



Fideicomiso Financiero Forestal Bosques del Uruguay IV

Financial Forestry Trust Bosques del Uruguay IV

Financial Statements for the year ended December 31, 2023, 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.

FINANCIAL FORESTRY TRUST FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL
URUGUAY IV

Financial Statements for the year ended December 31, 2023, and
Independent Auditor's Report

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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 (hereinafter the Trust), which comprise the statement of financial position as of December 31, 2023, 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 the Trust as of December 31, 2023, 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, 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 Land and Biological Assets**

As described in Notes 2.9 and 2.11, as of December 31, 2023, the Trust holds biological assets and land carried at a net book value of approximately USD 331.4 million and USD 167.8 million, respectively.

To determine the fair value of land and biological assets, the Trustee, with the assistance of independent appraisers, has chosen the income approach (net present value technique) as the valuation technique for biological assets and the market approach for the land. 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.) for biological assets, and average values taken from available publications to reflect the characteristics of the asset, in this case, land.

We have considered this as a key issue in our audit because of the significance of the amount of biological assets and land, and the complexity of the key assumptions used in the financial model and the model review process.

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

- We evaluated the processes established by the Trustee in order to appoint independent appraisers.
- We evaluated the technical suitability of the appraisers and their professional independence.
- We cross-checked relevant underlying data used in the valuation report with external sources (specialized land price publications) and we did the same for land acquisitions so they are consistent with the supporting land purchase documentation (sale and purchase agreements).
- 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 ISA 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 communicated with the Board regarding, among other matters, the scope and timing of the audit procedures, significant audit findings identified, including, if any, significant deficiencies in the internal control system that we identified during our audit.

We also provided 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.

March 27, 2024



Héctor Cuello
Partner, Deloitte S.C.



FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Statement of Financial Position as of December 31, 2023

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets					
Non-current assets					
Import in process	6	-	509,979	-	20,435,371
Property, plant and equipment	5	194,603,757	182,284,322	7,593,827,806	7,304,315,079
Biological assets-plantations	4	331,397,296	288,430,000	12,931,785,304	11,557,678,530
Total non-current assets		526,001,053	471,224,301	20,525,613,110	18,882,428,980
Current assets					
Inventories	3.1	6,540,242	4,401,665	255,213,330	176,379,131
Accounts receivable and other receivables	3.2	6,105,684	2,849,859	238,256,018	114,196,661
Other non-financial assets	3.3	4,824,871	4,282,462	188,276,069	171,602,552
Cash and cash equivalents	3.4	159,008	1,867,504	6,204,830	74,832,756
Total current assets		17,629,805	13,401,490	687,950,247	537,011,100
Total assets		543,630,858	484,625,791	21,213,563,357	19,419,440,080
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		47,729,702	41,550,953	2,069,915,472	1,828,808,312
Translation reserve		-	-	551,394,086	1,032,386,643
Retained earnings	8	130,290,827	92,419,655	5,268,340,129	3,795,918,999
Total equity		507,710,809	463,660,888	19,811,891,175	18,579,355,442
Liabilities					
Non-current liabilities					
Deferred tax liabilities	2.15	6,637,933	5,921,816	259,025,421	237,293,106
Loans and liabilities	3.6	4,941,927	5,200,000	192,843,875	208,369,200
Total non-current liabilities		11,579,860	11,121,816	451,869,296	445,662,306
Current liabilities					
Account payable and other payables	3.5	7,549,083	4,394,466	294,580,332	176,090,651
Loans and liabilities	3.6	16,791,106	5,448,621	655,222,554	218,331,681
Total current liabilities		24,340,189	9,843,087	949,802,886	394,422,332
Total liabilities		35,920,049	20,964,903	1,401,672,182	840,084,638
Total liabilities and equity		543,630,858	484,625,791	21,213,563,357	19,419,440,080

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

The report dated March 27,
2024, is attached hereto.
Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

