

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

***CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE  
THREE-MONTH PERIOD ENDED MARCH 31, 2025,  
TOGETHER WITH THE COMPILATION REPORT***

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

**FINANCIAL FORESTRY TRUST FIDEICOMISO FINANCIERO FORESTAL  
BOSQUES DEL URUGUAY III  
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED MARCH 31, 2025**

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**Abbreviations:**

UYU – Uruguayan peso

USD – U.S. Dollar

## COMPILATION REPORT

To the Board of Directors of

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

We have compiled the condensed interim statement of financial position of the Financial Forestry Trust *Fideicomiso Financiero Forestal Bosques del Uruguay III* as of March 31, 2025, and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, together with the accompanying explanatory notes. These condensed 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.

This review was conducted in accordance with the International Standard Related Services No. 4410, as set forth 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 condensed interim financial statements.

We have not performed an audit in accordance with International Standards on Auditing, nor a review of the condensed interim financial statements, and therefore we do not express an opinion or any other form of assurance thereon.

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

Montevideo, April 29, 2025.



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]



# FINANCIAL FORESTRY TRUST FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY III

## Condensed Interim Statement of Financial Position as of March 31, 2025

(in U.S. dollars and Uruguayan pesos)

		USD		Equivalent in UYU	
	Notes	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Assets					
Non-current assets					
Property, plant and equipment	5	165,733,960	165,944,074	6,981,874,550	7,312,491,567
Biological assets- plantations	4	87,639,806	87,698,186	3,692,002,113	3,864,508,245
Total non-current assets		253,373,766	253,642,260	10,673,876,663	11,176,999,812
Current assets					
Inventories	3.1	2,833,142	2,538,464	119,351,790	111,859,933
Trade receivables and other accounts receivable	3.2	3,368,473	3,730,560	141,903,650	164,390,855
Other non-financial assets	3.3	1,964,799	2,127,555	82,771,076	93,752,856
Cash and cash equivalent	3.4	458,026	116,013	19,295,265	5,112,213
Total current assets		8,624,440	8,512,592	363,321,781	375,115,857
Total assets		261,998,206	262,154,852	11,037,198,444	11,552,115,669
Equity					
Participation certificates	7	190,000,000	190,000,000	5,491,141,906	5,491,141,906
Revaluation reserve		44,665,054	44,665,054	1,945,159,862	1,945,159,862
Foreign currency translation reserve	7	-	-	2,181,863,754	2,642,284,680
Retained earnings		2,148,814	3,835,696	358,092,310	431,187,609
Total equity		236,813,868	238,500,750	9,976,257,832	10,509,774,057
Liabilities					
Non-current liabilities					
Loans and borrowings	3.6	4,469,402	4,637,915	188,282,502	204,374,378
Deferred tax liabilities	2.15	8,382,130	8,013,298	353,113,985	353,113,985
Total non-current liabilities		12,851,532	12,651,213	541,396,487	557,488,363
Current liabilities					
Trade payables and other accounts payable	3.5	2,309,760	3,297,056	97,303,255	145,288,017
Loans and borrowings	3.6	10,023,046	7,705,833	422,240,870	339,565,232
Total current liabilities		12,332,806	11,002,889	519,544,125	484,853,249
Total liabilities		25,184,338	23,654,102	1,060,940,612	1,042,341,612
Total liabilities and equity		261,998,206	262,154,852	11,037,198,444	11,552,115,669

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

# FINANCIAL FORESTRY TRUST FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY III

## Condensed Interim Statement of Comprehensive Income

For the three-month period ended March 31, 2025

(in U.S. dollars and Uruguayan pesos)

