

**FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY
FINANCIAL FORESTRY TRUST BOSQUES DEL URUGUAY**

***INTERIM FINANCIAL STATEMENTS AND COMPILATION REPORT
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024***

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

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2024

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Abbreviations:

UYU – Uruguayan peso

USD – U.S. Dollar

COMPILATION REPORT

To the Board of Directors of

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

We have compiled the interim statement of financial position of Fideicomiso Financiero Forestal Bosques del Uruguay as of March 31, 2024, along with the related statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the selected explanatory notes. These interim financial statements present the information provided by the Management of the Company, responsible for the accuracy of the data contained therein and its submission in accordance with the applicable accounting standards in Uruguay.

Our review was conducted in accordance with the International Standard Related Services No. 4410 as provided by Pronouncement No.18 of the Association of Accountants, Economists and Business Administrators of Uruguay. This compilation was limited to presenting Management's assertions regarding the financial position and performance of the Trust in the form of interim financial statements.

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

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

Montevideo, April 29, 2024.



CPA FERRERE

[Signed:] LEONARDO ISOARDI

Partner

Certified Public Accountant

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

[Evidence of payment of Retirement and Pension Fund for University Professionals fee]



FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY I
Interim Statement of Financial Position as of March 31, 2024

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		03/31/2024	12/31/2023	03/31/2024	12/31/2023
Assets					
Non-current assets					
Property, plant and equipment	5	31,037,904	31,045,550	1,165,535,384	1,211,459,435
Biological assets - plantations	4	39,974,840	41,966,616	1,501,135,198	1,532,266,647
Total non-current assets		71,012,744	73,012,166	2,666,670,582	2,849,080,727
Current assets					
Inventories	3.1	3,534,092	1,449,829	132,712,224	56,575,209
Accounts receivable and receivables	3.2	380,021	2,320,592	1,4270,559	90,554,160
Other non-financial assets	3.3	723,540	304,399	27,170,371	16,202,771
Cash and cash equivalents	3.4	1,532,561	2,186,400	57,550,721	85,317,726
Total current assets		6,170,214	6,374,349	231,703,875	248,739,866
Total assets		77,182,958	79,386,515	2,898,374,457	3,097,820,593
Equity					
Participation certificates	7	50,000,000	50,000,000	931,350,000	931,350,000
Revaluation reserve		789,713	789,713	30,816,167	30,816,167
Translation reserves	7	-	-	800,303,339	908,358,345
Retained earnings		22,224,265	22,570,740	879,351,424	992,147,082
Total equity		73,013,978	73,360,453	2,741,820,930	2,862,671,594
Liabilities					
Non-current liabilities					
Deferred tax liabilities	2.15	28,38,322	2,731,399	106,584,652	106,584,652
Total non-current liabilities		28,38,322	2,731,399	106,584,652	106,584,652
Current liabilities					
Accounts payable and payables	3.5	822,133	978,384	30,872,756	38,178,496
Loans and liabilities	3.6	508,525	231,6279	19,096,119	90,385,851
Total current liabilities		1,330,658	3,294,663	49,968,875	128,564,347
Total liabilities		4,168,980	6,026,062	156,553,527	235,148,999
Total liabilities and equity		77,182,958	79,386,515	2,898,374,457	3,097,820,593

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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY I

**Interim Statement of Comprehensive Income
for the three months ended March 31, 2024**

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		03/31/2024	03/31/2023	03/31/2024	03/31/2023
Operating revenue	3.7	1,323,578	126,229	51,562,005	5,006,816
Cost of goods sold		(1,186,417)	(6,977)	(45,668,571)	(274,648)
Gross income		137,161	119,252	5,893,434	4,732,168
SG&A	3.8	(364,573)	(344,141)	(14,121,527)	(13,386,217)
Financial results	3.9	(119,062)	(103,328)	(4,567,565)	(4,060,858)
Profit or loss for the period before income tax		(346,474)	(328,217)	(12,795,658)	(12,714,907)
Profit or loss for the period		(346,474)	(328,217)	(12,795,658)	(12,714,907)
Items that may be subsequently reclassified to profit or loss					
Translation reserve	2.2	-	-	(108,055,007)	(94,413,413)
Comprehensive income for the period		(346,474)	(328,217)	(120,850,665)	(107,128,320)

