

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

***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 IV INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2024

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Abbreviations:

UYU – Uruguayan peso

USD – U.S. Dollar

BRL - Brazilian real

CNY – Yuan

EUR – Euro

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 IV 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

[Signature:] 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 IV
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	194,906,287	194,603,757	7,319,120,880	7,593,827,806
Biological assets - plantations	4	330,450,546	331,397,296	12,409,078,896	12,931,785,304
Total non-current assets		525,356,833	526,001,053	19,728,199,776	20,525,613,110
Current assets					
Inventories	3.1	6,875,363	6,540,242	258,183,641	255,213,330
Accounts receivable and other receivables	3.2	5,863,443	6,105,684	220,184,028	238,256,018
Other non-financial assets	3.3	5,676,502	4,824,871	213,163,992	188,276,069
Cash and cash equivalents	3.4	617,107	159,008	23,173,616	6,204,830
Total current assets		19,032,415	17,629,805	714,705,277	687,950,247
Total assets		544,389,248	543,630,858	20,442,905,053	21,213,563,357
Equity					
Participation certificates	7	330,000,000	330,000,000	11,932,965,000	11,932,965,000
Adjustment to equity	7	(309,720)	(309,720)	(10,723,512)	(10,723,512)
Revaluation reserve		47,729,702	47,729,702	2,069,915,472	2,069,915,472
Translation reserve		-	-	(195,135,863)	551,394,086
Retained earnings	7	130,494,160	130,290,827	5,276,170,751	5,268,340,129
Total equity		507,914,142	507,710,809	19,073,191,848	19,811,891,175
Liabilities					
Non-current liabilities					
Deferred tax liabilities	2.15	6,897,780	6,637,933	259,025,421	259,025,421
Other financial liabilities	3.6	4,604,166	4,941,927	172,895,642	192,843,875
Non-current liabilities		11,501,946	11,579,860	431,921,063	451,869,296
Current liabilities					
Accounts payable and other payables	3.5	7,622,910	7,549,083	286,255,567	294,580,332
Other financial liabilities	3.6	17,350,250	16,791,106	651,536,575	655,222,554
Total current liabilities		24,973,160	24,340,189	937,792,142	949,802,886
Total liabilities		36,475,106	35,920,049	1,369,713,205	1,401,672,182
Total liabilities and equity		544,389,248	543,630,858	20,442,905,053	21,213,563,357

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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

**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	14,178,718	6,432,799	550,920,179	250,523,930
Cost of goods sold		(11,090,570)	(4,924,396)	(431,541,091)	(192,415,516)
Gross income		3,088,148	1,508,403	119,379,088	58,108,414
SG&A	3.8	(2,285,219)	(2,472,844)	(88,434,055)	(96,153,312)
Financial results	3.9	(599,596)	(250,805)	(23,114,411)	(9,796,386)
Profit or loss for the period before income tax		203,333	(1,215,246)	7,830,622	(47,841,284)
Income tax	2.15	-	-	-	-
Profit or loss for the period		203,333	(1,215,246)	(7,830,622)	(47,841,284)
Other comprehensive income for the period					
Items that may be subsequently reclassified to profit or loss					
Translation reserve	2.2	-	-	(746,529,949)	(658,915,003)
Comprehensive income for the period		203,333	(1,215,246)	(738,699,327)	(706,756,287)

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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Interim Statement of Cash Flows 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
Cash flow from operating activities					
Profit or loss for the period before income tax		203,333	(1,215,246)	7,830,622	(47,841,284)
Adjustments for:					
Depreciations		217,362	207,919	8,393,255	8,082,749
Unpaid accrued interest		153,009	27,274	5,745,778	1,054,096
Costs of standing timber		1,713,503	204,777	67,239,701	7,952,513
		2,287,207	(775,276)	89,209,356	(30,751,926)
Changes in assets and liabilities					
Accounts receivable and other receivables	3.2	242,241	(2,040,388)	9,274,681	(80,308,651)
Inventories	3.1	(565,404)	190,298	(21,647,623)	7,490,034
Other non-financial assets	3.3	(851,631)	179,906	(32,606,396)	7,081,010
Accounts payable and other payables	3.5	333,674	(622,553)	12,775,376	(24,503,374)
Translation adjustment	7	-	-	(2,116,286)	(4,450,373)
Net flows used in operating activities		1,446,087	(3,068,013)	54,889,108	(125,443,280)
Cash flows from investing activities					
Costs incurred in biological assets	4	(487,547)	(315,130)	(18,891,357)	(12,346,198)
Imports of property, plant and equipment in progress	5	-	509,979	-	19,805,037
Purchases of property, plant and equipment		(568,814)	(1,194,509)	(22,196,375)	(46,630,227)
Net cash flows used in investing activities		(1,056,361)	(999,660)	(41,087,732)	(39,171,388)
Cash flows from financing activities					
Loans and other liabilities	3.6	68,374	3,833,966	2,869,667	152,676,458
Net flows from financing activities		68,374	3,833,966	2,869,667	152,676,458
Changes in cash flows and cash equivalents					
Opening balance of cash and cash equivalents		159,008	1,867,504	6,204,830	74,832,756
Effect of exchange rate changes on cash and cash equivalents		-	-	297,742	248,443
Closing balance of cash and cash equivalents	2.14	617,108	1,633,797	23,173,615	63,142,989