	Notes	USD		Equivalent in UYU	
		03/31/2025	03/31/2024	03/31/2025	03/31/2024
Operating revenue	3.7	3,402,171	4,369,675	145,320,844	169,582,649
Cost of goods sold		(3,303,347)	(4,015,868)	(141,958,341)	(155,358,859)
<b>Gross margin</b>		<b>98,824</b>	<b>353,807</b>	<b>3,362,503</b>	<b>14,223,790</b>
Administrative and selling expenses	3.8	(1,239,041)	(1,247,026)	(52,976,647)	(48,292,193)
Financial results	3.9	(546,665)	(319,733)	(23,481,155)	(12,278,699)
<b>Profit (loss) for the period before income tax</b>		<b>(1,686,882)</b>	<b>(1,212,952)</b>	<b>(73,095,299)</b>	<b>(46,347,102)</b>
<b>Profit (loss) for the period</b>		<b>(1,686,882)</b>	<b>(1,212,952)</b>	<b>(73,095,299)</b>	<b>(46,347,102)</b>
<b>Items that may be subsequently reclassified to profit (loss)</b>					
Foreign currency translation reserve	2.2	-	-	(460,420,926)	(352,973,543)
<b>Comprehensive income for the period</b>		<b>(1,686,882)</b>	<b>(1,212,952)</b>	<b>(533,516,225)</b>	<b>(399,320,645)</b>

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

# FINANCIAL FORESTRY TRUST FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY III

## Condensed Interim Statement of Cash Flows

For the three-month period ended March 31, 2025

(in U.S. dollars and Uruguayan pesos)

		USD		Equivalent in UYU	
	Notes	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Cash flow from operating activities					
Profit (loss) for the period before income tax		(1,686,882)	(1,212,952)	(73,095,299)	(46,347,102)
Adjustments for:	5				
Depreciations		210,114	208,035	8,953,502	8,033,575
Costs of standing timber sold		291,228	513,708	12,325,113	19,290,778
Accrued but unpaid interest	3.6	70,093	330	2,952,824	12,373
		(1,115,447)	(490,879)	(48,863,860)	(19,010,376)
Changes in assets and liabilities					
Trade receivables and other accounts receivable		362,087	3,149,308	15,604,683	120,577,555
Inventories		172,717	(468,354)	7,443,498	(17,931,870)
Other non-financial assets		162,756	(1,388,619)	7,014,214	(53,166,056)
Trade payables and other accounts payable		(618,462)	1,635,426	(26,653,548)	62,615,555
Translation adjustment		-	-	2,149,078	685,420
Net cash flow from operating activities		(1,036,349)	2,436,882	(43,305,935)	93,770,228
Cash flows from investing activities					
Costs incurred in biological assets	4	(700,244)	(1,094,860)	(29,685,094)	(42,259,381)
Purchases of property, plant and equipment	5	-	(75,371)	-	(2,910,024)
Net cash flows used in investing activities		(700,244)	(1,170,231)	(29,685,094)	(45,169,405)
Cash flows from financing activities					
Loan proceeds		5,658,423	48,854	246,168,924	1,888,622
Loan repayments		(2,415,763)	(394,757)	(104,907,610)	(15,422,944)
Net flows (used in) / from financing activities		3,242,660	(345,903)	141,261,314	(15,422,944)
Changes in cash flows and cash equivalents		1,506,067	920,748	68,270,285	35,066,502
Cash and cash equivalents at the beginning of the period	2.14	(2,584,255)	(444,532)	(113,877,775)	(17,346,496)
Effect of maintenance and currency translation on cash and equivalents		-	-	186,651	162,839
Cash and cash equivalents at the end of the period	2.14	(1,078,188)	476,216	(45,420,839)	17,882,845

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

# FINANCIAL FORESTRY TRUST FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY III

## Condensed Interim Statement of Changes in Equity

For the three-month period ended March 31, 2025

(in U.S dollars)

	PARTICIPATION CERTIFICATES	VALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
<b>As of December 31, 2023</b>	<b>190,000,000</b>	<b>34,898,985</b>	<b>15,762,150</b>	<b>240,661,135</b>
Profit (loss) for the period	-	-	(1,212,952)	(1,212,952)
<b>As of March 31, 2024</b>	<b>190,000,000</b>	<b>34,898,985</b>	<b>14,549,198</b>	<b>239,448,183</b>
Profit (loss) for the period	-	-	(10,713,502)	(10,713,502)
Revaluation of property, plant and equipment, net of deferred tax	-	9,766,069	-	9,766,069
<b>As of December 31, 2024</b>	<b>190,000,000</b>	<b>44,665,054</b>	<b>3,835,696</b>	<b>238,500,750</b>
Profit (loss) for the period	-	-	(1,686,882)	(1,686,882)
<b>As of March 31, 2025</b>	<b>190,000,000</b>	<b>44,665,054</b>	<b>2,148,814</b>	<b>236,813,868</b>

