



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

Condensed Interim Financial Statements
and Independent Review Report for the
Six Months Ended June 30, 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

Condensed Interim Financial Statements and Independent Review Report for the Six-Month Period ended June 30, 2024

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Independent Review Report on Condensed Interim Financial Statements

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

Introduction

We have reviewed the accompanying condensed interim financial statements of the Trust Fideicomiso Financiero Forestal Bosques del Uruguay IV (hereinafter “the Trust”), which comprise the condensed interim statement of financial position as of June 30, 2024, the related condensed interim statement of comprehensive income, cash flows, and changes in fiduciary net position for the period then ended, as well as the notes about significant accounting policies and other explanatory notes attached to the condensed interim financial statements. The Management of the Trust is responsible for the information contained in these condensed interim financial statements and its explanatory notes, which have been prepared in accordance with the International Accounting Standards applicable to condensed interim financial statements (IAS 34). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Limited Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 (ISRE 2410), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity,” issued by the International Federation of Accountants (IFAC).

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly, in all material respects, the financial position of the Trust Fideicomiso Financiero Forestal Bosques del Uruguay IV as of June 30, 2024, and of its financial performance and its cash flows for the six-month period then ended, in accordance with the International Accounting Standards applicable to interim financial statements (IAS 34).

Other Matters

Our work also included the review of the translation of the financial statements from U.S. dollars into Uruguayan pesos. That translation has been made in accordance with the methodology outlined in in Note 2.2. The translation of the condensed interim financial statements into Uruguayan pesos has been carried out exclusively to comply with the financial statement regulations currently in force in the Eastern Republic of Uruguay.

August 30, 2024



Lucía Recalde
Partner, Deloitte S.C.



FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Condensed Interim Statement of Financial Position as of June 30, 2024

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets					
Non-current assets					
Property, plant and equipment	5	194,792,167	194,603,757	7,789,543,950	7,593,827,806
Biological assets - plantations	4	329,835,569	331,397,296	13,189,794,574	12,931,785,304
Total non-current assets		524,627,736	526,001,053	20,979,338,524	20,525,613,110
Current assets					
Inventories	3.1	7,432,061	6,540,242	297,200,699	255,213,330
Accounts receivable and other receivables	3.2	5,506,242	6,105,684	220,189,105	238,256,018
Other non-financial assets	3.3	5,820,376	4,824,871	232,750,995	188,276,069
Cash and cash equivalents	3.4	805,150	159,008	32,197,119	6,204,830
Total current assets		19,563,829	17,629,805	782,337,918	687,950,247
Total assets		544,191,565	543,630,858	21,761,676,442	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		-	-	1,046,935,241	551,394,086
Retained earnings	7	130,343,577	130,290,827	5,265,864,734	5,268,340,129
Total equity		507,763,559	507,710,809	20,304,956,935	19,811,891,175
Liabilities					
Non-current liabilities					
Deferred tax liabilities	2.15	6,212,641	6,637,933	248,437,313	259,025,421
Other financial liabilities	3.6	8,325,771	4,941,927	332,939,257	192,843,875
Total non-current liabilities		14,538,412	11,579,860	581,376,570	451,869,296
Current liabilities					
Accounts payable and other payables	3.5	6,690,386	7,549,083	267,541,828	294,580,332
Other financial liabilities	3.6	15,199,208	16,791,106	607,801,109	655,222,554
Total current liabilities		21,889,594	24,340,189	875,342,937	949,802,886
Total liabilities		36,428,006	35,920,049	1,456,719,507	1,401,672,182
Total liabilities and equity		544,191,565	543,630,858	21,761,676,442	21,213,563,357

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

The report dated August 30, 2024, is attached hereto.

Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Condensed Interim Statement of Comprehensive Income for the Six-Month Period Ended June 30, 2024

(in U.S. dollars)

	Notes	Quarter ended on		Semester ended on	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Operating revenue	3.7	11,051,702	8,606,082	25,230,421	15,038,881
Cost of goods sold	3.8	(9,639,469)	(6,860,131)	(20,730,039)	(11,784,527)
Gross margin		1,412,233	1,745,951	4,500,382	3,254,354
SG&A	3.9	(1,831,806)	(2,011,668)	(4,117,026)	(4,484,592)
Financial results	3.10	4,214	(424,435)	(595,382)	(675,240)
Profit or loss for the period before income		(415,359)	(690,152)	(212,026)	(1,905,478)
Income tax	2.15	264,776	1,457,107	264,776	1,457,107
Profit or loss for the period		(150,583)	766,955	52,750	(448,371)
Other comprehensive income for the period		-	-	-	-
Comprehensive income for the period		(150,583)	766,955	52,750	(448,371)

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

The report dated August 30,
2024, is attached hereto.

Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Condensed Interim Statement of Comprehensive Income for the Six-Month Period Ended June 30, 2024

(in Uruguayan pesos)

	Notes	Quarter ended on		Semester ended on	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Operating revenue	3.7	426,271,946	330,071,486	977,192,124	580,595,417
Cost of goods sold	3.8	(376,074,079)	(263,835,748)	(807,615,169)	(456,251,264)
Gross margin		50,197,867	66,235,738	169,576,955	124,344,153
SG&A	3.9	(71,230,393)	(77,218,460)	(159,664,448)	(173,374,891)
Financial results	3.10	138,402	(16,295,922)	(22,976,010)	(26,092,308)
		(20,894,124)	(27,278,644)	(13,063,503)	(75,123,046)
Profit or loss for the period before income tax					
Income tax	2.15	10,588,108	54,507,445	10,588,108	54,507,445
Profit or loss for the period		(10,306,016)	27,228,801	(2,475,395)	(20,615,601)
Other comprehensive income for the period		-	-	-	-
Items that will not to be reclassified subsequently to profit or loss					
Translation reserve	7	495,541,155	(1,230,886,037)	495,541,155	(1,230,886,037)
Comprehensive income for the period		485,235,139	(1,203,657,236)	493,065,760	(1,251,501,638)

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

The report dated August 30, 2024, is attached hereto.

Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Condensed Interim Statement of Cash Flows for the Six-Month Period ended June 30, 2024

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cash flow from operating activities					
Profit or loss for the period before income tax		(212,026)	(1,905,478)	(13,063,503)	(75,123,046)
Adjustments for:					
Depreciations		435,165	416,762	16,887,409	16,090,873
Unpaid accrued interest		92,523	81,342	3,699,882	3,042,823
Costs of standing forest		3,287,832	323,234	132,103,750	12,650,967
		3,603,494	(1,084,140)	139,627,538	(43,338,383)
Changes in assets and liabilities					
Accounts receivable and other receivables	3.2	599,442	(4,040,444)	23,681,256	(156,524,780)
Inventories	3.1	(1,268,668)	344,834	(50,119,364)	13,358,697
Other non-financial assets	3.3	(995,505)	(411,635)	(39,327,923)	(15,946,534)
Accounts payable and other payables	3.5	(1,019,213)	1,495,581	(40,264,519)	57,938,060
Translation adjustment	7	-	-	(2,005,427)	(7,260,085)
Net flows from / (used in) operating activities		919,550	(3,695,804)	31,591,561	(151,773,025)
Cash flows from investing activities					
Costs incurred in biological assets	4	(1,247,164)	(1,364,579)	(48,304,568)	(52,987,728)
Purchases of property, plant and equipment		(725,667)	(2,294,832)	(28,473,045)	(88,485,606)
Net cash flows used in investing activities	5	(1,972,831)	(3,659,411)	(76,777,613)	(141,473,334)
Cash flows from financing activities					
Loans and other liabilities	3.6	2,407,878	6,752,569	95,802,346	265,098,679
Net flows from financing activities		2,407,878	6,752,569	95,802,346	265,098,679
Changes in cash flows and cash equivalents		1,354,597	(602,646)	50,616,294	(28,147,680)
Opening balance of cash and cash equivalents		(2,343,108)	1,867,504	(91,432,743)	74,832,756
Effect of exchange rate changes on cash and cash equivalents		-	-	1,286,869	630,724
Closing balance of cash and cash equivalents	2.14	(988,511)	1,264,858	(39,529,580)	47,315,800

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

The report dated August 30,
2024, is attached hereto.

Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Condensed Interim Statement of Changes in Fiduciary Net Position for the Six-Month Period Ended June 30, 2024

(in U.S. dollars)

	PARTICIPATION CERTIFICATES	ADJUSTMENT TO EQUITY	VALUATION RESERVE	RETAINED EARNINGS	TOTAL NET EQUITY
Balance as of December 31, 2022	330,000,000	(309,720)	41,550,953	92,419,655	463,660,888
Profit or loss for the period	-	-	-	(448,371)	(448,371)
As of June 30, 2023	330,000,000	(309,720)	41,550,953	91,971,284	463,212,517
Profit or loss for the period	-	-	-	38,319,543	38,319,543
Revaluation of property, plant and equipment net of deferred tax	-	-	6,178,749	-	6,178,749
Balance as of December 31, 2023	330,000,000	(309,720)	47,729,702	130,290,827	507,710,809
Profit or loss for the period	-	-	-	52,750	52,750
Balance as of June 30, 2024	330,000,000	(309,720)	47,729,702	130,343,577	507,763,559

Condensed Interim Statement of Changes in Fiduciary Net Position for the Six-Month Period Ended June 30, 2024

(in Uruguayan pesos)

	PARTICIPATION CERTIFICATES	ADJUSTMENT TO EQUITY	VALUATION RESERVE	TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL NET EQUITY
Balance as of December 31, 2022	11,932,965,000	(10,723,512)	1,828,808,312	1,032,386,643	3,795,918,999	18,579,355,442
Translation reserve	-	-	-	(1,230,886,037)	-	(1,230,886,037)
Profit or loss for the period	-	-	-	-	(20,615,601)	(20,615,601)
As of June 30, 2023	11,932,965,000	(10,723,512)	1,828,808,312	(198,499,394)	3,775,303,398	17,327,853,804
Translation reserve	-	-	-	749,893,480	-	749,893,480
Revaluation of property, plant and equipment net of deferred tax	-	-	241,107,160	-	-	241,107,160
Profit or loss for the period	-	-	-	-	1,493,036,731	1,493,036,731
Balance as of December 31, 2023	11,932,965,000	(10,723,512)	2,069,915,472	551,394,086	5,268,340,129	19,811,891,175
Translation reserve	-	-	-	495,541,155	-	495,541,155
Profit or loss for the period	-	-	-	-	(2,475,395)	(2,475,395)
Balance as of June 30, 2024	11,932,965,000	(10,723,512)	2,069,915,472	1,046,935,241	5,265,864,734	20,304,956,935

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

The report dated August 30,
2024, is attached hereto.

Deloitte S.C.

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY IV

Notes to the Condensed Interim Financial Statements for the Six-Month Period Ended June 30, 2024

NOTE 1 - GENERAL INFORMATION ON THE TRUST 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 for the Trust to make such investments

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 incurred debt. 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 Communication 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 of each year. The condensed interim statement of comprehensive income, statement of changes in equity and statement of cash flows are presented for the six-month period ended June 30, 2024.

These condensed interim financial statements were authorized for issuance by EF Asset Management Administradora de Fondos de Inversión S.A., Trustee of the Trust, on August 30, 2024.

NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Standards

These condensed 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.

These condensed interim financial statements do 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 interim financial statements provided for in International Accounting Standard No. 34 - "Interim Financial Reporting." Therefore, these condensed interim financial statements, which have been prepared in accordance with IFRS, 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, 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 the 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 restated as follows: 1) the 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 for 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 "Adjustments 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 the 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 June 30, 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 six-month period ended June 30, 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.

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 probable that these expenditures will result in future economic benefits beyond those originally assessed.

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.