**Statement of Comprehensive Income
for the year ended December 31, 2023**

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Operating revenues	3.7	30,075,210	37,458,352	1,162,292,545	1,549,534,940
Change in the fair value of biological assets		42,469,542	42,395,924	1,657,246,465	1,698,847,061
Cost of goods sold		(24,044,801)	(30,613,335)	(933,081,717)	(1,254,661,207)
Gross margin		48,499,951	49,240,941	1,886,457,293	1,993,720,794
SG&A	3.8	(9,624,370)	(9,842,834)	(372,747,921)	(342,931,560)
Financial results	3.9	(1,085,396)	(1,253,285)	(42,096,735)	(52,485,059)
Profit or loss for the year before income tax		37,790,185	38,144,822	1,471,612,637	1,536,722,516
Income tax	2.15	80,987	855,916	808,493	32,797,530
Profit or loss for the year		37,871,172	39,000,738	1,472,421,130	1,569,520,046
Other comprehensive income for the year					
Items that will not be reclassified to profit or loss					
Revaluation of property, plant and equipment	5	6,756,393	6,658,489	263,647,968	266,812,353
Deferred tax associated with revaluation of property, plant and equipment	2.15	(577,644)	(535,753)	(22,540,807)	(21,468,165)
Items that may be subsequently reclassified to profit or loss					
Translation reserve		-	-	(480,992,558)	(1,942,038,523)
Comprehensive income for the year		44,049,921	45,123,474	(127,174,289)	(127,174,289)

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

The report dated March 27,
2024, is attached hereto.
Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Statement of Cash Flows
for the year ended December 31, 2023

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash flows from operating activities					
Profit or loss for the year before income tax		37,790,185	38,144,822	1,471,612,637	1,536,722,516
Adjustments					
Depreciations	5	841,517	826,529	32,514,096	33,118,874
Changes in the fair value of biological assets		(42,469,542)	(42,395,924)	(1,657,246,465)	(1,698,847,061)
Accrued interests		129,301	26,398	5,045,570	1,057,811
Costs of sales of standing trees		1,082,570	2,654,145	43,202,054	106,609,424
		(2,625,969)	(744,030)	(104,872,108)	(20,606,989)
Changes in assets and liabilities					
Account receivable and other receivables		(3,255,825)	493,275	(128,756,483)	20,906,474
Inventories		(784,850)	(682,858)	(31,038,071)	(28,941,551)
Other non-financial assets		(542,409)	357,675	(21,450,378)	15,159,340
Accounts payable and other payables		3,374,077	(858,603)	133,432,936	(36,390,171)
Translation adjustment		-	-	(9,786,811)	(19,648,600)
Net flows used in operating activities		(3,834,976)	(1,434,541)	(162,470,915)	(69,521,497)
Cash flows from investing activities					
Incurring costs in biological assets	4	(2,928,360)	(1,764,331)	(113,916,484)	(72,389,217)
Import of property, plant and equipment in process	5	(509,979)		19,805,037	(20,020,248)
Purchase of property, plant and equipment		(6,410,250)	(198,327)	(247,944,273)	(7,929,201)
Cash flows from investing activities		(8,828,631)	(2,472,637)	(342,055,720)	(100,338,666)
Cash flows from financing activities					
Loans and liabilities	3.7	8,452,995	5,326,688	336,691,160	224,566,627
Cash flows from financing activities		8,452,995	5,326,688	336,691,160	224,566,627
Changes in cash flows and cash equivalents		(4,210,612)	1,419,510	(167,835,475)	54,706,464
Opening balance of cash and cash equivalents		1,867,504	447,994	74,832,756	20,023,092
Effects associated with the maintenance and translation of cash and equivalents		-	-	1,569,976	103,200
Closing balance of cash and cash equivalents	2.14	(2,343,108)	1,867,504	(91,432,743)	74,832,756

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

The report dated March 27, 2024, is attached hereto.
Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

**Statement of Changes in Equity
for the year ended December 31, 2023**

(in U.S. dollars)