## Condensed Interim Statement of Changes in Equity

For the three-month period ended March 31, 2025

(in Uruguayan pesos)

	PARTICIPATION CERTIFICATES	VALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
<b>As of December 31, 2023</b>	<b>5,491,141,906</b>	<b>1,514,808,272</b>	<b>1,465,285,814</b>	<b>919,842,832</b>	<b>9,391,078,824</b>
Profit (loss) for the period	-	-	-	(46,347,102)	(46,347,102)
Foreign currency translation reserve	-	-	(352,973,543)	-	(352,973,543)
<b>As of March 31, 2024</b>	<b>5,491,141,906</b>	<b>1,514,808,272</b>	<b>1,112,312,271</b>	<b>873,495,730</b>	<b>8,991,758,179</b>
Profit (loss) for the period	-	-	-	(442,308,121)	(442,308,121)
Foreign currency translation reserve	-	-	1,529,972,409	-	1,529,972,409
Revaluation of property, plant and equipment, net of deferred tax	-	430,351,590	-	-	430,351,590
<b>As of December 31, 2024</b>	<b>5,491,141,906</b>	<b>1,945,159,862</b>	<b>2,642,284,680</b>	<b>431,187,609</b>	<b>10,509,774,057</b>
Profit (loss) for the period	-	-	-	(73,095,299)	(73,095,299)
Foreign currency translation reserve	-	-	(460,420,926)	-	(460,420,926)
<b>As of March 31, 2025</b>	<b>5,491,141,906</b>	<b>1,945,159,862</b>	<b>2,181,863,754</b>	<b>358,092,310</b>	<b>9,976,257,832</b>

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

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

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025**

### **NOTE 1 - BASIC INFORMATION ABOUT THE FINANCIAL FORESTRY TRUST FIDEICOMISO FORESTAL BOSQUES DEL URUGUAY III**

In the city of Montevideo, on August 22, 2016, the Trust Agreement was made and entered into by and between EF ASSET MANAGEMENT, *Administradora de Fondos de Inversión S.A.*, acting as Trustee, Agroempresa Forestal S.A., acting as Manager, and the Initial Subscribers of the Securities, acting as Trustors, for the purpose of establishing the Financial Forestry Trust *Fideicomiso Financiero Forestal Bosques del Uruguay III*.

On November 16, 2016, the Central Bank of Uruguay [BCU, for its acronym in Spanish] authorized the registration of the Trust in the Securities Market Registry (Communication No. 2016/246).

The capital of the Trust was contributed by the Trustors, acting as the Initial Subscribers of the Securities, under the terms and conditions set forth in the Agreement. The capital is to be used to fulfil the purposes established therein.

The Trustee invested the funds obtained from the placement of the 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 equity and will be used for forestry activities.

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

The Trustee shall appoint the Manager pursuant to the terms of the Management Agreement. The Manager will be responsible for managing the Trust Assets and executing the Business Plan, as set forth in the Trust and the Management Agreement. Notwithstanding the foregoing, the Trustee remains responsible for the Manager's performance in relation to the tasks subcontracted by the Manager.

The Trust shall not invest its funds that are not authorized for Pension Savings Funds.

The Trust's equity consists of its Assets and all present and future economic rights derived therefrom. The Trust's equity shall be used solely and exclusively for its intended purposes, and only those rights and actions directly related to these assets may be exercised in connection therewith.

On December 6, 2016 (the Subscription Closing Date), book-entry Participation Certificates in the amount of one hundred ninety million U.S. dollars (USD 190,000,000), issued by the Trustee in respect of the Financial Forestry Trust *Fideicomiso Financiero Forestal Bosques del Uruguay III*, were placed on the *Bolsa Electrónica de Valores del Uruguay S.A.* (BEVSA).

