness of the methodology and the estimated fair values.

Other Matters

Our audit also included the revision of the translation of figures in U.S. dollars into Uruguayan pesos and, in our opinion, this translation has been carried out in accordance with the methodology described in Note 2.2. The translation of the financial statements into Uruguayan pesos has been carried out to comply with the current regulations in Uruguay regarding the presentation of financial statements.

Board's Responsibility for the Financial Statements

The Board of EF Asset Management Administradora de Fondos de Inversión S.A, trustee of the Trust, is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the ongoing concern basis of accounting unless the Board either intends to liquidate the Trust, or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the process of preparation and fair presentation of the Trust's financial statements.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as whole are free of material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISAs will always detect material misstatements, if any. Misstatements may arise from fraud or error, and are considered material (significant) if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide the Board with a statement that we have complied with the relevant ethical requirements regarding independence, and disclosed all our relationships and other matters that could reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated to the Board, we have identified those that were of most significance in the audit of the current year's financial statements and are, therefore, the key audit matters. We describe such matters in our auditor's report, except when legal or regulatory provisions prohibit the public disclosure of a matter, or when, in extremely unusual circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Among other matters, we communicated with the Board, among other matters, regarding the scope and timing of the audit procedures, significant audit findings identified, including, if any, significant deficiencies in the internal control system that we identify during our audit.

March 31, 2023



Héctor Cuello
Partner, Deloitte S.C.



**HECTOR CESAR CUELLO
SUAREZ**

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CUELLO SUAREZ
Date: 2023.03.31 15:55:43 -03'00'

Statement of financial position as of December 31, 2022

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Assets					
Non-current assets					
Import in process	6	509,979	-	20,435,371	-
Property, plant and equipment	5	182,284,322	176,254,034	7,304,315,079	7,877,674,050
Biological assets-plantations	4	288,430,000	246,050,000	11,557,678,530	10,997,204,750
Total non-current assets		471,224,301	422,304,034	18,882,428,980	18,874,878,800
Current assets					
Inventories	3.1	4,401,665	4,592,698	176,379,131	205,270,658
Trade receivables and other accounts receivable	3.2	2,849,859	3,343,133	114,196,661	149,421,310
Other non-financial assets	3.3	4,282,462	4,640,137	171,602,552	207,390,908
Cash and cash equivalents	3.4	1,867,504	447,994	74,832,756	20,023,092
Total current assets		13,401,490	13,023,962	537,011,100	582,105,968
Total assets		484,625,791	435,327,996	19,419,440,080	19,456,984,768
Equity					
Participation certificates	8	330,000,000	330,000,000	11,932,965,000	11,932,965,000
Adjustment to equity	8	(309,720)	(309,720)	(10,723,512)	(10,723,512)
Revaluation reserve		41,550,953	35,428,217	1,828,808,312	1,583,464,124
Translation reserve		-	-	1,032,386,643	2,974,425,166
Retained earnings	8	92,419,655	53,418,917	3,795,918,999	2,226,398,953
Total equity		463,660,888	418,537,414	18,579,355,442	258,554,683
Liabilities					
Non-current liabilities					
Deferred tax liabilities	2.15	5,921,816	5,562,646	237,293,106	248,622,471
Loans and liabilities	3.6	5,448,621	222,222	208,369,200	9,932,212
Total non-current liabilities		11,121,816	5,784,868	445,662,306	258,554,683
Current liabilities					
Trade payables and other accounts payable	3.5	4,394,466	5,932,401	176,090,651	265,148,643
Loans and liabilities	3.6	5,448,621	5,073,313	218,331,681	226,751,711
Total current liabilities		9,843,087	11,005,714	394,422,332	491,900,354
Total liabilities		20,964,903	16,790,582	840,084,638	750,455,037
Total liabilities and equity		484,625,791	435,327,996	19,419,440,080	19,456,984,768