<u>Notes</u>	PARTICIPATION CERTIFICATES	ADJUSTMENT TO EQUITY	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL NET EQUITY
Balance as of December 31, 2021	330,000,000	(309,720)	35,428,217	53,418,917	418,537,414
Profit or loss for the year	-	-	-	39,000,738	39,000,738
Revaluation of property, plant and equipment, net of deferred tax	-	-	6,122,736	-	6,122,736
Balance as of December 31, 2022	330,000,000	(309,720)	41,550,953	92,419,655	463,660,888
Profit or loss for the year	-	-	-	37,871,172	37,871,172
Revaluation of property, plant and equipment, net of deferred tax	-	-	6,178,749	-	6,178,749
Balance as of December 31, 2023	330,000,000	(309,720)	47,729,702	130,290,827	507,710,809

**Statement of Changes in Equity
for the year ended December 31, 2023**

(in Uruguayan pesos)

<u>Notes</u>	PARTICIPATION CERTIFICATES	ADJUSTMENT TO EQUITY	REVALUATION RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL NET EQUITY
Balance as of 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
Translation reserve	-	-	-	(1,942,038,523)	-	(1,942,038,523)
Revaluation of property, plant and equipment, net of deferred tax	-	-	245,344,188	-	-	245,344,188
Profit or loss for the year	-	-	-	-	1,569,520,046	1,569,520,046
Balance as of 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
Translation reserve	-	-	-	(480,992,557)	-	(480,992,557)
Revaluation of property, plant and equipment, net of deferred tax	-	-	241,107,160	-	1,472,421,130	241,107,160
Profit or loss for the year	-	-	-	-	-	1,472,421,130
Balance as of December 31, 2023	11,932,965,000	(10,723,512)	2,069,915,472	551,394,086	5,268,340,129	19,811,891,175

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

The report dated March 27, 2024, is attached hereto. Deloitte S.C.
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FINANCIAL FORESTRY TRUST FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Notes to the financial statements for the year ended December 31, 2023

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

In the city of Montevideo, on December 17, 2018, this Agreement is made and entered into by and between EF ASSET MANAGEMENT, Administradora de Fondos de Inversión S.A., acting as "Trustee", Agroempresa Forestal S.A., acting as "Manager", and the Initial Underwriters of the Securities, acting as "Trustors", to create the Financial Forestry Trust Fideicomiso Financiero Forestal Bosques del Uruguay IV".

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

The capital of the Trust has been paid-in with the amounts paid by the Trustors in their capacity as Initial Underwriters of the Securities, under the conditions set out in the Agreement and will be used to fulfill the purposes therein.

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. Such properties shall be used to carry out forestry activities.

The Business Plan provides the framework within which the Trust's strategy shall be developed to fulfill its purpose. Besides, it specifically details the general requirements 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. The Manager shall be in charge of managing the Trust Assets and implementing the Business Plan related to this Trust and the Management Agreement. Notwithstanding the foregoing, the Trustee shall be responsible for the performance of the Manager in reference to the outsourced activities.

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

The Trust equity shall comprise its Assets and all economic rights, either present or future, generated by them. It shall be used solely and exclusively for the purposes intended, and only the rights and actions related to such assets shall be exercised with respect thereto.

Participation Certificates shall grant Holders rights of participation according to the financial performance of the Trust, 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 its obligations are discharged.

Pursuant to Notice 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.

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

The report dated March 27, 2024, is attached hereto.

Deloitte S.C.

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 27, 2024.

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.

Decree 108/22 dated April 4, 2022, establishes the option for entities covered by Decree 124/11 the criteria for presentation of equity items introduced by the aforementioned decree. The Trust has not opted for the application of the 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, 2022, and for the year then ended, except for the adoption of new standards effective as of January 1, 2023.