Participation Certificates grant Holders right to participate in the Trust's results, pursuant to the terms and conditions outlined in the Trust Agreement.

The Trust shall remain in full force for a maximum of thirty (30) years, or until all its assets have been liquidated and all obligations have been settled. In accordance with Article 330 of the Central Bank of Uruguay's Compilation of Securities Market Standards, the Trust's accounting and fiscal year ends on December 31 of each year.

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 April 29, 2025.



## **NOTE 2 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Accounting Standards Applied**

These condensed interim financial statements have been prepared in accordance with Decree 124/11. This Decree, issued by the Executive Branch on April 1, 2011, establishes that the International Financial Reporting Standards (IFRS), adopted by the International Accounting Standards Board (IASB) and translated into Spanish, are the mandatory accounting standards applicable to issuers of publicly offered securities.

These condensed interim financial statements do not include all the information required by International Financial Reporting Standards (IFRS) for a complete set of financial statements, as they correspond to the condensed format set forth in International Accounting Standard (IAS) No. 34 – *Interim Financial Reporting*. Accordingly, they should be read in conjunction with the Trust's financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS.

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 Mandatorily Effective 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, 2024, except for the adoption of new standards effective as of January 1, 2025. 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 for annual periods beginning on January 1, 2025, are as follows:

- Amendment to IAS 21 – Lack of Exchangeability

The application of these new standards does not have a significant impact on the Trust's financial statements.

#### **2.1.2 New and Revised Standards, Interpretations and Amendments Published Whose Application Is Not Yet Mandatory**

As of the date of approval of these financial statements, the standards and interpretations issued by the IASB that are not yet effective for annual periods beginning on or after January 1, 2025, and that have not been early adopted by the Trust are as follows:

- Amendment to IFRS 18 – Presentation and Disclosures in Financial Statements (2)
- Amendment to IFRS 19 – Subsidiaries without Public Accountability: Disclosures (2)
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (1)

(1) Effective for periods beginning on or after January 1, 2026.

(2) Effective for periods beginning on or after January 1, 2027.

Management expects that the application of these amendments will not have a significant impact on the financial statements.

The principal accounting policies applied are set out below.

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

The current regulations in Uruguay establish that the functional currency shall provide useful information about the Trust and reflect the economic substance of the events and circumstances relevant to it. If a certain currency is extensively used by the Trust or has a significant impact on its operations, it may be deemed appropriate as the functional currency. A currency may be deemed functional according to the standard when:

- Purchases are financed in that currency.
- Trade receivables are collected in that currency.
- Prices of goods or services sold are denominated in that currency.
- The cost of goods sold, or services rendered is denominated in that currency.

The Trust has determined the U.S. dollar to be its functional currency, as the majority of its income and expenses are denominated in that currency.

To comply with applicable legal and tax requirements, the Trust presents its financial statements in Uruguayan pesos.

In accordance with the relevant regulations, the translation of the Trust's financial statements from the functional currency into the presentation currency shall be carried out as follows:

- Assets and liabilities are translated at the closing exchange rate.
- Income and expenses are translated at the exchange rates prevailing on the date of the respective transactions.
- Equity items, other than profit or loss for the period, are translated at the closing exchange rate.
- Translation differences are recognized directly in equity, without having an impact on the profit or loss for the period.

Equity components have been restated as follows: (1) capital is presented at historical value in Uruguayan pesos, with the difference between that value and the amount resulting from applying the general translation method recorded as an equity adjustment; (2) retained earnings correspond to accumulated results since the inception of the Trust, originally expressed in U.S. dollars and translated in accordance with the general foreign currency translation method.

The difference arising from the use of the closing exchange rate translation of assets, liabilities, and equity, and the use of the exchange rate on the date of each transaction for income and expenses, is recorded directly in equity under "Equity Adjustments," and in the statement of comprehensive income under "Foreign Currency Translation Reserve."

## **2.3 Balances in Currencies Other Than the Functional Currency**

Assets and liabilities denominated in currencies other than the functional currency are measured at the closing exchange rate at the end of the reporting period. Exchange differences are recognized in profit or loss. Balances of assets and liabilities denominated in foreign currencies at the end of the period are summarized in Note 6.