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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY I
**Interim Statement of Cash Flows
for the three months ended March 31, 2024**

(in U.S. dollars and Uruguayan pesos)

	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Cash flow from operating activities				
Income for the period before income taxes	(346,474)	(328,217)	(12,795,658)	(12,714,007)
Adjustments for:				
Depreciations	5 7,605	4,143	205,238	161,021
Costs of standing timber	460,763	-	17,302,587	-
Unpaid accrued interests	(8,525)	1,610	(320,136)	6,225
	113,409	(522,460)	4,482,031	(12,491,661)
Changes in assets and liabilities				
Account receivables and other receivables	191,0571	1,318,868	74,298,642	53,090,770
Inventories	(463,857)	(40,192)	(17,759,693)	(1,581,937)
Other non-financial assets	(306,012)	(8,708)	(11,716,281)	(342,782)
Account payables and other payables	(49,328)	(641,033)	(1,885,621)	(2,530,738)
Translation adjustment	-	-	(2,608,166)	(2,901,196)
Net flow from operating activities	1,234,783	336,470	44,807,912	10,542,456
Cash flow applied to investing activities				
Costs incurred in biological assets	(89,393)	(74,534)	(3,440,962)	(2,859,700)
Purchases of property, plant and equipment	4 -	(24,655)	-	(956,250)
Net flow used in investing activities	(89,393)	(99,189)	(3,440,962)	(3,855,950)
Cash flows from financing activities				
Loans and liabilities	(1,799,229)	(1,329,632)	(69,152,449)	(52,001,031)
Net flow from financing activities	(1,799,229)	(1,329,632)	(69,152,449)	(52,001,031)
Changes in cash flow and cash equivalents	(653,839)	(1,092,351)	(27,785,499)	(45,314,525)
Opening balance of cash and cash equivalents	2,186,400	2,110,236	85,317,726	84,919,915
Effects of the maintenance and translation of cash and cash equivalents	-	-	18,494	81,708
Closing balance of cash and cash equivalents	1,532,560	1,026,885	57,550,721	39,687,098

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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY I
**Interim Statement of Changes in Equity
for the three months ended March 31, 2024**
(in U.S dollars)

	PARTICIPATION CERTIFICATES	VALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
As of December 31, 2022	50,000,000	-	16,169,224	66,369,224
Profit or loss for the period	-	-	(328,217)	(328,217)
As of March 31, 2023	50,000,000	-	16,041,007	66,041,007
Profit or loss for the period	-	-	6,529,733	6,529,733
Revaluation of property, plant and equipment, net of deferred tax	-	789,713	-	789,713
As of December 31, 2023	50,000,000	789,713	22,570,700	73,360,453
Profit or loss for the period	-	-	(346,474)	(346,474)
As of March 31, 2024	50,000,000	789,713	22,224,266	73,013,979

**Interim Statement of Changes in Equity
for the three months ended March 31, 2024**
(in Uruguayan pesos)

	PARTICIPATION CERTIFICATES	VALUATION RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
As of December 31, 2022	931,350,000	-	937,778,774	750,352,397	2,659,481,166
Translation reserve	-	-	(94,413,412)	-	(9,413,412)
Profit or loss for the period	-	-	-	(12,714,007)	(1,714,907)
As of March 31, 2023	931,350,000	-	883,365,362	737,637,485	25,52,352,847
Revaluation of property, plant and equipment, net of deferred tax	-	30,816,167	-	-	30,816,167
Translation reserve	-	-	24,992,983	-	24,992,983
Profit or loss for the period	-	-	-	254,509,597	254,509,597
As of December 31, 2023	931,350,000	30,816,167	908,358,345	992,147,082	2,862,671,594
Translation reserve	-	-	(108,055,007)	-	(108,055,007)
Profit or loss for the period	-	-	-	(12,795,658)	(12,795,658)
As of March 31, 2024	931,350,000	30,816,167	800,303,338	979,351,420	2,741,820,929