In the current fiscal year, the following new and/or revised standards issued by the IASB did not have an impact on the financial statements of the Trust:

- Amendments to IFRS 17: Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12: International Tax Reform — Pillar Two Model Rules.
- Amendments to IAS 8: Definition of Accounting Estimates

The application of these new standards has 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 are as follows:

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

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

IAS 21 states that functional currency shall provide useful information about the Trust and reflect its economic substance of events and its relevant circumstances. 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 account receivable 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 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 profit or loss for the period

Equity items have been retranslated as follows: 1) capital 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 Trust's financial performance since its creation, 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 results 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".

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 result for the period. 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 (except for biological assets and items of 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 expressed in the preceding item.

2.5 Cash and cash equivalents

Checking accounts and on 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 Accounts receivable and other receivables

Accounts receivable and other receivables 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, 2023.

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 as of December 31, 2023, by an independent appraiser using current value techniques of estimated fund flows, combining income and 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, 2023, amounts to USD 331,397,296, equivalent to UYU 12,931,785,304.

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%

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 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 components and evolution of property, plant, and equipment balances during the fiscal year ended December 31, 2023, are set out in Note 5 of these financial statements.

In accordance with the terms of the agreement, land was valued by an independent appraiser as of December 31, 2023. The book value of the lands on this date was adjusted to the values provided in the report issued by such appraiser. As of December 31, 2023, such book value amounts to USD 167,804,563, equivalent to UYU 6,548,068,604.

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 land.

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, 2023, with respect to the amount of capital to be maintained has 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, 2023, and December 31, 2022, the concept of funds equal to cash and cash equivalents was used, applying the indirect method in its preparation.

	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Banks	159,008	1,867,504	6,204,830	74,832,752
Overdraft debt	(2,502,116)	-	(97,637,573)	-
	(2,343,108)	1,867,504	(91,432,743)	74,832,752

2.15 Taxes, current income tax and deferred tax

The Trust is subject to VAT, Corporate Income Tax [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 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 introduced an amendment to such law 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, 2023, 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. 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.

A) Income tax

	12/31/2023		12/31/2022	
	USD	Equivalent in UYU	USD	Equivalent in UYU
Income tax expense				
Profit / (loss) deferred tax	80,987	808,493	855,916	32,797,530
	80,987	808,493	855,916	32,797,530

A) Deferred income tax

	12/31/2023		12/31/2022	
	USD	Equivalent in UYU	USD	Equivalent in UYU
Property, plant, and equipment - Land	(3,210,440)	(125,277,788)	(3,334,161)	(133,603,148)
Property, plant, and equipment - Improvements	100,037	3,903,606	26,028	1,042,926
Biological assets	(3,494,069)	(136,345,552)	(2,613,683)	(104,732,884)
Construction work-in-progress P.O.	(334)	(13,022)	-	-
Machinery and equipment P.O.	(33,127)	(1,292,665)	-	-
Deferred tax assets/ (liabilities)	(6,637,933)	(259,025,421)	(5,921,816)	(237,293,106)

C) Deferred tax movements for the year

	USD				
	Balance as of 12/31/2022	Charged to income	Translation adjustment	Adjustment to equity	Balance as of 12/31/2023
Property, plant, and equipment - Land	(3,334,161)	3,091,863	(2,390,498)	(577,644)	(3,210,440)
Property, plant, and equipment -Improvements	26,027	286,554	(212,545)	-	100,037
Biological assets	(2,613,683)	(3,166,641)	2,286,255	-	(3,494,069)
Construction work-in-progress P.O.	-	(1,304)	970	-	(334)
Machinery and equipment P.O.	-	(129,485)	96,358	-	(33,127)
Deferred tax assets / (liabilities)	(5,921,816)	80,987	(219,460)	(577,644)	(6,637,933)

	Equivalent in UYU			
	Balance as of 12/31/2022	Charged to income	Adjustment to equity	Balance as of 12/31/2023
Property, plant, and equipment - Land	(133,603,148)	30,866,167	(22,540,807)	(125,277,788)
Property, plant, and equipment -Improvements	1,042,926	2,860,680	-	3,903,606
Biological assets	(104,732,884)	(31,612,668)	-	(136,345,552)
Construction work-in-progress P.O.	-	(13,022)	-	(13,022)
Machinery and equipment P.O.	-	(1,292,665)	-	(1,292,665)
Deferred tax assets / (liabilities)	(237,293,106)	808,492	(22,540,807)	(259,025,421)