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

<p>The report dated March 31, 2023, is attached hereto. Deloitte S.C.</p>

Statement of comprehensive income for the year ended December 31, 2022

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Operating revenues	3.7	37,458,352	43,529,366	1,549,534,940	1,899,448,088
Change in the fair value of biological assets	4	42,395,924	(27,161,237)	1,698,847,061	(1,213,971,481)
Cost of goods sold		(30,198,447)	(35,440,913)	(1,237,664,681)	(1,548,750,464)
Gross margin		49,655,829	(19,072,784)	2,010,717,320	(863,273,857)
SG&A	3.8	(10,257,722)	(7,876,417)	(421,509,745)	(342,931,560)
Financial results	3.9	(1,253,285)	(224,411)	(52,485,059)	(9,781,817)
Miscellaneous income	3.10	-	3,187,792	-	142,478,336
Profit or loss for the year before income tax		38,144,822	(23,985,820)	1,536,722,516	(1,073,508,898)
Income tax	2.15	855,916	(391,502)	32,797,530	(16,800,722)
Profit or loss for the year		39,000,738	(24,377,322)	1,569,520,046	(1,090,309,620)
Other comprehensive income for the year					
Revaluation of property, plant and equipment	5	6,658,489	38,217,997	266,812,353	1,708,153,359
Deferred tax associated with revaluation of property, plant and equipment	2.15	(535,753)	(2,789,780)	(21,468,165)	(124,689,235)
Items that may be subsequently reclassified to profit or loss					
Translation reserve		-	-	(1,942,038,523)	960,396,001
Comprehensive income for the year		45,123,474	11,050,895	(127,174,289)	1,453,550,505

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

<p>The report dated March 31, 2023, is attached hereto. Deloitte S.C.</p>

Statement of cash flows for the year ended December 31, 2022

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash flows from operating activities					
Profit or loss for the year before income tax		38,144,822	(23,985,820)	1,536,722,516	(1,073,508,898)
Adjustments					
Depreciations	5	826,529	823,247	33,118,874	35,862,186
Changes in the fair value of biological assets		(42,395,924)	27,161,237	(1,698,847,061)	1,213,971,481
Unpaid unaccrued interests		26,398	6,645	1,057,811	295,470
Costs of sales of standing trees		2,654,145	2,891,715	106,609,424	127,405,583
Impairment loss		-	(3,187,791)	-	(142,478,336)
		(744,030)	3,709,233	(20,606,989)	161,547,486
Changes in assets and liabilities					
Trade receivables and other accounts receivable		493,275	1,091,054	20,906,474	47,479,942
Inventories		(682,858)	(651,973)	(28,941,551)	(28,372,235)
Other non-financial assets		357,675	(1,661,090)	15,159,340	(72,286,484)
Trade payables and other accounts payable		(858,603)	1,955,382	(36,390,171)	85,093,335
Translation adjustment		-	-	(19,648,600)	(1,267,719)
Net flows from operating activities		(1,434,541)	4,442,606	(69,521,497)	192,194,325
Cash flows used in investing activities					
Incurring costs in biological assets	4	(1,764,331)	(1,899,408)	(72,389,217)	(82,604,608)
Purchase of property, plant and equipment	5	(198,327)	(11,320)	(7,929,201)	(488,525)
Import of property, plant and equipment in process		(509,979)	-	(20,020,248)	-
Cash flows from investing activities		(2,472,637)	(1,910,728)	(100,338,666)	(83,093,133)
Cash flows from financing activities					
Loans and liabilities	3.7	5,326,688	(2,281,376)	224,566,627	(98,901,432)
Cash flows from financing activities		5,326,688	(2,281,376)	224,566,627	(98,901,432)
Changes in cash flows and cash equivalents		1,419,510	250,502	54,706,464	10,199,760
Opening balance cash and cash equivalents		447,994	197,492	20,023,092	8,361,827
Effects associated with the maintenance and translation of cash and equivalents		-	-	103,200	1,461,505
Closing balance cash and cash equivalents		1,867,504	447,994	74,832,756	20,023,092

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

The report dated March 31, 2023, is attached hereto. Deloitte S.C.
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Fideicomiso Financiero Forestal Bosques del Uruguay IV

Statement of changes in equity
for the year ended December 31, 2022
(in U.S. dollars)

Notes	PARTICIPATION CERTIFICATES	EQUITY ADJUSTMENT	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance at December 31, 2020	330,000,000	(309,720)	-	77,796,239	407,486,519
Revaluation of property, plant and equipment, net of deferred tax	-	-	35,428,217	-	35,428,217
Profit or loss for the year	-	-	-	(24,377,322)	(24,377,322)
Balance at December 31, 2021	330,000,000	(309,720)	35,428,217	53,418,917	418,537,414
Revaluation of property, plant and equipment, net of deferred tax	-	-	6,122,736	-	6,122,736
Profit or loss for the year	-	-	-	39,000,738	39,000,738
Balance at December 31, 2022	330,000,000	(309,720)	41,550,953	92,419,655	463,660,888

Statement of changes in equity
for the year ended December 31, 2022
(in Uruguayan pesos)