The accompanying Notes are an integral part of these interim financial statement.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY I

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024

NOTE 1 - GENERAL INFORMATION ON FIDEICOMISO FORESTAL BOSQUES DEL URUGUAY I

In the city of Montevideo, on May 6, 2011, the Trust Agreement was 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 as "Trustors," to create the Financial Forestry Trust Fideicomiso Financiero Forestal Bosques del Uruguay. This agreement was recorded at the notary office on May 9, 2011.

The capital of the Trust was paid-in with the amounts paid by the Trustors acting as the Initial Underwriters of the Securities, under the conditions set out in the Agreement, and it will be used to fulfil the purposes thereof.

The Trustee invested the funds from the issuance of Securities (Participation Certificates) in the acquisition of rural Properties located within the Eastern Republic of Uruguay. These properties have become part of the Trust's assets and will be used for forestry activities.

The Business Plan outlines the framework within which the Trust's strategy is developed to fulfil its purpose, specifying the general requirements that the properties must meet.

The Trustee shall appoint the Manager through the Management Agreement. The Manager will be responsible for managing the Trust's assets and implementing the Business Plan related to this Trust and the Management Agreement. Notwithstanding the foregoing, the Trustee remains accountable for the Manager's performance concerning the outsourced activities.

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

The equity of the Trust consists of its assets and all present and future economic rights generated from those assets. The Trust's equity shall be used solely and exclusively for its intended purposes, and only the rights and actions related to these assets may be exercised in connection with them.

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

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

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

At the Meeting of Holders on February 27, 2013, the Holders resolved to amend certain terms and conditions of the Trust Agreement. On March 5, 2013, the parties agreed to amend the Trust Agreement to implement these modifications. The amendments included adding the possibility of leasing rural properties, in addition to purchasing land, as a purpose of the Trust. They also authorized the acquisition of rural properties through the execution of Preliminary Real Estate Agreements in instalments.

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

The statement of comprehensive income, statement of changes in equity and statement of cash flows are presented for the three-month period ended March 31, 2024.

These interim financial statements were authorized for issuance by EF Asset Management Administradora de Fondos de Inversión S.A., Trustee of the Trust, on April 29, 2024.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Standards

These interim financial statements were prepared in accordance to Decree 124/2011, issued by the Executive Branch on April 1, 2011. This Decree mandates that the International Financial Reporting Standards (IFRS), adopted by the International Accounting Standards Board (IASB) and translated into Spanish, are the mandatory accounting standards for issuers of publicly traded securities.

This condensed interim financial report does not include all the information required by International Financial Reporting Standards (IFRS) for the presentation of complete financial statements, as it follows the format of condensed financial statements provided for in International Accounting Standard No. 34 - "Interim Financial Reporting." Therefore, these condensed interim financial statements shall be read in conjunction with the Trust's financial statements for the year ended December 31, 2023.

Decree 108/22 dated April 4, 2022, offers entities covered by Decree 124/11 the option to apply new presentation criteria for equity items introduced by that decree. The Trust has not opted to apply these presentation criteria.

2.1.1 New Standards, Interpretations, and Amendments with Mandatory Application Starting in the Current Fiscal Year

The accounting policies applied by the Trust for the preparation and presentation of these financial statements are consistent with those applied in its financial statements as of December 31, 2023, and for the year then ended, except for the adoption of new standards effective as of January 1, 2024. The Trust has not early adopted any other standards, interpretations, or amendments that have been issued but are not yet effective.

The new and revised standards issued by the IASB, effective from the fiscal year beginning January 1, 2024, are as follows:

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

2.2 Functional Currency and Criteria Used for the Translation of Financial Statements into Uruguayan Pesos

In Uruguay, the current regulation establishes that the functional currency shall provide useful information about the Trust and that reflects the economic substance of events and relevant circumstances pertaining 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 functional currency.