D) Reconciliation of income tax expense and accounting profit

	12/31/2023		12/31/2022	
	USD	Equivalent in UYU	USD	Equivalent in UYU
Accounting profit before IRAE	37,790,185	1,471,612,637	38,144,822	1,536,722,516
	25%	25%	25%	25%
Income tax at applicable rate	(9,447,547)	(367,903,159)	(9,536,206)	(384,180,629)
<u>Adjustments that do not generate temporary</u>				
Difference in income (loss) by closings	(708,312)	(28,011,275)	(407,081)	(21,532,466)
Non-taxable income	13,869,034	548,471,754	9,489,883	402,209,712
Expenses associated to non-taxable income	(3,980,252)	(157,405,053)	(1,002,675)	(42,496,392)
Land revaluation charged to equity	577,644	22,540,807	535,753	21,468,165
Other net items	(229,580)	(16,884,581)	1,776,242	57,329,140
	80,987	808,493	855,916	32,797,530

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) Impairment of non-financial assets

At each annual reporting date, the Trust reviews the carrying values of property, plant and equipment: Land, to determine whether or not there are any indications of impairment. If an impairment event occurs, the recoverable amount of the assets is estimated to determine whether it is necessary to write down the value of the assets due to such impairment.

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

The Trust annually hires independent expert appraisers to determine the fair value of land (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.

(c) 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 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 Determination of the fair value of lands and forests

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

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

- 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, 2023, are similar to the criteria applied for the fiscal year ended December 31, 2022.

NOTE 3 - OPENING OF ITEMS

3.1 Inventories

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Wood	6,197,525	4,124,664	241,802,159	165,279,423
Herbicide	165,680	125,311	6,460,111	5,021,337
Inventories P.O.	78,919	-	3,079,586	-
Seedlings	28,183	18,489	1,102,008	740,873
Fertilizer	23,370	46,381	908,155	1,858,533
Seeds	17,786	73,602	732,998	2,949,306
Coadjuvant	14,217	9,984	566,142	400,069
Ant killer	14,562	3,234	562,171	129,590
	6,540,242	4,401,665	255,213,330	176,379,131

3.2 Accounts receivable and other receivables

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Accounts receivable	5,913,860	2,727,389	230,770,667	109,289,192
Grazing debtors	191,824	122,387	7,485,351	4,904,163
Beehive debtors	-	83	-	3,306
	6,105,684	2,849,859	238,256,018	114,196,661

3.3 Other non-financial assets

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current				
Tax credits	4,429,500	2,825,913	172,847,943	113,237,171
Advances to suppliers	369,583	1,449,086	14,421,876	58,066,333
Other non-financial assets	18,271	2,343	712,988	93,871
Insurance prepaid	7,517	5,120	293,262	205,177
	4,824,871	4,282,462	188,276,069	171,602,552

3.4 Cash and cash equivalents

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Banks	159,008	1,867,504	6,204,830	74,832,756
	159,008	1,867,504	6,204,830	74,832,756

3.5 Accounts payable and other payables

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Accounts payable	5,559,355	2,905,122	216,937,170	116,411,126
Tax creditors	1,804,921	993,534	70,431,632	39,811,915
Customer advances	136,839	441,774	5,339,731	17,702,339
Provisions	31,812	22,618	1,241,373	906,326
Other payables	16,156	31,418	630,426	1,258,945
	7,549,083	4,394,466	294,580,332	176,090,651

3.6 Loans and liabilities

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Non-current liabilities				
Bank loan	4,941,927	5,200,000	192,843,875	208,369,200
	4,941,927	5,200,000	192,843,875	208,369,200