Notes	PARTICIPATION CERTIFICATES	EQUITY ADJUSTMENT	REVALUATION RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance at December 31, 2020	11,932,965,000	(10,723,512)	-	2,014,029,165	3,316,708,573	17,252,979,226
Revaluation of property, plant and equipment, net of deferred tax	-	-	1,583,464,124	-	-	1,583,464,124
Translation reserve	-	-	-	960,396,001	-	960,396,001
Profit or loss for the year	-	-	-	-	(1,090,309,620)	(1,090,309,620)
Balance at December 31, 2021	11,932,965,000	(10,723,512)	1,583,464,124	2,974,425,166	2,226,398,953	18,706,529,731
Revaluation of property, plant and equipment, net of deferred tax	-	-	245,344,188	-	-	245,344,188
Translation reserve	-	-	-	(1,942,038,523)	-	(1,942,038,523)
Profit or loss for the year	-	-	-	-	1,569,520,046	1,569,520,046
Balance at December 31, 2022	11,932,965,000	(10,723,512)	1,828,808,312	1,032,386,643	3,795,918,999	18,579,355,442

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

The report dated March 31, 2023, is attached hereto. Deloitte S.C.
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Fideicomiso Financiero Forestal Bosques del Uruguay IV

Notes to the financial statements for the year ended December 31, 2022

NOTE 1- BASIC INFORMATION ON FIDEICOMISO FORESTAL BOSQUES DEL URUGUAY III

On December 17, 2018, the Trust Fideicomiso Financiero Forestal Bosques del Uruguay IV was established on agreement, by the execution 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".

On March 18, 2019, the Central Bank of Uruguay (BCU) authorized the registration of the Trust in the Securities Market Registry (Communication No. 2019/067).

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 it will be used to fulfill 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, and carried out forestry activity, which became part of the equity of the Trust.

The Business Plan establishes the framework within which the Trust strategy is developed to fulfill its purpose, and specifically indicates the general requirements that the Properties shall meet in order for the Trust to make such investments.

The Trust may incur indebtedness up to a maximum equivalent to 25% of the total assets of the Trust, in which case it may grant guarantees up to a maximum amount equivalent to twice the indebtedness incurred. The purpose of this will be to optimize the Trust's profitability and facilitate the operation of the transactions.

The Trustee appoints the Manager, through the Management Agreement, to fulfill the task of managing the assets of the Trust and to implement the Business Plan related to this Trust and the Management Agreement. Regardless of the above, the Trustee shall remain responsible for the actions of the Manager in reference to the tasks subcontracted to the Manager.

The Trust shall not invest its resources in securities not allowed for Pension Savings Funds.

The equity of the Trust shall consist of its assets and all economic rights, present and future, generated by them. It shall be destined solely and exclusively for the purposes intended, and only the rights and actions related to such assets may be exercised with respect thereto.

Participation Certificates shall give the Holders rights of participation according to the financial performance of the Trust, in accordance with the terms and conditions provided.

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.

Pursuant to communication No. 2019/067 dated March 19, 2019, the BCU authorized the issuance of Participation Certificates for an amount of up to USD 330,000,000.

The report dated March 31, 2023, is attached hereto.

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In accordance with Article 330 of the Central Bank of Uruguay's Compilation of Securities Market Standards, the Trust closes its accounting period on December 31 of each year. The Trust's fiscal year-end is December 31 of each year.

These financial statements have been authorized for issuance by EF Asset Management Administradora de Fondos de Inversión S.A., trustee of the Trust, dated March 30, 2023.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting standards applied

These financial statements were prepared in accordance with Decree 124/11. This Decree, issued by the Executive Branch on April 1, 2011, establishes as mandatory accounting standards for issuers of publicly available securities the International Financial Reporting Standards (IFRS), adopted by the International Accounting Standard Board (IASB), translated into Spanish.

Additionally, in the current fiscal year, the Trust adopted Decree 108/22 dated April 4, 2022, related to the mandatory presentation of financial statements expressed in Uruguayan pesos, in compliance with the provisions set forth in Article 1 of Decree 108/22. Besides, this Decree establishes the option for those entities included in Decree 124/11 to apply the criteria for the presentation of equity components previously introduced in such Decree. The Trust has not opted for the application of this presentation criteria provided for in such decree.

2.1.1 New standards, interpretations and amendments whose mandatory application began in the current fiscal year

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

In the current fiscal year, 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

As of the date of approval of these financial statements, the standards and interpretations issued by the IASB that are not yet effective for periods beginning on January 1, 2022, and that were not early adopted by the Trust are as follows:

- IFRS 17 - Insurance Contracts (1)

The report dated March 31, 2023, is attached hereto.

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- 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:

2.2 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 its financial statements to comply with the legal and tax provisions in force.

In accordance with such regulations, 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 profit or loss for the period, shall be translated at the closing exchange rate;
- translation gains and losses shall be directly recognized in equity without affecting the profit or loss for the period.