## **2.4 General Valuation Criteria for Assets and Liabilities**

Assets and liabilities (except for biological assets, and property, plant, and equipment) have been measured based on the cost initially incurred or the commitment undertaken, as applicable, and subsequently measured at amortized cost. In all cases, these amounts have been adjusted as described in the preceding section.

## **2.5 Cash and Cash Equivalents**

Cash and cash equivalents include checking accounts and demand deposits held with financial institutions.

## **2.6 Financial Assets and Liabilities**

Financial assets and liabilities are measured at amortized cost.

The Trust holds bank loans with local financial institutions.

## **2.7 Trade Receivables and Other Accounts Receivable**

Trade receivables and other accounts receivable are presented at amortized cost using the effective interest method. The Trustee's Management has not recognized an allowance for doubtful accounts, based on the expected credit loss model, considering the probability of default and the expected recoverable amount under such scenario. It is Management's view that applying this model would not have a material impact on the Trust's financial statements.

## **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**

The forest plantations are presented in the statement of financial position at their fair value as of December 31, 2024, and the costs incurred in the establishment of the forests between that date and March 31, 2025.

The Trust determines the value of its forest plantations annually, according to an appraisal conducted by independent forestry consultants. The fair value of plantations was estimated by an independent expert using discounted cash flow techniques, primarily applying an income (or expectation) approach.

Based on this methodology, the external appraiser determined that the fair value of the biological assets as of December 31, 2024, amounted to USD 87,698,186, equivalent to UYU 3,864,508,245.

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

- Estimated representative prices for the projected period.
- Annual variable and fixed costs associated with forestry production.
- A discount rate of 7.5%, estimated based on a capital asset pricing model (CAPM).

Changes in fair value measurement (resulting from a combination of biological growth, price changes, costs and expenses) are recognized in the statement of comprehensive income.

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

Fair value was primarily determined using Level 3 inputs of the fair value hierarchy. The most significant input used was the price of comparable assets.

## **2.10 Inventories**

Inventories are measured at acquisition cost.

This cost is determined using the FIFO (First-In, First-Out) method for the allocation of inventory outflows.

The Trust estimates that the carrying amounts of inventories do not exceed their net realizable value.

## **2.11 Property, Plant and Equipment**

The composition and movement of property, plant and equipment balances for the three-month period ended March 31, 2025, are presented in Note 5 to these financial statements.

In accordance with the terms of the agreement, the land was appraised by an independent expert as of December 31, 2024. The carrying amount of land at that date was adjusted to the values determined in the appraisal report, which amounted to USD 149,717,380, equivalent to UYU 6,597,446,068.

The fair value was determined primarily using Level 3 inputs of the fair value hierarchy.

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

Expenditures incurred after the acquisition of an item of property, plant and equipment are included in the asset's carrying amount when it is probable that additional future economic benefits, beyond those originally assessed, will flow to the Trust.

Management considers that the net carrying amount of the assets does not exceed their value in use and that no impairment losses have been recognized on property, plant and equipment.

Depreciation for the period has been charged to administrative and selling expenses.

## 2.12 Accrual Basis and Revenue Recognition

Revenue is recognized when earned and expenses when incurred, regardless of when they are collected or paid. Revenue is generally recognized when it is probable that future economic benefits will flow to the Trust as a result of transactions carried out by the Trust.

Revenue from the sales of goods and the rendering of services is recognized when the significant risks and rewards of ownership have been transferred to the buyer, or when services have been rendered, and the amount of revenue can be measured reliably.

Income and expenses included in the condensed interim statement of comprehensive income are presented at the amounts originally received or disbursed for the related goods or services.

Administrative and selling expenses, financial results, and other items have been accounted for on an accrual basis.

## 2.13 Capital Concept Applied

Profit for the period has been determined as the difference between the value of equity as of March 31, 2025, and the capital amount required to be maintained. The concept of capital applied is that of financial capital.

## 2.14 Statement of Cash Flows

For the preparation of the statements of cash flows for the years ended December 31, 2024, and March 31, 2025, cash and cash equivalents were used as the definition of funds, and the indirect method was applied in their preparation.