A currency may be deemed functional according to the standard when:

- Purchases are financed in that currency.
- Collections of accounts 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 Trust's financial statements to comply with the legal and fiscal provisions in force.

In accordance with these 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 at 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.

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 the amount resulting from the application of the general translation criterion as an adjustment to equity; 2) retained earnings the correspond to the financial performance of previous periods, expressed in U.S. dollars and translated in accordance with the general translation standard.

The difference resulting from the use of the closing exchange rate the translation of assets, liabilities and equity, and the exchange rate in effect 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."

2.3 Balances in Currencies Other Than the Functional Currency

Assets and liabilities denominated in currencies other than the functional currency are valued at the closing exchange rates for the period. Exchange differences are recognized in profit or loss. A summary of the balances of assets and liabilities denominated in non-functional currencies for the period is provided in Note 6.

2.4 Overall Valuation Criteria for Assets and Liabilities

Assets and liabilities (except for biological assets, and property, plant and equipment) have been valued at their disbursed cost or the commitment assumed respectively, and subsequently measured at amortized cost. In all cases, these amounts have been adjusted as mentioned in the preceding section.

2.5 Cash and Cash Equivalents

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

2.6 Financial Assets and Liabilities

Financial assets and liabilities are measured at amortized cost.

The Trust holds bank loans with local financial institutions.

2.7 Accounts Receivable and Other Receivables

Accounts receivable and other receivables are presented at their amortized cost using the effective interest method. 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 application of this method does not have a significant impact on the financial statements of the Trust.

2.8 Other Non-Financial Assets

Non-financial assets are presented at their nominal value and primarily consist of tax credits.

2.9 Biological Assets – Plantations

Forest plantations and the costs incurred in the formation of the forests between December 31, 2023, and March 31, 2024, 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 the valuation of its forests, conducted by external forest appraisers. The fair value of forest plantations is estimated by the external appraiser using current value techniques of estimated fund flows, and mainly income or expectation approach techniques.

Based on this methodology, the external appraiser determined that the fair value of the biological assets as of December 31, 2023, amounted to USD 41,966,616, equivalent to UYU 1,637,621,292.

To this end, the following factors have been essentially considered:

- Estimated representative prices for the projection period
- Annual variable and fixed costs associated with wood production
- Discount rate estimated based on a capital asset pricing model, which is 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 primarily determined using Level 3 information sources. The prices of comparable goods are the most significant source of information to determine this fair value.

2.10 Inventories

Inventories are valued at acquisition cost, determined using the FIFO (First-In, First-Out) valuation method for the allocation of products sold. The Trust estimates that the carrying values of the inventories will not exceed their net realizable value.

2.11 Property, Plant and Equipment

The components of property, plant and equipment balances during the three-month period ended March 31, 2024, are detailed in Note 5 of these financial statements.

In accordance with the terms of the agreement, the land was valued by an external appraiser on December 31, 2023. The book value of the land as of that date was adjusted to the values provided appraiser's report, which amounted to USD 30,762,074, equivalent to UYU 1,200,397,612.

The fair value of such land has been primarily determined using Level 3 information sources.

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

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

The Board and 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.

Depreciation for the period has 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. Income is recognized when it is probable that future economic benefits will flow into the Trust as a result of transactions conducted by the Trust.

Revenue from sales of goods and services is recognized when the Trust has transferred the significant risks and rewards of ownership to the customer or when the services have been 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 received 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 March 31, 2024, relative to the amount of capital to be maintained, has been regarded as the profit or loss for the period. The concept of capital used for this purpose is financial capital.

2.14 Statement of Cash Flows

In preparing the statement of cash flows, the definition of funds as for cash and cash equivalents has been used, applying the indirect method.

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 also acts as a withholding agent for the Personal Income Tax.

The Trust is subject to IRAE for all income generated in Uruguay that is not covered by exemptions granted by Law No. 15,939, which promotes the forestry sector.