The equity components have been retranslated as follows: 1) equity is presented at its value in historical Uruguayan pesos including the difference between such value and that which would result from the application of the general criterion of translation as adjustments to equity; 2) retained earnings correspond to the financial performance for the previous periods, expressed in U.S. dollars and translated according to the general translation standard.

The difference between the use of the closing exchange rate for asset, liabilities and equity translation, and exchange rate at the date of each transaction for the profit or loss for the period is directly presented in the equity item under the heading "Adjustment to Equity" and in the statement of comprehensive income as "Translation Reserve".

The report dated March 31, 2023, is attached hereto.

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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. Exchange differences are recognized in the profit or loss. Balances of assets and liabilities denominated in non-functional currency at year-end are summarized in Note 6.

2.4 Overall valuation criteria for assets and liabilities

Assets and liabilities 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 expressed in the preceding item.

2.5 Cash and cash equivalents

Current and demand deposits held in financial institutions are considered as 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 nominal value and correspond mainly to tax credits.

2.9 Biological assets - plantations

Forest plantations are presented in the statement of financial position at their fair value as of December 31, 2022.

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 has been estimated on December 31, 2022, by an independent appraiser using current value techniques of estimated fund flows, and mainly income or expectation approach techniques.

Based on the methodology described above, the independent appraiser determined that the fair value of the biological assets as of December 31, 2022, amounts to USD 288,430,000, equivalent to UYU 11,557,678,530, while as of December 31, 2021, amounted to USD 246,050,000, equivalent to UYU 10,997,204,750 (Note 4).

To this end, the following elements have been considered:

- the representative prices estimated in the projection for the fiscal year;
- variable and fixed annual costs related to wood production;
- an estimated discount rate based on a capital asset price model, which amounts to 7.5% (as of December 31, 2022, the valuation considered a rate of 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.

The report dated March 31, 2023, is attached hereto.

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

The fair value of these assets has been determined mainly by using sources of information corresponding to 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 items and evolution of property, plant, and equipment balances during the fiscal year ended December 31, 2022, are set out in Note 5 of these financial statements.

In accordance with the terms of the agreement, the lands were valued by an independent appraiser on December 31, 2022. The book value of the lands on this date was adjusted to the values provided in the report issued by such appraiser, which amounts to USD 161,048,143, equivalent to UYU 6,453,360,138, and as of December 31, 2021, amounted to USD 154,389,653, equivalent to UYU 6,900,445,541.

The fair value of these lands has been determined mainly by using sources of information corresponding to hierarchy Level 3.

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

Disbursements after the acquisition of an item of property, plant, and equipment are included in 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 does not exceed their use value and that there have been no impairment losses on any item of property, plant and equipment, except for as previously mentioned for the Lands.

Depreciations for the fiscal year have been charged to selling, general and administrative expenses.

2.12 Accrual basis and revenue recognition

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

Revenue from sales of goods and services is recognized when the entity has transferred the most significant risks of ownership to the customer or once such services are performed, and the amount of revenue can be measured reliably.

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

Selling, general and administrative expenses, financial results and others are recognized on an accrual basis.

2.13 Definition of capital

The difference in value of equity as of December 31, 2022, with respect to the amount of capital to be maintained has

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been considered as the profit or loss for the year. The definition of capital used for this purpose is financial capital.

2.14 Statement of cash flows

In preparing the statement of cash flows for the years ended December 31, 2022, and December 31, 2021, the concept of funds equal to cash and cash equivalents was used, applying the indirect method in its preparation.

	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Banks	1,867,504	447,994	74,832,756	20,023,092
	1,867,504	447,994	74,832,756	20,023,092

2.15 Taxes, current income tax and deferred tax

The Trust is subject to the VAT, the Corporate Income Tax [IRAE, for its acronym in Spanish] and the 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 of 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 of 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 fiscal year ended on December 31, 2022, the Trust does not enjoy such Wealth Tax and Surcharge exemption.

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, VAT will remain on hold, and the tax included in the purchases, which is part of their cost, can be recovered. Grazing revenue is exempt from VAT; thus, a portion of indirect VAT cannot be recovered as it is associated with such type of income.

The Trust shall pay 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%, its subsequent imputation to the profit or loss for the year in which their reversal occurs.

The report dated March 31, 2023, is attached hereto.