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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV
Interim Statement of Changes in Equity
for the three months ended March 31, 2024
(in USD dollars)

<u>Notes</u>	PARTICIPATION CERTIFICATES	ADJUSTMENT TO EQUITY	VALUATION RESERVE	RETAINED EARNINGS	TOTAL NET EQUITY
As of December 31, 2022	330,000,000	(309,720)	41,550,953	92,419,655	463,660,888
Profit or loss for the period	-	-	-	(1,215,246)	(1,215,246)
As of March 31, 2023	330,000,000	(309,720)	41,550,953	91,204,409	462,445,642
Profit or loss for the period	-	-	-	39,086,418	39,086,418
Revaluation of property, plant and equipment net of deferred tax	-	-	6,178,749	-	6,178,749
As of December 31, 2023	330,000,000	(309,720)	47,729,702	130,290,827	507,710,809
Profit or loss for the period	-	-	-	203,333	203,333
As of March 31, 2024	330,000,000	(309,720)	47,729,702	130,494,160	507,914,142

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

	PARTICIPATION CERTIFICATES	ADJUSTMENT TO EQUITY	VALUATION RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL NET EQUITY
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	-	-	-	(658,915,003)	-	(658,915,003)
Profit or loss for the period	-	-	-	-	(47,841,284)	(47,841,284)
As of March 31, 2023	11,932,965,000	(10,723,512)	1,828,808,312	373,471,640	3,748,077,715	17,872,599,155
Translation reserve	-	-	-	177,922,446	-	177,922,446
Revaluation of property, plant and equipment net of deferred tax	-	-	241,107,160	-	-	241,107,160
Profit or loss for the period	-	-	-	-	1,520,262,414	1,520,262,414
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
Translation reserve	-	-	-	(746,529,949)	-	(746,529,949)
Profit or loss for the period	-	-	-	-	7,830,622	7,830,622
As of March 31, 2024	11,932,965,000	(10,723,512)	2,069,915,472	(195,135,863)	5,276,170,751	19,073,191,848

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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

NOTE 1 - GENERAL 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, for its acronym in Spanish] authorized the registration of the Trust in the Securities Market Registry (Communication No. 2019/067).

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 and/or lease 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 Trust may incur debt up to a maximum of 25% of its total assets and, in such cases, may issue guarantees up to twice the amount of the debt incurred. The objective is to optimize the Trust's profitability and facilitate transaction operations.

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.

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.

In accordance with Notice No. 2019/067 dated March 19, 2019, within the framework of Financial Trusts, the Central Bank of Uruguay authorized the Trustee to issue Participation Certificates for an amount up to USD 330,000,000.

Pursuant to 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 condensed interim 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

IAS 21 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 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 331,397,296, equivalent to UYU 12,931,785,304.

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 167,804,536, equivalent to UYU 6,548,068,604.

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.

Improvements, other improvements and machineries are presented in U.S. dollars, at historical acquisition cost, net of accumulated depreciation.

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.