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Current liabilities				
Bank loan	14,288,990	5,448,621	557,584,981	218,331,681
Overdraft debt	2,502,116	-	97,637,573	-
	16,791,106	5,448,621	655,222,554	218,331,681

As of December 31, 2023, the bank loan corresponds to two loans in U.S. dollars taken out with a local bank. One of them was issued in April 2020, for the principal amount of USD 5,200,000. This loan shall be paid in ninety-six equal, monthly, and consecutive installments of USD 54,166.67, from May 2024. The other loan was taken out in January 2023, for the principal amount of USD 4,000,000. This loan shall be paid in twenty-four equal, monthly, and consecutive installments from February 2023. As of the date of these financial statements, eleven installments amounting to USD 1,780,901 have already been paid.

Additionally, such loan includes ten fixed term notes taken out with local banks. Firstly, four notes were issued in April 2023, for the principal amount of USD 1,000,000. This note was renewed in June and October 2023. Therefore, it shall be fully paid in February 2024. Likewise, the abovementioned bank loan also includes one note issued in November 2023, which shall be paid in February 2024. It also includes two fixed term notes issued in December 2023, which shall be paid in June 2024. Furthermore, it includes two notes issued in May 2023, for the principal amount of USD 2,000,000. They were renewed in July and October, and November 2023, respectively. Another note was issued in November 2023, for the principal amount of USD 2,000,000. This note shall be paid in May 2024. Additionally, another note was issued in February 2024, for the principal amount of USD 800,000. Its outstanding balance amounts to USD 182,523.67. This note shall be fully paid in March 2024. Finally, another note was issued in September 2023, for the principal amount of USD 1,100,000. This note shall be fully paid in March 2024.

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, 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. This note shall be paid in thirty-six equal, monthly, and consecutive installments of USD 222,222.22. As of the date of these financial statements, twenty-five installments. Its outstanding balance amounts to USD 222,222.22.

Additionally, it includes five fixed term notes. One of them was issued in April by a local bank, for the principal amount of USD 5,200,000. This note shall be paid in the following 10 years. Another note also issued in July by a local bank for the principal amount of USD 2,500,000. This note shall 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. This note 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 shall be paid in the following 60 days.

Likewise, two fixed term notes were issued by a local bank in September, for the principal amount of USD 1,200,000. These notes shall 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. This note shall be paid in the following 90 days

Accrued and unpaid interests as of December 31, 2023 amount to USD 129,301, equivalent to UYU 5,045,570. At the previous fiscal year-end, they amounted to USD 26,398, equivalent to UYU 1,057,811.

3.7 Operating revenue

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Revenue from sale of wood	29,449,336	36,895,747	1,138,164,555	1,526,480,293
Revenue from grazing	621,506	560,395	23,962,361	22,962,862
Revenue from beehives	825	2,210	31,805	91,785
Other revenue	3,543	-	133,824	-
	30,075,210	37,458,352	1,162,292,545	1,549,534,940

3.8 Selling, general, and administrative expenses

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Forestry operator fees	4,430,903	4,162,256	171,064,993	169,933,087
Field expenses	1,009,925	1,097,946	39,228,312	33,850,321
Depreciation	841,517	826,529	32,514,096	45,126,464
Other fees	693,227	755,567	26,833,031	30,856,456
Export expenses	862,936	2,315,597	33,629,055	96,699,348
Project Olimar	404,397	-	15,767,932	-
Insurance	390,004	357,725	15,087,795	14,652,974
Social security contributions	86,108	67,744	3,328,984	2,770,351
Taxes	785,292	116,807	30,612,906	4,844,415
Miscellaneous	120,061	142,663	4,680,817	5,779,802
	9,624,370	9,842,834	372,747,921	404,513,218

3.9 Financial results

<i>Item</i>	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Interest on bank loans	(173,910)	(104,759)	(6,750,071)	(4,325,190)
Interest and bank charges	(758,629)	(317,770)	(29,301,723)	(12,949,923)
Exchange difference	(152,857)	(830,756)	(6,044,941)	(35,209,946)
	(1,085,396)	(1,253,285)	(42,096,735)	(52,485,059)

NOTE 4 - BIOLOGICAL ASSETS - PLANTATIONS

As of December 31, 2023, 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 Pinus taeda species, amounting to 34,331 forested hectares on an area of approximately 55,365 hectares (33,712 forested hectares on an area of approximately 55,365 hectares as of December 31, 2022.)