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Income tax

a. Income tax components recognized in the statement of comprehensive income

	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current tax	-	(18,161)	-	(820,484)
Profit / (loss) deferred tax	855,916	(373,341)	32,797,530	(15,980,238)
	855,916	(391,502)	32,797,530	(16,800,722)

b. Deferred income tax

	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Property, plant, and equipment - Lands	(3,334,161)	(3,609,184)	(133,603,148)	(161,312,460)
Property, plant, and equipment - Improvements	26,028	(54,865)	1,042,926	(2,452,200)
Biological assets	(2,613,683)	(1,898,597)	(104,732,884)	(84,857,811)
Deferred tax liabilities	(5,921,816)	(5,562,646)	(237,293,106)	(248,622,471)

c. Deferred tax movements for the year

	USD				
	Balance at 12/31/2021	Charged to income	Translation adjustment	Adjustment to equity	Balance at 12/31/2022
Property, plant, and equipment - Lands	(3,609,184)	1,283,383	(472,607)	(535,753)	(3,334,161)
Property, plant, and equipment - Improvements	(54,865)	91,212	(10,320)	-	26,027
Biological assets	(1,898,597)	(518,679)	(196,406)	-	(2,613,683)
Deferred tax liabilities	(5,562,646)	855,916	(679,333)	(535,753)	(5,921,816)

	Equivalent in UYU			
	Balance at 12/31/2021	Charged to income	Adjustment to equity	Balance at 12/31/2022
Property, plant, and equipment - Lands	(161,312,460)	49,177,477	(21,468,165)	(133,603,148)
Property, plant, and equipment - Improvements	(2,452,200)	3,495,126	-	1,042,926
Biological assets	(84,857,812)	(19,875,072)	-	(104,732,884)
Deferred tax liabilities	(248,622,471)	32,797,530	(21,468,165)	(237,293,106)

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d. Reconciliation of income tax expense and accounting profit

	12/31/2022		12/31/2021	
	USD	Equivalent in UYU	USD	Equivalent in UYU
Accounting profit before IRAE	38,144,822	1,536,722,516	(23,985,820)	(1,073,508,898)
	25%	25%	25%	25%
Income tax at applicable rate	(9,536,206)	(384,180,629)	5,996,455	268,377,225
<u>Adjustments that do not generate temporary</u>				
Difference in income (loss) by closings	(407,081)	(21,532,466)	(26,449)	745,832
Non-taxable income	9,489,883	402,209,712	5,883,100	256,017,817
Expenses associated to non-taxable income	(1,002,675)	(42,496,392)	(14,538,511)	(632,679,671)
Land revaluation charged to equity	535,753	21,468,165	2,789,780	124,689,235
Other net items	1,776,242	57,329,140	(495,877)	(33,951,160)
	855,916	32,797,530	(391,502)	(16,800,722)

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, investments, 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 fiscal year.

2.18 Estimates and assumptions in the application of accounting policies

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

The most important 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 hires independent expert appraisers to annually 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 in the year in which such modifications occur. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are reviewed at each reporting date and are recognized only to the extent that it is probable that

The report dated March 31, 2023, is attached hereto. 8

Deloitte S.C.

there is future taxable income against which the deductible temporary difference can be utilized. Additionally, to determine the portion of deferred tax assets to be recognized in the statement of financial position, whether 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 annual reporting date, the Trust reviews the carrying values of its tangible assets to determine whether there are any indications of impairment. If an impairment event occurs, the recoverable amount of the assets is estimated to determine the amount of their impairment loss.

If the asset does not generate cash flows independent from other assets, the Trust estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. The value in use is the present value of the estimated cash flows expected to be derived from the continuous operation of the asset throughout its useful life, as well as from its disposal or abandonment at the end of its useful life. To determine the value in use, the projected cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset being valued.

If the recoverable amount of an asset (or cash generating unit) is less than its carrying amount, the difference is recognized immediately as an impairment loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to its recoverable amount, provided that this value does not exceed the value it would have had if an impairment loss had never been recognized. A reversal of an impairment loss is recognized in profit or loss for the year.

Key assumptions used in the impairment test

In order to determine the impairment loss, the Management hires an independent appraiser, 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 appraiser, which include:

(a) Wood flow

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

- Stratify forest plantations
- Validation of growth and yield 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 divestment
- year zero cash flow.

(c) Operating and management costs

The report dated March 31, 2023, is attached hereto.

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- Forest costs: Forest 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 amounts spent on activities such as management, office maintenance, forest inventory, forest certification, vehicles, roads, forest protection, security, and communications.

(d) Wood price

These are the prices of wood by assortment class, which are the expected prices of wood at the sawmill 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 sector of the Trust.

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 has applied 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 has not identified 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 profit or loss for the fiscal year ended December 31, 2022, are similar to the criteria applied for the fiscal year ended December 31, 2021.