The Trust shall pay the Wealth Tax, however, the yield from forests planted in designated forestry priority areas, as well as the farms on which these plantations are located, are exempt from this tax.

Regarding the aforementioned tax, in 2013, Law No. 19,088 amended the exemption for the agricultural sector and applied a surcharge to those taxpayers. Decree No. 293/013, which regulates such law, extended the Wealth Tax exemption to certain trusts already in existence for certain listed companies. This exemption is applicable for five fiscal years since the creation of the trust.

Therefore, for the period ended on March 31, 2024, the Trust does not enjoy such exemption from the Wealth Tax and the Surcharge.

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

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

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

Additionally, the Trust determines the amount of Income Tax using the Deferred Tax Method, which involves recognizing (as credit or debit) of the tax effect on temporary differences between the accounting and fiscal valuation of assets and liabilities, determined at the current rate of 25%, and subsequently allocating these amounts to the results for the period in which the reversals occur.

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 resources will be used to cancel such obligations in the future, and those obligations may be reliably estimated.

2.17 Financial Instruments

The main financial instruments of the Trust are deposits in bank checking accounts, receivables, and payables.

The main purpose of maintaining more liquid assets is to ensure that the Trust has sufficient cash and cash equivalents to meet its operational needs. The Trust has not engaged in derivative financial instruments during this period.

2.18 Estimates and Assumptions in the Application of Accounting Policies

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

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

(a) 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 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.

(b) Fair Value of Property, Plant and Equipment, and Biological Assets

The Trust annually hires external expert appraisers to determine the fair value of its land (Notes 2.11) and biological assets (Note 2.9).

The methods used to determine the fair value require making estimates and assumptions based on objective information and knowledge of the business. These estimates are highly sensitive, and any variation in them may lead to significant changes 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 regarding the realization and settlement of its assets and liabilities. Changes in these estimates and assumptions could significantly affect the balance of deferred tax assets and liabilities for the period in which such changes occur. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are reviewed at each reporting date and recognized only to the extent that it is probable that there will be future taxable profits against which the deductible temporary differences can be utilized. Additionally, to determine the portion of deferred tax assets to be recognized in the statement of financial position, it is necessary to consider whether there are future taxable temporary differences that can offset the deductible temporary differences. For these purposes, the Trustee estimates the reversal of temporary differences, future tax results, and available tax planning opportunities (Note 2.15).

2.19 Impairment Loss of Tangible Assets

At the end of each reporting period, the Trust hires an external appraiser to determine the fair value of its land and forests.

Key Assumptions Used to Determine the Fair Value

To determine the impairment loss, Management has hired an external appraiser to estimate future cash flows for the remaining life of the Trust.

The measurement of impairment loss is based on complex estimates that require the application of assumptions and professional judgment by the appraiser, including:

(a) Wood Flows

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

- Stratify forest plantations
- Validate growth and yield tables
- Design harvesting scenarios
- Program of wood supply
- Plan wood flow

(b) Land Sales Flow

The valuation considered land sales in the following years based on variations estimated by the income approach:

- Year of disinvestment
- Year zero cash flow

(c) Operating and Management Costs

Forest Costs: Costs related to establishing and cultivating the forest until it is ready for the final harvest.

General Expenses: Expenses related to activities such as management, office maintenance, forest inventory, protections and certification, vehicles, roads, security and communications.

(d) The Price of Wood

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

(e) The Price of Land and Cost

The weighted average potential price of land.

(f) Determining the Discount Rate

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

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

(g) Sensitivity Analysis

The Trust has applied the sensitivity analysis to assess whether changes in discount rate estimates, the prices of wood, forests and general costs, and land sales prices could significantly affect the financial statements. The sensitivity analysis did not identify any significant impairment losses.

2.20 Consistency of Accounting Principles

Except as stated in Note 2.1, the criteria applied in the valuation of assets and liabilities, as well as to determine the profit or loss for the three-month period ended March 31, 2024, are consistent with those applied for the fiscal year ended December 31, 2023.