The evolution of the biological asset for the year ended December 31, 2023, and December 31, 2022, is detailed below:

	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	288,430,000	246,050,000	11,557,678,530	10,997,204,750
Cost increase added to biological assets	2,928,360	1,764,331	113,916,484	72,389,217
Reduction by harvest of biological assets	(2,430,606)	(1,780,254)	(95,283,603)	(71,898,303)
Change in the fair value of biological assets	42,469,542	42,395,924	1,657,246,465	1,698,847,061
Translation adjustment	-	-	(301,772,572)	(1,138,864,196)
	331,397,296	288,430,000	12,931,785,304	11,557,678,530

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

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

In U.S. dollars:

Item	12/31/2023												12/31/2022	
	Acquisition costs						Depreciations							Net values
	Opening values	Additions	Disposals	Revaluation	Translation adjustment	Closing values	Accumulated at the beginning of the period	Disposals	For the period	Translation adjustment	Accumulated at the end of the period			
Lands	161,048,143	-	-	6,756,393	-	167,804,536	-	-	-	-	-	167,804,536	161,048,143	
Improvements	23,239,908	-	-	-	-	23,239,908	(2,492,157)	-	(781,264)	-	(3,273,421)	19,966,487	20,747,751	
Other improvements	222,145	355,593	-	-	-	577,738	(38,286)	-	(32,253)	-	(70,539)	507,199	183,859	
Machinery	280,000	-	-	-	-	280,000	(93,333)	-	(28,000)	-	(121,333)	158,667	186,667	
Machinery and equipment P.O.	-	2,281,308	-	-	-	2,281,308	-	-	(5,691)	-	(5,691)	2,275,617	-	
Construction work-in-progress P.O.	117,902	3,773,349	-	-	-	3,891,251	-	-	-	-	-	3,891,251	117,902	
Total	184,908,098	6,410,250	-	6,756,393	-	198,074,741	(2,623,776)	-	(847,208)	-	(3,470,984)	194,603,757	182,248,322	

Equivalent in Uruguayan pesos:

Item	12/31/2023												12/31/2022	
	Acquisition costs						Depreciations							Net values
	Opening values	Additions	Disposals	Revaluation	Translation adjustment	Closing values	Accumulated at the beginning of the period	Disposals	For the period	Translation adjustment	Accumulated at the end of the period			
Lands	6,453,360,138	-	-	263,647,968	(168,939,502)	6,548,068,604	-	-	-	-	-	6,548,068,604	6,453,360,138	
Improvements	931,246,343	-	-	-	(24,378,663)	906,867,680	(99,861,876)	-	(30,184,979)	2,312,768	(127,734,087)	779,133,593	831,384,467	
Other improvements	8,901,577	13,817,791	-	-	(174,879)	22,544,489	(1,535,483)	-	(1,247,308)	28,881	(2,753,910)	19,790,579	7,366,094	
Machinery	11,219,880	-	-	-	(293,720)	10,926,160	(3,739,955)	-	(1,081,809)	87,101	(4,734,663)	6,191,497	7,479,925	
Machinery and equipment P.O.	-	87,802,446	-	-	1,218,770	89,021,216	-	-	(222,101)	-	(222,101)	88,799,115	-	
Construction work-in-progress P.O.	4,724,455	146,324,036	-	-	795,928	151,844,418	-	-	-	-	-	151,844,418	4,724,455	
Total	7,409,452,393	247,944,273	-	263,647,968	(191,772,066)	7,729,272,567	(105,137,314)	-	(32,736,197)	2,428,750	(135,444,761)	7,593,827,806	7,304,315,079	

The construction of a debinding plant began in 2022 in the department of Treinta y Tres.