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

2.12 Accrual Basis and Revenue Recognition

Revenue is recognized when earned and losses when incurred, regardless of when they are collected or paid. 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 between the equity as of June 30, 2024, and the required capital amount 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, current and demand deposits held in financial institutions are considered cash and cash equivalents.

	USD		Equivalent in UYU	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Banks	805,150	1,264,858	32,197,119	47,315,800
Bank overdrafts	(1,793,661)	-	(71,726,699)	-
	(988,511)	1,264,858	(39,529,580)	47,315,800

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 from 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.

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.

A) Income Tax

	06/30/2024		06/30/2023	
	USD	Equivalent in UYU	USD	Equivalent in UYU
Current Income Tax Expense				
Gain / (Loss) on Deferred Tax	264,776	10,588,108	1,457,107	54,507,445
	264,776	10,588,108	1,457,107	54,507,445

B) Deferred Income Tax

	06/30/2024		12/31/2023	
	USD	Equivalent in UYU	USD	Equivalent in UYU
Property, plant and equipment-land	(2,896,494)	(115,827,888)	(3,210,440)	(125,277,788)
Other property, plant and equipment -Agro-related	105,978	4,237,962	100,037	3,903,606
Biological Assets	(3,352,184)	(134,050,498)	(3,494,069)	(136,345,552)
Construction work-in-progress O.P.	(9,386)	(375,346)	(334)	(13,022)
Machinery and equipment O.P.	(37,613)	(1,504,102)	(33,127)	(1,292,665)
Finished and in-process products	(22,942)	(917,441)	-	-
Deferred Tax Asset / (Liability)	(6,212,641)	(248,437,313)	(6,637,933)	(259,025,421)

C) Movements in Deferred Tax for the Period

	USD				
	Balance as of 12.31.2023	Adjustment to Earnings	Translation Adjustment	Adjustment to Equity	Balance as of 06.30.2024
Fixed assets- Land	(3,210,440)	236,312	77,634	-	(2,896,494)
Other fixed assets- Agro-related	100,037	8,361	(2,419)	-	105,978
Biological assets	(3,494,069)	57,392	84,492	-	(3,352,184)
Construction work-in-progress O.P.	(334)	(9,061)	8	-	(9,386)
Machinery and equipment O.P.	(33,127)	(5,287)	801	-	(37,613)
Finished and in-process products	-	(22,942)	-	-	(22,942)
Deferred Tax Asset / (Liability)	(6,637,933)	264,776	160,516	-	(6,212,641)

	Equivalent in UYU			
	Balance as of 12.31.2023	Adjustment to Earnings	Adjustment to Equity	Balance as of 06.30.2024
Fixed assets- Land	(125,277,788)	9,449,900	-	(115,827,888)
Other fixed assets- Agro-related	3,903,606	334,357	-	4,237,962
Biological assets	(136,345,552)	2,295,055	-	(134,050,498)
Construction work-in-progress O.P.	(13,022)	(362,325)	-	(375,346)
Machinery and equipment O.P.	(1,292,665)	(211,437)	-	(1,504,102)
Finished and in-process products	-	(917,441)	-	(917,441)
Deferred Tax Asset / (Liability)	(259,025,421)	10,588,108	-	(248,437,313)

D) Reconciliation between Income Tax Expense and Accounting Profit

	06/30/2024	
	USD	Equivalent in UYU
Accounting profit before IRAE	(212,026)	(13,063,503)
	25%	25%
Income tax at applicable rate	(53,007)	(3,265,876)
<u>Adjustments that do not generate temporary difference:</u>		
Difference in profit or loss by closing	9,788,103	386,683,921
Non-taxable income	(18,335,060)	724,335,716
Expenses associated to non-taxable income	8,777,017	346,740,441
Translation adjustment	160,516	-
Other net items	(602,345)	(16,410,878)
	(264,776)	(10,588,108)

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 Property, Plant and Equipment, and Biological Assets

The Trust annually hires external expert appraisers to determine the fair value of its land (Note 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 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 the establishment and cultivation a 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 and Cost of Land