NOTE 3 - OPENING OF ITEMS

3.1 Inventories

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Wood	3,444,605	1,397,238	129,189,191	54,499,419
Coadjuvant	7,644	4,324	303,728	174,667
Herbicide	41,858	21,827	1,631,812	846,308
Fertilizer	4,102	2,534	155,904	95,687
Ant killer	13,962	8,471	546,337	326,951
Seeds	13,921	13,921	573,620	573,620
Seedlings	8,000	1,514	311,632	58,557
	3,534,092	1,449,829	132,712,224	56,575,209

3.2 Accounts Receivable and Receivables

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Accounts receivable	365,438	2,298,199	13,722,947	89,680,337
Grazing debtors	14,583	22,393	547,612	873,823
	380,021	2,320,592	14,270,559	90,554,160

3.3 Other Non-Financial Assets

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Tax credits	653,649	363,054	24,545,818	14,167,086
Advances to suppliers	47,092	54,474	1,768,388	2,125,685
Other non-financial credits	22,799	417,528	86,165	
	723,540	363,054	27,170,371	16,292,771

3.4 Cash and Cash Equivalents

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Banks	1,532,561	638,553	57,550,721	24,917,631
Treasury bill	-	1,547,847	-	60,400,095
	1,532,561	2,186,400	57,550,721	85,317,726

3.5 Accounts Payable and Other Payables

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Accounts payable	477,762	792,573	17,940,931	30,927,791
Tax creditors	336,775	172,183	12,646,589	6,718,907
Customer advances	2,618	4,042	98,307	157,712
Provisions	3,277	9,586	123,060	374,086
Other accounts payable	1,701	-	63,869	-
	822,133	978,384	30,872,756	38,178,496

3.6 Loans and Liabilities

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Bank loan	508,525	2,316,279	19,096,119	90,385,851
	508,525	2,316,279	19,096,119	90,385,851

As of March 31, 2024, bank loans consist of a note in U.S. dollars issued by a local bank, for the principal amount of USD 500,000, equivalent to UYU 18,776,000, which will be paid in a single installment in June 2024.

As of December 31, 2023, bank loans consisted of a note in U.S. dollars issued by a local bank, for the principal amount of USD 2,000,000, equivalent to UYU 78,044,000. Of this amount, USD 1,500,000, equivalent to UYU 58,533,000, has been paid. The outstanding balance is USD 500,000, equivalent to UYU 19,511,000, which will be paid on the first days of 2024.

Additionally, the Trust has taken out a loan in U.S. dollars from a local bank for the principal amount of USD 300,000, equivalent to UYU 11,706,600. This loan shall be paid in a single installment in January 2024.

Likewise, the Trust has taken out a loan in U.S. dollars from a local bank, for the principal amount of USD 500,000, equivalent to UYU 19,511,000. This loan shall be paid in a single installment in January 2024.

Besides, the Trust has taken out a loan in U.S. dollars from a local bank, for the principal amount of USD 500,000, equivalent to UYU 19,511,000. This loan shall be paid in a single installment in January 2024.

Likewise, the Trust has taken out a loan in U.S. dollars from a local bank, for the principal amount of USD 500,000, equivalent to UYU 19,511,000. This loan shall be paid in a single installment in June 2024.

Accrued and unpaid interest as of the date of this financial statements amount to USD 8,525, equivalent to UYU 320,136, as of March 31, 2024, and USD 16,280, equivalent to UYU 635,268, as of December 31, 2023.