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. 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 Land, 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 Fair Value of Land and Forests

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 in the Impairment Test

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	6,057,450	6,197,525	227,006,872	241,802,159
O.P. Inventory	516,614	78,919	19,399,884	3,079,586
Herbicide	202,076	165,680	7,881,104	6,460,111
Fertilizer	31,279	23,370	1,203,843	908,155
Ant killer	25,594	14,562	999,103	562,171
Seeds	18,692	17,786	768,399	732,998
Coadjuvant	17,208	14,217	682,219	566,142
Seedlings	6,450	28,183	242,218	1,102,008
	6,875,363	6,540,242	258,183,641	255,213,330

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	5,623,853	5,913,860	211,186,955	230,770,667
Grazing debtors	239,215	191,824	8,983,005	7,485,351
Beehive debtors	375	-	14,068	-
	5,863,443	6,105,684	220,184,028	238,256,018

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	5,200,533	4,429,500	195,290,412	172,847,943
Advances to suppliers	429,666	369,583	16,134,833	14,421,876
Insurance paid in advance	44,381	7,517	1,666,565	293,262
Other non-financial credits	1,922	18,271	72,182	712,988
	5,676,502	4,824,871	213,163,992	188,276,069

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	617,107	159,008	23,173,616	6,204,830
	617,107	159,008	23,173,616	6,204,830

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	5,562,284	5,559,355	208,874,906	216,937,170
Tax creditors	1,899,304	1,804,921	71,322,705	70,431,632
Customer advances	131,615	136,839	4,942,402	5,339,731
Provisions	21,544	31,812	809,008	1,241,373
Other accounts payable	8,163	16,156	306,547	630,426
	7,622,910	7,549,083	286,255,567	294,580,332

3.6 Loans and Liabilities

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Non-current liabilities				
Bank loan	4,604,166	4,941,927	172,895,642	192,843,875
	4,604,166	4,941,927	172,895,642	192,843,875

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	12/31/2023	03/31/2024	12/31/2023
Current liabilities				
Bank loan	17,350,250	14,288,990	651,536,575	557,584,981
Bank overdraft	-	2,502,116	-	97,637,573
	17,350,250	16,791,106	651,536,575	655,222,554

As of March 31, 2024, four new bank loans in U.S. dollars were taken out with local banks compared to December 2023. Two were taken out in January 2024, one for the principal amount of USD 1,200,000 to be repaid in December 2024, and another for USD 3,000,000. In February 2024, a loan for the principal amount of USD 2,000,000 was taken out. This loan is to be repaid in February 2025. However, an early repayment of the principal amounting to USD 54,576 was made.

These loans, which were outstanding as of December 31, 2023, were repaid during the three-month period ending on March 31, 2024. A promissory note for USD 2,000,000 was issued in May 2023 and renewed in July 2023. This promissory note is to be repaid in February 2024. Additionally, a promissory note for USD 400,000 was issued in October 2023. This promissory note is to be repaid in March 2024. Besides, a promissory note for USD 1,000,000 was issued in November 2023. This promissory note is to be repaid in March 2024. Furthermore, a promissory note for USD 1,000,000 was issued in December 2023 and repaid in March 2024. Finally, a promissory note for USD 800,000 was issued in October 2023 and repaid in January 2024.

Additionally, the loans as of December 31, 2023, include ten fixed-term promissory notes, all issued by local banks. Four promissory notes for USD 1,000,000 each were issued: one in April 2023, renewed in June and October 2023, to be repaid in February 2024; another issued in November 2023, to be repaid in February 2024; and two issued in December 2023, to be repaid in June 2024. Besides, three promissory notes for USD 2,000,000 each were issued: two in May 2023, both renewed in July 2023, and further renewed in October and November 2023 respectively, to be repaid in February and March 2024 respectively; and the third promissory note for USD 2,000,000 was issued in November 2023, to be repaid in May 2024. In addition, another

promissory note for USD 800,000 was issued, with an outstanding balance of USD 182,523.67, due in February 2024. Furthermore, a promissory note for USD 400,000 was issued in October 2023, to be repaid in March 2024. Finally, a promissory note for USD 1,100,000 was issued in September 2023, scheduled for repayment in March 2024. As of December 31, 2022, the bank loans include a U.S. dollar loan taken out with a local bank in February 2020, for the principal amount of USD 8,000,000. The loan was to be repaid in thirty-six equal, monthly, and consecutive installments totalling USD 222,222.22. As of the date of these Financial Statements, thirty-five installments had already been paid. The outstanding balance amounts to USD 222,222.

Accrued and unpaid interest as of the date of these financial statements amounts to USD 153,009, equivalent to UYU 5,745,778, and as of December 31, 2023, amounted to USD 129,301, equivalent to UYU 5,045,570.