<i>Item</i>	<b>USD</b>		<b>Equivalent in UYU</b>	
	<b>03/31/2025</b>	<b>03/31/2024</b>	<b>03/31/2025</b>	<b>03/31/2024</b>
Banks	458,026	476,216	19,295,265	17,882,845
Treasury bills	(1,536,214)	-	(64,716,104)	-
	<b>(1,078,188)</b>	<b>476,216</b>	<b>(45,420,839)</b>	<b>17,882,845</b>

## 2.15 Taxes, Current Income Tax and Deferred Tax

The Trust is subject to Value Added Tax (VAT), Corporate Income Tax [IRAE, for its acronym in Spanish] and Wealth Tax. It is also a withholding agent for Personal Income Tax [IRPF, for its acronym in Spanish].

The Trust is liable for IRAE on all income sourced in Uruguay, unless such income qualifies for exemptions granted under Law No. 15,939, which promotes the forestry sector.

The Trust is also subject to Wealth Tax. However, forest plantations located in areas declared as priority forestry zones, as well as the land allocated to such plantations, are exempt from this tax.

In 2013, Law No. 19,088 amended the exemption regime applicable to the agricultural sector and introduced a surcharge for applicable taxpayers. Decree No. 293/013, which regulates the aforementioned Law, extended the Wealth Tax exemption to trusts, mirroring the benefit already granted to certain publicly listed companies. This exemption is applicable for five fiscal years from the subscription of the Trust. Accordingly, for the period ended March 31, 2025, the Trust is not eligible for the Wealth Tax and surcharge exemption.

The sale of agricultural products in their natural state is subject to the VAT suspension regime. Sales of debarked logs and harvesting of forest stands planted by the Trust or acquired as standing timber are considered sales of agricultural products in their natural state. As a result, VAT remains suspended, allowing for the recovery of VAT paid on acquisitions that form part of the cost. Grazing income is exempt from VAT, and therefore, a portion of input VAT on indirect purchases cannot be recovered, as it is associated with this type of income.

The Trust is also liable for the Rural Real Estate Tax on land acquired for productive use. However, in accordance with Law No. 18,245, land allocated to forest plantations under Quality Timber projects, as defined by the Ministry of Livestock, Agriculture, and Fisheries, is exempt from this tax.

In addition, the Trust recognizes income tax using the deferred tax method, which involves recognizing, as an asset or a liability, the tax effect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax bases. These are measured at the applicable rate of 25% and subsequently recognized in profit or loss in the periods in which such differences reverse.

## **2.16 Provisions**

Provisions are recognized when the Trust has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount.

## **2.17 Financial Instruments**

The main financial instruments of the Trust are bank deposits, investments, receivables, and payables.

The main purpose of holding liquid assets is to ensure the availability of cash and cash equivalents to meet the Trust's operational requirements. The Trust has not entered into any derivative financial instruments during the fiscal year.

## **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, income, and expenses. Actual results may differ from these estimates.

The key accounting policies, estimates and assumptions used in determining the carrying amounts of assets and liabilities include the following:

### **(a) Impairment of Non-Financial Assets**

At each annual reporting date, the Trust reviews the carrying amounts of its property, plant and equipment: Land, to assess whether there is any indication of impairment. If such an indication exists, the recoverable amount of the assets is estimated to determine whether an impairment loss should be recognized.

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

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

The methods used to determine fair value require to make estimates and assumptions based on objective information and business knowledge. These estimates are highly sensitive, and any variation in them may result in a significant change in the fair values of biological assets recognized in the financial statements. Therefore, estimates are periodically reviewed, and adjusted accordingly, if necessary.

## **(c) Income Tax**

The Trust recognizes the effects of deferred tax based on estimates and assumptions depending on how its assets will be realized and its liabilities settled. Changes in these estimates and assumptions could significantly affect the balances of deferred tax assets and liabilities recognized in 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 are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Additionally, in determining the portion of deferred tax assets to be recognized in the statement of financial position, the existence of future taxable temporary differences that can be used to offset deductible temporary differences must also be considered. For this purpose, the Trustee considers the expected reversal of temporary differences, projected future taxable profits, and available tax planning opportunities (see Note 2.15).