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

The criteria applied in the valuation of assets and liabilities, as well as to determine the profit or loss for the six-month period ended June 30, 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Wood	6,458,138	6,197,525	258,504,982	241,802,159
O.P. Inventory	649,745	78,919	25,982,649	3,079,586
Herbicide	147,147	165,680	5,733,163	6,460,111
Seedlings	92,118	28,183	3,622,234	1,102,008
Fertilizer	23,214	23,370	898,297	908,155
Seeds	18,692	17,786	768,399	732,998
Coadjuvant	22,665	14,217	894,631	566,142
Ant killer	20,342	14,562	796,344	562,171
	7,432,061	6,540,242	297,200,699	255,213,330

3.2 Accounts Receivable and Other Receivables

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accounts receivable	5,201,528	5,913,860	208,003,889	230,770,667
Grazing debtors	303,928	191,824	12,153,787	7,485,351
Beehive debtors	786	-	31,429	-
	5,506,242	6,105,684	220,189,105	238,256,018

3.3 Other Non-Financial Assets

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Tax credits	5,311,057	4,429,500	212,383,858	172,847,943
Advances to suppliers	314,071	369,583	12,559,387	14,421,876
Insurance paid in advance	179,921	7,517	7,194,841	293,262
Other non-financial receivables	15,327	18,271	612,909	712,988
	5,820,376	4,824,871	232,750,995	188,276,069

3.4 Cash and Cash Equivalents

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Banks	805,150	159,008	32,197,119	6,204,830
	805,150	159,008	32,197,119	6,204,830

3.5 Accounts Payable and Other Payables

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accounts payable	4,090,654	5,559,355	163,581,181	216,937,170
Tax creditors	2,491,654	1,804,921	99,638,736	70,431,632
Customer advances	75,801	136,839	3,031,209	5,339,731
Provisions	13,529	31,812	540,997	1,241,373
Other accounts payable	18,748	16,156	749,704	630,426
	6,690,386	7,549,083	267,541,828	294,580,332

3.6 Loans and Liabilities

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Non-current liabilities				
Bank loan	8,325,771	4,941,927	332,939,257	192,843,875
	8,325,771	4,941,927	332,939,257	192,843,875

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current liabilities				
Bank loan	13,405,547	14,288,990	536,074,410	557,584,981
Bank overdraft	1,793,661	2,502,116	71,726,699	97,637,573
	15,199,208	16,791,106	607,801,109	655,222,554

As of June 30, 2024, bank loans include three loans in U.S. dollars taken out with a local bank. One of them was taken out in April 2022 for a principal amount of USD 5,200,000. This loan shall be repaid in 96 equal, consecutive and monthly instalments of USD 54,166.67, starting in May 2024 and ending in June 2024. Two installments have been paid totaling USD 108,333. Another loan was taken out in January 2023 for a principal amount of USD 4,000,000. This loan shall be repaid in 24 equal, consecutive and monthly instalments, starting in February 2023. As of the fiscal year-end 2023, eleven installments have been repaid, totaling USD 1,780,901, while by June 2024, seventeen installments have been repaid, amounting to USD 2,789,310. The third loan was taken out in March 2024, for a principal of USD 5,000,000. This loan shall be repaid in 60 equal, consecutive and monthly instalments, starting the month following its issuance. As of June 2024, three installments have been repaid, totaling USD 216,230.

Additionally, as of June 30, 2024, the loans include seven fixed term promissory notes in U.S dollars issued by local banks. Four of these notes were issued for a principal amount of USD 2,000,000 each. One of these notes was issued in November 2023 and subsequently renewed in May, with repayment due in November 2024. Other loan was issued in March 2024, which shall be repaid in March 2025. This note was partially repaid in the amount of USD 747,322. Besides, another of the notes was taken out in April 2023. This note shall be repaid in April 2025. Finally, the last note was taken out in June 2024. This note shall be repaid in June 2025. Additionally, two other loans were taken out for a principal amount of USD 1,000,000 each. One of them was issued in April 2023, renewed in June and October 2023, and subsequently renewed in February 2024. This loan shall be repaid in August 2024. The other loan was taken out in December 2023 and shall be repaid in December 2024. Lastly, a promissory note was taken out in May 2024 for a principal amount of USD 1,300,000. This loan shall be repaid in October 2024.