NOTE 3 - OPENING OF ITEMS

3.1 Inventories

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Wood	4,124,664	4,530,996	165,279,423	202,512,849
Coadjuvant	9,984	-	400,069	-
Herbicide	125,311	52,470	5,021,337	2,345,164
Fertilizer	46,381	6,682	1,858,533	298,673
Ant killer	3,234	2,550	129,590	113,972
Seedlings	18,489	-	740,873	-
Seeds	73,602	-	2,949,306	-
	4,401,665	4,592,698	176,379,131	205,270,658

3.2 Trade receivables and other accounts receivable

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Trade receivables	2,727,389	3,290,623	109,289,192	147,074,375
Grazing debtors	122,387	52,428	4,904,163	2,343,273
Beehive debtors	83	82	3,306	3,662
	2,849,859	3,343,133	114,196,661	149,421,310

3.3 Other non-financial assets

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Tax credits	2,825,913	4,186,570	113,237,171	187,118,743
Advances to suppliers	1,449,086	-	58,066,333	-
Insurance prepaid	5,120	5,438	205,177	243,029
Other non-financial assets	2,343	448,129	93,871	20,029,136
	4,282,462	4,640,137	171,602,552	207,390,908

3.4 Cash and cash equivalents

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Banks	1,867,504	447,994	74,832,756	20,023,092
	1,867,504	447,994	74,832,756	20,023,092

The report dated March 31, 2023, is attached hereto.

Deloitte S.C.

3.5 Trade payables and other accounts payable

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Accounts payable	2,905,122	3,234,687	116,411,126	144,574,349
Tax creditors	993,534	2,510,043	39,811,915	112,186,350
Customer advances	441,774	91,602	17,702,339	4,094,173
Provisions	54,036	63,020	2,165,271	2,816,674
Other payables	-	33,049	-	1,477,097
	4,394,466	5,932,401	176,090,651	265,148,643

3.6 Loans and liabilities - current and non-current

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Non-current liabilities				
Bank loan	5,200,000	222,222	208,369,200	9,932,212
	5,200,000	222,222	208,369,200	9,932,212

<i>Current liabilities</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Bank loan	5,448,621	5,073,313	218,331,681	226,751,711
	5,448,621	5,073,313	218,331,681	226,751,711

As of December 31, 2022, the bank loan corresponds to a loan in U.S. dollars taken out with a local bank in February 2020, for the principal amount of USD 8,000,000, to be paid in thirty-six equal, monthly, and consecutive installments of USD 222,222.22. As of the date of presentation of these financial statements, thirty-five installments had already been paid, having an outstanding balance of USD 222,222.

Additionally, it includes five fixed term Notes, firstly, issued in April by a local bank for the principal amount of USD 5,200,000, to be paid in the following 10 years, also issued in July by a local bank for the principal amount of USD 2,500,000, to be paid in the following 120 days. This Note was renewed in September and November for the same term. Besides, a bank loan was taken out with a local bank in November for the principal amount of USD 700,000, to be paid in the following 60 days. This loan was renewed in December for the same term. Lastly, two loans were taken out with two local banks in December for the principal amount of USD 1,000,000, each of them, to be paid in the following 60 days.

Likewise, fixed term Notes were issued by a local bank in September, for the principal amount of USD 1,200,000, to be paid in the following 30 days. Besides, another Note was issued by a local bank in April, for the principal amount of USD 3,000,000, to be paid in the following 90 days.

As of December 31, 2021, the bank loan corresponds to a loan in U.S. dollars taken out with a local bank in February 2020, for the principal amount of USD 8,000,000, to be paid in thirty-six equal, monthly, and consecutive installments of USD 222,222.22. As of the date of presentation of these financial statements, twenty-three installments had already been paid, having an outstanding balance of USD 2,888,889.

Additionally, it includes two fixed term Notes in U.S. dollars issued a local bank. One of them was issued in November, for the principal amount of USD 1,400,000, to be paid in the following 60 days. The other one was issued in December,

The report dated March 31, 2023, is attached hereto.
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for the principal amount of USD 1,000,000, to be paid in the following 90 days.

Accrued and unpaid interests as of December 31, 2022, amount to USD 26,398, equivalent to UYU 1,057,811. At the previous fiscal year-end, they amounted to USD 6,646, equivalent to UYU 297,029.