## **2.19 Impairment Loss of Tangible Assets**

At each annual reporting date, the Trust reviews the carrying values of its tangible assets to determine whether there are any indications of impairment. If an impairment event occurs, the recoverable amount of the assets is estimated to determine whether it is necessary to write down the value of the assets.

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

The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is the present value of the estimated cash flows expected from the continuous operation of the asset over its useful life, including any cash flows from its disposal or retirement at the end of that life. To determine the value in use, the projected cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and specific risks associated with the asset being valued.

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

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

## **Key Assumptions Used in the Impairment Test**

For the purpose of conducting the impairment test, Management hires an independent appraiser who estimates the future cash flows over the remaining life of the Trust.

The determination of the recoverable amount involves complex estimates requiring the application of assumptions and the expert's professional judgment, including the following:

### **(a) Wood Flows**

Projected wood flows are developed through a five-step process:

- Stratification of forest plantations
- Validation of growth and yield tables
- Design of harvesting scenarios
- Scheduling of wood supply
- Wood flow planning

## **(b) Land Sales Flow**

In line with variations of the income approach, the valuation considered land sales projections in the following scenarios:

- Year of disinvestment
- Year zero cash flow

## **(c) Operating and Management Costs**

**Forestry Costs:** Direct expenditures incurred to establish and manage the forest until it is ready for final harvest.

**General and administrative expenses:** Costs incurred for activities such as management, office maintenance, forest inventory, certification, vehicles, road infrastructure, forest protection, security, and communications.

## **(d) Wood Prices**

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) Land Prices and Cost**

This corresponds to the weighted average potential market price of the land.

## **(f) Determining the Discount Rate**

The discount rate represents the cost of capital of the resources (debt and equity) used to finance net operating assets. It is determined as the weighted average cost of such sources of financing, based on their relative share in the capital structure of the sector in which the Trust operates.

The Weighted Average Cost of Capital (WACC) reflects a blended cost of debt and equity. The cash flows used in the discounted cash flow (DCF) model represent the free cash flow available to both debt and equity holders. Therefore, the free cash flow is discounted to present value using the WACC.

## **(g) Sensitivity Analysis**

The Trust has conducted a sensitivity analysis to assess whether changes in key assumptions—such as the discount rate, wood prices, forestry and overhead costs, and land sale prices—could result in a material impairment loss in 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 three-month period ended March 31, 2025, are consistent with those applied for the fiscal year ended December 31, 2024.

## NOTE 3 - BREAKDOWN OF ITEMS

### 3.1 Inventories

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Wood	2,539,366	2,257,222	106,975,812	99,466,689
Herbicide	161,579	158,917	6,806,854	7,002,857
Seedlings	40,293	35,697	1,697,440	1,573,029
Ant killer	35,647	36,678	1,501,703	1,616,266
Adjuvant	20,530	19,534	864,878	860,778
Seeds	18,006	18,006	758,557	793,472
Fertilizer	17,721	12,410	746,546	546,842
	<b>2,833,142</b>	<b>2,538,464</b>	<b>119,351,790</b>	<b>111,859,933</b>

### 3.2 Trade Receivables and Other Accounts Receivable

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Trade receivables	3,266,972	3,642,681	137,627,739	160,518,398
Grazing receivables	101,480	87,879	4,275,040	3,872,457
Receivables from beekeeping activities	21	-	871	-
	<b>3,368,473</b>	<b>3,730,560</b>	<b>141,903,650</b>	<b>164,390,855</b>

### 3.3 Other Non-Financial Assets

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Tax credits	1,960,212	2,127,513	82,577,840	93,751,015
Advances to suppliers	4,587	42	193,236	1,841
	<b>1,964,799</b>	<b>2,127,555</b>	<b>82,771,076</b>	<b>93,752,856</b>

### 3.4 Cash and Cash Equivalents

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Banks	458,026	116,013	19,295,265	5,112,213
	<b>458,026</b>	<b>116,013</b>	<b>19,295,265</b>	<b>5,112,213</b>