As of December 31, 2023, the bank loan includes two loans in U.S. dollars taken out with local banks. One of them was issued in April 2022, for a principal amount of USD 5,200,000. This loan shall be repaid in ninety-six consecutive monthly installments of USD 54,166.67, starting in May 2024. The other loan was taken in January 2023, for a principal amount of USD 4,000,000. This loan shall be repaid in twenty-four consecutive monthly installments, starting in February 2023. As of the date of these financial statements, eleven installments had already been paid, totaling USD 1,780,901.

Additionally, as of December 31, 2023, the loans include ten fixed-term promissory notes, all issued by local banks. Four of these promissory notes were taken out for a principal amount of USD 1,000,000 each. One of them was issued in April 2023, and subsequently renewed in June and October 2023. This note shall be repaid in February 2024. Another of the notes was issued in November 2023, to be repaid in February 2024. Two other notes were issued in December 2023, to be repaid in June 2024. Besides, three of those promissory notes were issued for a principal amount of USD 2,000,000 each: two were taken out in May 2023, both renewed in July 2023, and further renewed in October and November 2023 respectively. These notes shall be repaid in February and March 2024 respectively. 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.

Accrued and unpaid interest as of the date of these financial statements amounts to USD 92,523, equivalent to UYU 3,699,882, and as of December 31, 2023, amounted to USD 129,301, equivalent to UYU 5,045,570.

3.7 Operating Revenue

<i>Item</i>	USD			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Revenue from sales of wood	10,359,247	8,424,232	24,418,135	14,708,238
Revenue from Olimar Mill sales	395,522	-	395,522	-
Revenue from grazing	159,536	181,602	278,910	330,148
Other revenue	136,957	-	136,957	-
Revenue from beehives	440	248	897	495
	11,051,702	8,606,082	25,230,421	15,038,881

<i>Item</i>	Equivalent in UYU			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Revenue from sales of wood	399,245,218	323,085,233	945,857,760	567,823,291
Revenue from Olimar Mill sales	15,433,840	-	15,433,840	-
Revenue from grazing	6,209,921	6,976,762	10,500,391	12,753,014
Other revenue	5,365,821	-	5,365,821	-
Revenue from beehives	17,146	9,491	34,312	19,112
	426,271,946	330,071,486	977,192,124	580,595,417

3.8 Cost of Goods Sold

<i>Item</i>	USD			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cost of wood sales	(8,871,821)	(6,860,131)	(19,929,130)	(11,784,527)
Cost of Olimar Mill sales	(767,648)	-	(800,909)	-
	(9,639,469)	(6,860,131)	(20,730,039)	(11,784,527)

<i>Item</i>	Equivalent in UYU			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cost of wood sales	(346,727,918)	(263,835,748)	(776,685,301)	(456,251,264)
Cost of Olimar Mill sales	(29,346,161)	-	(30,929,868)	-
	(376,074,079)	(263,835,748)	(807,615,169)	(456,251,264)

3.9 Selling, General and Administrative Expenses

<i>Item</i>	USD			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Forestry Operator fee	849,765	1,107,727	1,957,491	2,215,450
Farm expenses	174,817	176,028	579,835	555,569
Depreciation	217,804	208,842	435,165	416,762
Other fees	169,066	172,876	309,113	316,845
Various export expenses	102,357	178,770	188,507	549,025
Administrative expenses -				
Olimar Mill	162,429	23,906	285,436	112,622
Insurances	119,395	87,870	242,652	182,459
Social security contributions	22,629	21,047	37,243	41,208
Taxes	1,012	12,633	32,803	57,961
Miscellaneous	12,532	21,969	48,781	36,691
	1,831,806	2,011,668	4,117,026	4,484,592