3.7 Operating Revenue

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Revenue from sale of wood	1,291,271	88,653	50,314,397	3,546,057
Revenue from grazing	32,307	37,216	1,247,608	1,446,758
Revenue from beehives	-	360	-	14,001
	1,323,578	126,229	51,562,005	5,006,816

3.8 Selling, General and Administrative Expenses

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Forestry Operator fees	153,841	153,841	5,939,865	5,960,787
Other fees	45,062	44,511	1,749,607	1,742,505
Farm expenses	112,206	115,178	4,358,338	4,490,774
Depreciation	7,645	4,142	295,238	161,021
Taxes	709	672	27,565	26,145
Insurances	23,360	21,248	901,845	827,433
Miscellaneous	21,750	4,549	849,069	177,552
	364,573	344,142	14,121,527	13,386,217

3.9 Financial Results

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Interest earned	8,276	-	323,683	-
Interest and bank charges	(4,871)	(1,934)	(189,674)	(76,111)
Interests on loans	(20,884)	(12,083)	(812,257)	(469,475)
Exchange difference	(101,583)	(89,311)	(3,889,317)	(3,515,272)
	(119,062)	(103,328)	(4,567,565)	(4,060,858)

NOTE 4 - BIOLOGICAL ASSETS – PLANTATIONS

Biological assets comprise forest plantations, located mainly in the departments of Cerro Largo, Durazno and Florida. These plantations are primarily composed of Eucalyptus Grandis, Saligna, Dunnii and Globulus species. As of March 31, 2024, these forest plantations covered 5,344 hectares out of a total area of approximately 9,500 hectares (as of December 31, 2023, they also covered 5,344 hectares).

The evolution of the biological asset for the three-month period ended March 31, 2024, and December 31, 2023, is detailed below:

	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Opening balance	41,966,616	38,238,792	1,637,621,292	1,532,266,647
Cost increase added to biological assets	89,393	414,08	3,440,962	16,005,689
Reduction by harvest of biological assets	(2,081,169)	(1,590,263)	(81,316,500)	(61,242,372)
Change in the fair value of biological assets	-	4,904,004	-	191,364,044
Translation adjustments	-	-	(58,610,556)	(40,772,716)
	39,974,840	41,966,616	1,501,135,198	1,637,621,292

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is composed as follows:

In U.S. dollars:

03/31/2024													12/31/2023
Item	Acquisition Costs						Depreciations					Net values	Net values
	Opening balances	Additions	Disposals	Revaluation	Translation adjustment	Closing balances	Accumulated at opening	Disposals	For the period	Translation adjustment	Accumulated at closing		
Land	30,762,074	-	-	-	-	30,762,074	-	-	-	-	-	30,762,074	30,762,074
Improvements	12,380	-	-	-	-	12,380	(3,477)	-	(115)	-	(3,592)	8,788	8,903
Other improvements	301,212	-	-	-	-	301,212	(26,638)	-	(7,530)	-	(34,168)	267,044	274,573
Total	31,075,666	-	-	-	-	31,075,666	(30,115)	-	(7,645)	-	(37,760)	31,037,906	31,045,550

Equivalent in Uruguayan pesos:

03/31/2024													12/31/2023
Item	Acquisition Costs						Depreciations					Net values	Net values
	Opening balances	Additions	Disposals	Revaluation	Translation adjustment	Closing balances	Accumulated at opening	Disposals	For the period	Translation adjustment	Accumulated at closing		
Lands	1,200,397,612	-	-	-	(45,220,247)	1,155,177,365	-	-	-	-	-	1,155,177,365	1,200,397,612
Improvements	483,099	-	-	-	(18,199)	464,900	(135,668)	-	(4,438)	5,233	(134,873)	330,027	347,431
Other improvements	11,753,921	-	-	-	(442,783)	11,311,139	(1,039,529)	-	(290,800)	47,182	(1,283,147)	10,027,992	10,714,392
Total	1,212,634,633	-	-	-	(45,681,229)	1,166,953,405	(1,175,197)	-	(295,238)	52,415	(1,418,020)	1,165,535,384	1,211,459,435