The report dated March 27, 2024, is attached hereto.

Deloitte S.C.

NOTE 6 - IMPORTS IN PROCESS

The construction of a debinding plant began in 2022 in the department of Treinta y Tres. At the fiscal year-end, two industrial machines for such plant were in the importing process.

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, 2023		December 31, 2022		
	UYU	Equivalent in USD	UYU	YUAN	Equivalent in USD
Assets					
Accounts receivable and other receivables	7,917,873	202,908	4,386,158	-	109,460
Others non-financial assets	174,309,655	4,466,959	131,717,564	-	3,287,105
Cash and cash equivalents	1,235,019	31,649	2,987,953	-	74,566
Total assets	183,462,547	4,701,516	139,091,675	-	3,471,131
Liabilities					
Deferred tax	259,025,421	6,637,933	237,293,106	-	5,921,816
Accounts payable and other payables	198,355,439	5,083,170	95,579,056	(3,654,000)	3,014,309
Total liabilities	457,380,860	11,721,103	332,872,162	(3,654,000)	8,936,125
Net position	(273,918,313)	(7,019,587)	(193,780,487)	(3,654,000)	(5,464,994)

The U.S. dollar exchange rate as of December 31, 2023, was UYU 39.022, and UYU 40.071 as of December 31, 2022.

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, 2023, and 2022, includes initial issuance costs amounting to USD 309,720, equivalent to UYU 10,723,512.

The revaluation reserve includes the accumulated revaluation of property, plant and equipment net of the deferred tax effect, which as of December 31, 2023, amounts to USD 47,729,702 (equivalent to UYU 2,069,915,472), and as of December 31, 2022, amounted to USD 41,550,953 (equivalent to UYU 1,828,808,312.)

Additionally, for the presentation of the financial statements in Uruguayan pesos, the balance of equity adjustment includes the translation reserve which amounts to UYU 551,394,086 as of December 31, 2023, and UYU 1,032,386,643 as

of December 31, 2022.

NOTE 9 - COMMITMENTS

As of December 31, 2023, the Trust's commitments for grazing contracts on lands owned by the Trust amount to USD 411,439, corresponding to 42,888 hectares of pastured land.

NOTE 10 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Agroempresa Forestal S.A.	467,371	468,092	18,237,766	18,756,920
	467,371	468,092	18,237,766	18,756,920

b) Transactions with related parties are composed as follows:

	USD		Equivalent in UYU	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
<i>Accrued fees</i>				
Agroempresa Forestal S.A.	4,430,903	3,121,691	171,064,993	128,946,319
	4,430,903	3,121,691	171,064,993	128,946,319

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 low credit risk since it does not hold significant credits and there are restrictions on the instruments in which it can invest. Its main assets are measured at fair value as indicated in Notes 2.9 and 2.11.

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 638,144, equivalent to UYU 27,391,831. If a strengthening of 10% were to occur, the comprehensive income for the year would decrease by USD 779,954, equivalent to UYU 27,391,831.

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	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Inventory	6,540,242	4,401,665	255,213,330	176,379,131
Property, plant and equipment (Land)	167,804,536	161,048,143	6,548,068,604	6,453,360,138
Biological assets	331,397,296	288,430,000	12,931,785,304	11,557,678,530
	505,742,074	453,879,808	19,735,067,238	18,187,417,799

d) Fair value

It was estimated that the value of financial assets and liabilities measured at amortized cost, corresponding to accounts receivable, other receivables, accounts payable and other payables, has not significantly differed from their fair value since they are substantially short-term credits.

Considering loans and other liabilities, no relevant changes in market interest rates have been recorded since the transaction date. Therefore, the carrying value of such financial liabilities does not significantly differ from their estimated fair value.

NOTE 12 - SUBSEQUENT EVENTS

After December 31, 2023, no other events or circumstances have occurred that may have significantly affected the financial position, performance and cash flows of the Trust.