3.7 Operating Revenues

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Revenue from sale of wood	14,058,887	6,284,005	546,612,542	244,738,057
Revenue from grazing	99,485	148,546	4,290,470	5,776,252
Revenue form beehives	457	248	17,167	9,621
	14,178,718	6,432,799	550,920,179	250,523,930

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	1,107,726	1,107,725	42,769,669	42,920,321
Farm expenses	405,019	379,541	15,738,271	14,810,612
Depreciation	217,361	207,920	8,393,258	8,082,749
Other fees	140,048	184,471	5,442,507	7,212,558
Export expenses	86,150	370,255	3,340,363	14,464,785
Olimar Project expenses	123,006	48,214	4,783,398	1,872,291
Insurances	123,257	94,589	4,757,725	3,679,160
Social security contributions	14,614	20,160	561,465	783,778
Taxes	31,792	45,247	1,232,621	1,758,865
Miscellaneous	36,246	14,722	1,414,778	568,193
	2,285,219	2,472,844	88,434,055	96,153,312

3.9 Financial Results

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2024	03/31/2023	03/31/2024	03/31/2023
Interest and bank charges	(85,192)	(27,322)	(3,313,826)	(1,065,199)
Interests on loans	(245,402)	(135,251)	(9,501,299)	(5,258,410)
Exchange difference	(269,002)	(88,232)	(10,299,286)	(3,472,777)
	(599,596)	(250,805)	(23,114,411)	(9,796,386)

NOTE 4 - BIOLOGICAL ASSETS – PLANTATIONS

Biological assets comprise forest plantations located mainly in the departments of Cerro Largo, Treinta y Tres, Rivera and Tacuarembó. These plantations are primarily composed of Eucalyptus Grandis and Dunnii, and Pinus Taeda species. As of March 31, 2024, these forest plantations covered 37,811 hectares out of a total area of approximately 55,635 hectares (34,331 hectares planted out of a total approximate area of 55,365 hectares as of December 31, 2023).

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	331,397,296	288,430,000	12,931,785,304	11,557,678,530
Cost increase added to biological assets	487,545	2,928,360	18,891,357	113,916,484
Reduction by harvest of biological assets	(1,434,296)	(2,430,606)	(55,433,408)	(95,283,603)
Change in the fair value of biological assets	-	42,469,542	-	1,657,246,465
Translation adjustments	-	-	(486,164,357)	(301,772,572)
	330,450,545	331,397,296	12,409,078,896	12,931,785,304

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is composed as follows:

In U.S. dollars:

Item	03/31/2024						12/31/2023						
	Acquisition costs						Depreciations						
	Opening balances	Additions	Disposals	Revaluation	Translation adjustment	Closing balances	Accumulated at opening	Disposals	For the period	Translation adjustment	Accumulated at closing	Net values	Net values
Lands	167,804,536	-	-	-	-	167,804,536	-	-	-	-	-	167,804,536	167,804,536
Improvements	23,239,908	-	-	-	-	23,239,908	(3,273,421)	-	(195,316)	-	(3,468,737)	19,771,171	19,966,487
Other improvements	577,738	36,066	-	-	-	613,806	(70,539)	-	(15,046)	-	(85,585)	528,221	507,199
Machinery	280,000	-	-	-	-	280,000	(121,333)	-	(7,000)	-	(128,333)	151,667	158,667
Machinery and equipment O.P.	2,281,308	114,610	-	-	-	2,395,918	(5,691)	-	(48,924)	-	(54,615)	2,341,303	2,275,617
Construction work-in-progress O.P.	3,891,251	418,138	-	-	-	4,309,389	-	-	-	-	-	4,309,389	3,891,251
Total	198,074,741	568,814	-	-	-	198,643,557	(3,470,984)	-	(266,286)	-	(3,737,270)	194,906,287	194,603,757

Equivalent in Uruguayan pesos:

Item	03/31/2024						12/31/2023						
	Acquisition costs						Depreciations						
	Opening balances	Additions	Disposals	Revaluation	Translation adjustment	Closing balances	Accumulated at opening	Disposals	For the period	Translation adjustment	Accumulated at closing	Net values	Net values
Lands	6,548,068,604	-	-	-	(246,672,668)	6,301,395,936	-	-	-	-	-	6,301,395,936	6,548,068,604
Improvements	906,867,680	-	-	-	(34,162,664)	872,705,016	(127,734,087)	-	(7,542,583)	5,020,005	(130,256,665)	742,448,351	779,133,593
Other improvements	22,544,489	1,412,760	-	-	(907,666)	23,049,583	(2,753,910)	-	(580,351)	119,080	(3,215,181)	19,834,402	19,790,579
Machinery	10,926,160	-	-	-	(411,600)	10,514,560	(4,734,663)	-	(270,321)	194,184	(4,810,800)	5,703,760	6,191,497
Machinery and equipment O.P.	89,021,216	4,459,568	-	-	(3,509,256)	89,971,528	(222,101)	-	(1,837,210)	-	(2,059,311)	87,912,217	88,799,115
Construction work-in-progress O.P.	151,844,418	16,324,047	-	-	(6,342,251)	161,826,214	-	-	-	-	-	161,826,214	151,844,418
Total	7,729,272,567	22,196,375	-	-	(292,006,105)	7,459,462,837	(135,444,761)	-	(10,230,465)	5,333,269	(140,341,957)	7,319,120,880	7,593,827,806

In 2022, construction began on a wood veneer plant in the department of Treinta y Tres.

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	BRL	Equivalent in USD	UYU	Equivalent in USD
Assets						
Accounts receivable and other receivables	9,804,897	-	-	261,102	7,917,873	202,908
Other non-financial assets	197,962,887	-	-	5,271,700	174,309,655	4,466,959
Cash and cash equivalents	408,317	-	-	10,873	1,235,019	31,649
Total assets	208,176,101	-	-	5,543,675	183,462,547.00	4,701,516
Liabilities						
Deferred tax	259,025,421	-	-	6,897,780	259,025,421	6,637,933
Accounts payable and other payables	215,303,063	226	29,350	5,740,061	198,355,439	5,083,170
Total liabilities	474,328,484	226	29,350	12,637,841	457,380,860	11,721,103
Net position	(266,152,383)	(226)	(29,350)	(7,094,166)	(273,918,313)	(7,019,587)

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 exchange rate of the euro against the dollar as of March 31, 2024, is USD 1.082, and the exchange rate of the Brazilian real against the dollar as of March 31, 2024, is USD 0.216.

NOTE 7 – EQUITY

Book-Entry Participation Certificates with 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	36,600,000	1,342,162,800
08/19/2019	6,600,000	238,913,400
08/26/2019	283,800,000	10,351,888,800
Total Paid-in Capital	330,000,000	11,932,965,000

As of March 31, 2024, and December 31, 2023, the balance of adjustments to equity included the initial issuance costs totalling USD 309,720, equivalent to UYU 10,723,512.

The balance of the revaluation reserve reflected the accumulated revaluation of property, plant and equipment, net of the deferred tax effects, which amounted to USD 47,729,702, equivalent to UYU 2,069,915,472, as of December 31, 2023.

Additionally, for the presentation of these financial statements in Uruguayan pesos, in the balance of adjustments to equity, the translation reserve was included in the balance of equity adjustments, amounting to UYU 551,394,086 as of December 31, 2023, and UYU (195,135,863) as of March 31, 2024.

NOTE 8- COMMITMENTS AND CONTINGENCIES

As of March 31, 2024, the Trust had entered into grazing contracts on its own land totalling to USD 427,039, covering 41,179 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.	502,703	467,371	18,877,486	18,237,766
	502,703	467,371	18,877,486	18,237,766

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.	1,107,726	1,107,726	42,769,669	42,920,320
	1,107,726	1,107,726	42,769,669	42,920,320

NOTE 10 - FINANCIAL RISK MANAGEMENT

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

10.1 Credit Risk

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

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

10.2 Liquidity risk

Liquidity risk occurs if the Trust fails to meet its financial obligations as they 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 included outstanding monetary items expressed in foreign currency. With a 10% weakening of the Uruguayan peso against the U.S. dollar, the comprehensive income for the period would increase by USD 644,324, equivalent to UYU 26,615,238. If a strengthening of 10% were to occur, the comprehensive income for the period would decrease by USD 787,508, equivalent to UYU 26,615,238.

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 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	6,875,363	6,540,242	258,183,641	255,213,330
Property, plant and equipment (land)	167,804,536	167,804,536	6,301,395,936	6,548,068,604
Biological asset	330,450,546	331,397,296	12,409,078,896	12,931,785,304
	505,130,445	505,742,074	18,968,658,473	19,735,067,238

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.