<i>Item</i>	Equivalent in UYU			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Forestry Operator fee	33,104,329	42,418,521	75,873,998	85,338,841
Farm expenses	6,786,283	6,795,485	22,524,554	21,606,096
Depreciation	8,494,150	8,008,123	16,887,409	16,090,873
Other fees	6,530,618	6,674,897	11,973,126	12,305,642
Various export expenses	3,952,636	6,925,133	7,292,999	21,389,918
Administrative expenses -				
Olimar Mill	6,306,739	893,102	11,090,137	4,347,207
Insurances	4,656,757	3,372,803	9,414,482	7,051,964
Social security contributions	881,394	807,653	1,442,859	1,591,431
Taxes	33,623	470,939	1,266,244	2,232,921
Miscellaneous	483,864	851,804	1,898,640	1,419,998
	71,230,393	77,218,460	159,664,448	173,374,891

3.10 Financial Results

<i>Item</i>	USD			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Interests on loans	(338,924)	(187,320)	(584,325)	(322,571)
Interest and bank charges	(74,547)	(39,347)	(159,740)	(66,669)
Exchange rate difference	417,685	(197,768)	148,683	(286,000)
	4,214	(424,435)	(595,382)	(675,240)

<i>Item</i>	Equivalent in UYU			
	Quarter ended on		Semester ended on	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Interests on loans	(13,150,072)	(7,174,397)	(22,651,371)	(12,432,808)
Interest and bank charges	(2,884,602)	(1,514,793)	(6,198,428)	(2,579,991)
Exchange rate difference	16,173,076	(7,606,732)	5,873,789	(11,079,509)
	138,402	(16,295,922)	(22,976,010)	(26,092,308)

NOTE 4 - BIOLOGICAL ASSETS

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 June 30, 2024, these forest plantations covered 38,017 hectares out of a total area of approximately 55,365 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 six-month period ended June 30, 2024, and December 31, 2023, is detailed below:

	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Opening balance	331,397,296	288,430,000	12,931,785,304	11,557,678,530
Cost increase added to biological assets	1,247,163	2,928,360	48,304,568	113,916,484
Reduction by harvest of biological assets	(2,808,890)	(2,430,606)	(108,926,793)	(95,283,603)
Change in the fair value of biological assets	-	42,469,542	-	1,657,246,465
Translation adjustment	-	-	318,631,495	(301,772,572)
	329,835,569	331,397,296	13,189,794,574	12,931,785,304

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is composed as follows:

In U.S. dollars:

Item	06/30/2024												12/31/2023	
	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	167,804,536	-	-	-	-	167,804,536	-	-	-	-	-	167,804,536	167,804,536	
Improvements	23,239,908	-	-	-	-	23,239,908	(3,273,421)	-	(390,632)	-	(3,664,053)	19,575,855	19,966,487	
Other improvements	577,738	47,926	-	-	-	625,664	(70,539)	-	(30,533)	-	(101,072)	524,592	507,199	
Machinery	280,000	-	-	-	-	280,000	(121,333)	-	(14,000)	-	(135,333)	144,667	158,667	
Machinery and equipment O.P.	2,281,308	256,067	-	-	-	2,537,375	(5,691)	-	(102,092)	-	(107,783)	2,429,592	2,275,617	
Construction work-in-progress O.P.	3,891,251	421,674	-	-	-	4,312,925	-	-	-	-	-	4,312,925	3,891,251	
Total	198,074,741	725,667	-	-	-	198,800,408	(3,470,984)	-	(537,257)	-	(4,008,241)	194,792,167	194,603,757	

Equivalent in Uruguayan pesos:

Item	06/30/2024												12/31/2023	
	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	6,548,068,604	-	-	-	162,266,986	6,710,335,590	-	-	-	-	-	6,710,335,590	6,548,068,604	
Improvements	906,867,680	-	-	-	22,472,991	929,340,671	(127,734,087)	-	(15,159,646)	(3,626,734)	(146,520,467)	782,820,204	779,133,593	
Other improvements	22,544,489	1,869,145	-	-	606,054	25,019,688	(2,753,910)	-	(1,184,452)	(104,742)	(4,043,104)	20,976,584	19,790,579	
Machinery	10,926,160	-	-	-	270,760	11,196,920	(4,734,663)	-	(543,311)	(311,422)	(5,589,396)	5,607,524	6,191,497	
Machinery and equipment O.P.	89,021,216	10,198,823	-	-	2,247,056	101,467,095	(222,101)	-	(3,910,513)	-	(4,132,614)	97,334,481	88,799,115	
Construction work-in-progress O.P.	151,844,418	16,405,077	-	-	4,220,072	172,469,567	-	-	-	-	-	172,469,567	151,844,418	
Total	7,729,272,567	28,473,045	-	-	192,083,919	7,949,829,531	(135,444,761)	-	(20,797,922)	(4,042,898)	(160,285,581)	7,789,543,950	7,593,827,806	

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

The report dated August 30, 2024,
is attached hereto.

Deloitte S.C.

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:

	June 30, 2024		December 31, 2023	
	UYU	Equivalent in USD	UYU	Equivalent in USD
Assets				
Accounts receivable and other receivables	430,249	10,759	7,917,873	202,908
Other non-financial assets	214,333,387	5,359,809	174,309,655	4,466,959
Cash and cash equivalents	2,565,376	64,152	1,235,019	31,649
Total assets	217,329,012	5,434,720	183,462,547	4,701,516
Liabilities				
Deferred tax liabilities	248,437,313	6,212,641	259,025,421	6,637,933
Accounts payable and other payables	212,617,965	5,316,911	198,355,439	5,083,170
Total liabilities	461,055,278	11,529,553	457,380,860	11,721,103
Net position	(243,726,266)	(6,094,833)	(273,918,313)	(7,019,587)

The U.S. dollar exchange rate was UYU 39.989 as of June 30, 2024, and UYU 39.022, as of December 31, 2023.

NOTE 7 – EQUITY

Book-Entry Participation Certificates for a nominal value of USD 330,000,000 were registered in the Securities Market Registry. The face 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 June 30, 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, the balance of adjustments to equity includes the translation reserve, which amounted to UYU 551,394,086 as of December 31, 2023, and UYU 1,046,935,241, as of June 30, 2024.

NOTE 8 – COMMITMENTS

As of June 30, 2024, the Trust had entered into grazing contracts on its own land totalling to USD 394,154, covering 50,531 hectares of grazing land.

NOTE 9 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	USD		Equivalent in UYU	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Agro Empresa Forestal S.A.	399,087	467,371	15,959,077	18,237,766
	399,087	467,371	15,959,077	18,237,766

b) Transactions with related parties are composed as follows:

	USD		USD	
	Quarter ended on	Quarter ended on	Semester ended on	Semester ended on
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Accrued fees				
Agro Empresa Forestal S.A.	849,765	1,107,727	1,957,491	2,215,451
	849,765	1,107,727	1,957,491	2,215,451

	Equivalent in UYU		Equivalent in UYU	
	Quarter ended on	Quarter ended on	Semester ended on	Semester ended on
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Accrued fees				
Agro Empresa Forestal S.A.	33,104,329	42,418,521	75,873,998	85,338,841
	33,104,329	42,418,521	75,873,998	85,338,841

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 575,736, equivalent to UYU 25,325,415. If a strengthening of 10% were to occur, the comprehensive income for the period would decrease by USD 703,677, equivalent to UYU 25,325,415.

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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Inventory	7,432,061	6,540,242	297,200,699	255,213,330
Property, plant and equipment (land)	167,804,536	167,804,536	6,710,335,590	6,548,068,604
Biological assets	329,835,569	331,397,296	13,189,794,574	12,931,785,304
	505,072,166	505,742,074	18,968,658,473	19,735,067,238

NOTE 11 – SUBSEQUENT EVENTS

After June 30, 2024, no other events or circumstances have occurred that significantly affected the financial position, performance and cash flows of the Trust.