NOTE 6 - ASSETS AND LIABILITIES IN A CURRENCY OTHER THAN THE FUNCTIONAL CURRENCY

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

	March 31, 2024			December 31, 2023		
	UYU	EUR	Equivalent in USD	UYU	EUR	Equivalent in USD
Assets						
Accounts receivable and other receivables	1,799,999	-	47,934	-	-	-
Other non-financial assets	24,618,880	-	655,594	14,597,019	-	374,072
Cash and cash equivalents	48,944	10,955	13,158	20,517	10,955	12,633
Total assets	26,467,823	10,955	716,686	14,617,536	10,955	386,705
Liabilities						
Non-current liabilities						
Deferred tax	(106,584,652)	-	(2,838,322)	(106,584,652)	-	(2,731,399)
Total	(106,584,652)	-	(2,838,322)	(106,584,652)	-	(2,731,399)
Current liabilities						
Accounts payable and other payables	(21,582,807)	-	(574,745)	(27,368,123)	-	(701,351)
Total	(21,582,807)	-	(574,745)	(27,368,123)	-	(701,351)
Total liabilities	(128,167,459)	-	(3,413,067)	(133,952,775)	-	(3,432,750)
Net position	(101,699,636)	10,955	(2,696,381)	(119,335,239)	10,955	(3,046,046)

The U.S. dollar exchange rate was UYU 37.552 as of March 31, 2024, and UYU 39.022, as of December 31, 2023. The euro exchange rate was UYU 40.6388 as of March 31, 2024, and UYU 43.1271, as of December 31, 2023.

NOTE 7 – EQUITY

The participation certificates issued by the Trust have a nominal value totaling USD 50,000,000 (equivalent to UYU 931,350,000).

NOTE 8 – COMMITMENTS

As of March 31, 2024, the Trust had entered into grazing contracts totaling to USD 32,307, covering 7,340 hectares of pastured land.

NOTE 9 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Accounts payable				
Agro Empresa Forestal S.A.	69,815	64,909	2,621,706	2,532,867
	69,815	64,909	2,621,706	2,532,867

b) Transactions with related parties are composed as follows:

	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Accrued fees				
Agro Empresa Forestal S.A.	153,841	153,841	5,939,865	5,960,787
	153,841	153,841	5,939,865	5,960,787

NOTE 10 - FINANCIAL RISK MANAGEMENT

The main types of risks to which the financial instruments of the Trust are exposed, and their management policies 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 level of risk since the financial instruments in which it can invest are subject to the same restrictions as Pension Savings Funds.

Accounts receivable risk is comprised of approximately four debtors who pay for wood sales in the short term and who have consistently met their obligations.

10.2 Liquidity Risk

Liquidity risk occurs if the Trust fails to meet its financial obligations as they come due. The Trust's main obligation is to pay the participation certificates. According to Note 1, these certificates give holders the right to participate in the revenue.

The Trust is not significantly exposed to this risk based on the business plan established in the Trust Agreement and the limitations on the assets which it will invest in.

10.3 Market Risk

Market risk occurs when changes in market prices, such as in the exchange rate and interest rates, affect the Trust's income or the value of the financial instruments it holds.

a) Currency Risk

The Trust is exposed to this risk because of its monetary position in Uruguayan pesos (Note 6). The Trust's sensitivity to a 10% increase and decrease in the Uruguayan peso against the U.S. dollar is detailed below. The sensitivity analysis includes outstanding monetary items expressed in foreign currency. With a 10% strengthening of the Uruguayan peso against the U.S. dollar, the comprehensive income for the period would

decrease by USD 300,915, equivalent to UYU 10,169,964. Conversely, if a weakening of 10% were to occur, the comprehensive income for the period would increase by USD 246,203, equivalent to UYU 10,169,964.

b) Interest Rate Risk

The Trust is exposed to low-interest rate risk, as the debt is at a fixed rate.

c) Price risk

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

	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Inventories	3,534,092	1,449,829	132,712,224	56,575,209
Property, plant and equipment (land)	30,762,074	30,762,074	1,155,177,365	1,200,397,612
Biological asset	39,974,840	41,966,616	1,501,135,198	1,637,621,292
	74,271,006	74,178,519	2,789,024,787	2,894,594,113

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 significant 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 11 – SUBSEQUENT EVENTS

After March 31, 2024, no other events or circumstances have occurred that significantly affected the financial position, performance and cash flows of the Trust.