3.7 Operating revenue

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Revenue from sale of wood	36,895,747	42,956,820	1,526,480,293	1,874,541,958
Revenue from grazing	560,395	514,005	22,962,862	22,370,564
Revenue from beehives	2,210	266	91,785	11,585
Other revenue	-	58,275	-	2,523,981
	37,458,352	43,529,366	1,549,534,940	1,899,448,088

3.8 Selling, general, and administrative expenses

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Forestry operator fees	4,162,256	3,888,636	169,933,087	169,349,774
Depreciation	826,529	823,247	33,850,321	35,862,186
Farm expenses	1,097,946	1,020,443	45,126,464	44,218,084
Other fees	755,567	559,423	30,856,456	24,312,747
Taxes and rates	116,807	135,122	4,844,415	5,926,587
Insurance	357,725	423,823	14,652,974	18,432,718
Leases	414,888	405,745	16,996,526	17,699,860
Miscellaneous	2,526,004	619,979	105,249,502	27,129,604
	10,257,722	7,876,417	421,509,745	342,931,560

3.9 Financial results

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Interests earned	-	85	-	3,623
Interests on bank loans	(104,759)	(110,458)	(4,325,190)	(4,809,290)
Interests and bank charges	(317,770)	(227,425)	(12,949,923)	(9,910,457)
Exchange difference	(830,756)	113,387	(35,209,946)	4,934,307
	(1,253,285)	(224,411)	(52,485,059)	(9,781,817)

3.10 Miscellaneous income

<i>Item</i>	USD		Equivalent in USD	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Land valuation result	-	3,187,792	-	142,478,336
	-	3,187,792	-	142,478,336

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NOTE 4 - BIOLOGICAL ASSETS - PLANTATIONS

As of December 31, 2022, biological assets comprise forest plantations located mainly in the departments of Cerro Largo, Treinta y Tres, Rivera, and Tacuarembó, which are composed mainly by Eucalyptus grandis, dunnii and Pine taeda species, amounting to 33,712 forested hectares on an area of approximately 55,365 hectares (38,061 forested hectares as of December 31, 2021).

The evolution of the biological asset for the year ended December 31, 2022, and December 31, 2021, is detailed below:

	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Opening balance	246,050,000	275,460,178	10,997,204,750	11,662,983,936
Cost increase added to biological assets	1,764,331	1,899,408	72,389,217	82,604,608
Reduction by harvest of biological assets	(1,780,254)	(4,148,349)	(71,898,303)	(182,543,223)
Change in the fair value of biological assets	42,395,924	(27,161,237)	1,698,847,061	(1,213,971,481)
Translation adjustment	-	-	(1,138,864,196)	648,130,910
	288,430,000	246,050,000	11,557,678,530	10,997,204,750

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NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

The composition of property, plant and equipment is as follows:

In U.S. dollars:

Item	12/31/2022												12/31/2021	
	Source values						Depreciations						Net values	Net values
	Opening values	Additions	Disposals	Revaluation	Translation adjustment	Closing values	Accumulated at opening	Disposals	For the year	Translation adjustment	Accumulated at closing			
Lands	154,389,653	-	-	6,658,490	-	161,048,143	-	-	-	-	-	161,048,143	154,389,653	
Improvements	23,239,908	-	-	-	-	23,239,908	(1,710,893)	-	(781,264)	-	(2,492,157)	20,747,751	21,529,015	
Other improvements	141,720	80,425	-	-	-	222,145	(21,021)	-	(17,265)	-	(38,286)	183,859	120,699	
Machinery	280,000	-	-	-	-	280,000	(65,333)	-	(28,000)	-	(93,333)	186,667	214,667	
Construction work-in-progress P.O.	-	117,902	-	-	-	117,902	-	-	-	-	-	117,902	-	
Total	178,051,281	198,327	-	6,658,490	-	184,908,098	(1,797,247)	-	(826,529)	-	(2,623,776)	182,284,322	176,254,034	

Equivalent in Uruguayan pesos:

Item	12/31/2022												12/31/2021	
	Source values						Depreciations						Net values	Net values
	Opening value	Additions	Disposals	Revaluation	Translation adjustment	Closing values	Accumulated at opening	Disposals	For the year	Translation adjustment	Closing values			
Lands	6,900,445,541	-	-	266,812,353	(713,897,755)	6,453,360,138	-	-	-	-	-	6,453,360,138	6,900,445,541	
Improvements	1,038,707,676	-	-	-	(107,461,333)	931,246,343	(76,467,014)	-	(31,998,293)	(8,603,431)	(99,861,876)	831,384,467	962,240,662	
Other improvements	6,334,179	3,251,782	-	-	(684,384)	8,901,577	(940,864)	-	(705,231)	(110,612)	(1,535,483)	7,366,094	5,393,315	
Machinery	12,514,600	-	-	-	(1,294,720)	11,219,880	(2,920,069)	-	(1,146,797)	(326,911)	(3,739,955)	7,479,925	9,594,531	
Construction work-in-progress P.O.	-	4,677,419	-	-	(47,036)	4,724,455	-	-	-	-	-	4,724,455	-	
Total	7,958,001,996	7,929,201	-	266,812,353	(823,291,157)	7,409,452,393	(80,327,947)	-	(33,850,321)	(9,040,955)	(105,137,313)	7,304,315,079	7,877,674,049	

The report dated March 31, 2023, is attached hereto.

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NOTE 6 - IMPORTS IN PROCESS

In 2022, the construction of a winding plant began in the department of Treinta y Tres. At the fiscal year-end, two industrial machines for such plant were in the importing process (Note 6).

NOTE 7 - ASSETS AND LIABILITIES IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

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

	December 31, 2022			December 31, 2021		
	UYU	YUAN	Equivalent in USD	UYU	YUAN	Equivalent in USD
Assets						
Trade receivables and other accounts receivable	4,386,158	-	109,460	923,048	-	20,652
Others non-financial assets	131,717,564	-	3,287,105	188,306,639	-	4,213,148
Cash and cash equivalents	2,987,953	-	74,566	400,443	-	8,959
Total assets	139,091,675	-	3,471,131	189,630,130	-	4,242,759
Liabilities						
Deferred tax	237,293,106	-	5,921,816	248,622,471	-	5,562,646
Trade payables and other accounts payable	95,579,056	(3,654,000)	3,014,309	168,318,544	-	3,765,937
Total liabilities	332,872,162	(3,654,000)	8,936,125	416,941,015	-	9,328,583
Net position	(193,780,487)	(3,654,000)	(5,464,994)	(227,310,885)	-	(5,085,824)

The U.S. dollar exchange rate as of December 31, 2022, was UYU 40.071, and UYU 44.695 as of December 31, 2021.

NOTE 8 - EQUITY

Book-Entry Participation Certificates for a nominal value of USD 330,000,000 were registered in the Securities Market Registry. The nominal value of each participation certificate is USD 1.

Date	USD	Equivalent in UYU
04/11/2019	39,600,000	1,342,162,800
08/19/2019	6,600,000	238,913,400
08/26/2019	283,800,000	238,913,400
Total Paid-in Capital	330,000,000	11,932,965,000

The balance of equity adjustment as of December 31, 2022, and 2021, includes initial issuance costs amounting to USD 309,720, equivalent to UYU 10,723,512 (debtor).

The revaluation reserve includes the accumulated revaluation of property, plant and equipment net of the deferred tax effect, which as of December 31, 2022, amounts to USD 41,550,953 (equivalent to UYU 1,828,808,312), and as of

December 31, 2021, amounted to USD 35,428,217 (equivalent to UYU 1,583,464,124).

Additionally, for the presentation of the financial statements in Uruguayan pesos, the balance of equity adjustment includes the translation reserve which amounts to UYU 1,032,386,643 as of December 31, 2022, and UYU 2,974,425,166 as of December 31, 2021.

NOTE 9 - COMMITMENTS

As of December 31, 2022, the Trust entered into commitments for grazing contracts amounting to USD 432,824, for 50,200 hectares of pastured land.

NOTE 10 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Accounts payable				
Agroempresa Forestal S.A.	468,092	437,692	18,756,920	19,562,644
	468,092	437,692	18,756,920	19,562,644

b) Transactions with related parties are composed as follows:

	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Accrued fees				
Agroempresa Forestal S.A.	4,162,255	3,888,636	169,933,087	169,349,774
	4,162,255	1,783,956	169,933,087	169,349,774

NOTE 11 - 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 the contractual obligations.

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

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 profit.

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.

10.3 Market risk

Market risk occurs when changes in market prices, for example, in the exchange rate, interest rates and asset prices 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 pesos (Note 7). 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 in foreign currency. With a 10% weakening of the Uruguayan peso against the U.S. dollar the comprehensive income for the year would increase by USD 439,630, equivalent to UYU 19,378,049. If a strengthening of 10% were to occur, the comprehensive income for the year would decrease by USD 537,325, equivalent to UYU 19,378,049.

b) Interest Rate Risk

The Trust is exposed to low interest rate risk. The debt is at a fixed 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 period end of the Financial Statements are as follows:

	USD		Equivalent in UYU	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Inventory	4,401,665	4,592,698	176,379,131	205,270,658
Property, plant and equipment (Lands)	161,048,143	154,389,653	6,453,360,138	6,900,445,541
Biological assets	288,430,000	246,050,000	11,557,678,530	10,997,204,750
	453,879,808	405,032,351	18,187,417,799	18,102,920,949

NOTE 12 - SUBSEQUENT EVENTS

As of the date of presentation of these financial statements, no other events have occurred that could significantly affect the financial position of the Trust as of December 31, 2022.

The report dated March 31, 2023, is attached hereto.