### 3.5 Trade Payables and Other Accounts Payable

<b>Item</b>	<b>USD</b>		<b>Equivalent in UYU</b>	
	<b>03/31/2025</b>	<b>12/31/2024</b>	<b>03/31/2025</b>	<b>12/31/2024</b>
Trade payables	1,280,856	2,034,088	53,958,615	89,634,133
Tax payables	902,662	1,143,730	38,026,452	50,399,588
Other payables	61,252	50,173	2,580,378	2,210,883
Advances from customers	50,588	28,361	2,131,107	1,249,767
Provisions	14,402	40,704	606,703	1,793,646
	<b>2,309,760</b>	<b>3,297,056</b>	<b>97,303,255</b>	<b>145,288,017</b>

### 3.6 Loans and Borrowings

<b>Item</b>	<b>USD</b>		<b>Equivalent in UYU</b>	
	<b>03/31/2025</b>	<b>12/31/2024</b>	<b>03/31/2025</b>	<b>12/31/2024</b>
<b>Non-current liabilities</b>				
Bank loan	4,469,402	4,637,915	188,282,502	204,374,378
	<b>4,469,402</b>	<b>4,637,915</b>	<b>188,282,502</b>	<b>204,374,378</b>

<b>Item</b>	<b>USD</b>		<b>Equivalent in UYU</b>	
	<b>03/31/2025</b>	<b>12/31/2024</b>	<b>03/31/2025</b>	<b>12/31/2024</b>
<b>Current liabilities</b>				
Bank loan	8,486,832	5,005,566	357,524,766	220,575,244
Bank overdraft	1,536,214	2,700,268	64,716,104	118,989,988
	<b>10,023,046</b>	<b>7,705,833</b>	<b>422,240,870</b>	<b>339,565,232</b>

As of March 31, 2025, the balance includes a bank loan in U.S. dollars obtained from a local bank, for the principal amount of USD 7,000,000, equivalent to UYU 294,889,000. This loan is to be repaid in 120 equal, consecutive and monthly installments from April 7, 2022. As of the date of these financial statements, 36 principal instalments totaling USD 1,866,685, equivalent to UYU 78,637,839, have been repaid.

Secondly, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 1,300,000, equivalent to UYU 54,765,100, due in December 2025.

In addition, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 600,000, equivalent to UYU 25,276,200, due in January 2026.

Additionally, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 1,000,000, equivalent to UYU 42,127,000, due in July 2025.

Moreover, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 4,000,000, equivalent to UYU 168,508,000, due in April 2025.

Finally, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 852,826, equivalent to UYU 35,927,001, due in November 2025.

As of December 31, 2024, the balance includes a bank loan in U.S. dollars obtained from a local bank, for the principal amount of USD 7,000,000, equivalent to UYU 308,462,000. This loan is to be repaid in 120 equal, consecutive and monthly installments from April 7, 2022. As of the date of these financial statements, 33 principal instalments totaling USD 1,703,466, equivalent to UYU 75,064,909, have been repaid.

Secondly, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 1,000,000, equivalent to UYU 44,066,000, due in January 2025.

Additionally, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 249,640, equivalent to UYU 11,000,636, due in October 2025.

Moreover, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 1,750,000, equivalent to UYU 77,115,500, due in November 2025.

Finally, a bank loan in U.S. dollars obtained from a local bank for a principal amount of USD 1,300,000, equivalent to UYU 57,285,800, due in December 2025.

Accrued but unpaid interest amounts to USD 70,093, equivalent to UYU 2,952,824 as of March 31, 2025, and USD 47,307, equivalent to UYU 2,084,625 as of December 31, 2024.

### 3.7 Operating Revenues

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Revenue from wood sales	3,241,696	4,270,190	138,428,754	165,763,106
Revenue from grazing operations	97,518	99,485	4,154,665	3,819,543
Revenue from carbon credits	62,902	-	2,735,105	-
Revenue from beehive operations	55	-	2,320	-
	<b>3,402,171</b>	<b>4,369,675</b>	<b>145,320,844</b>	<b>169,582,649</b>

### 3.8 Administrative and Selling Expenses

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Forestry Operator fees	556,083	508,182	23,719,720	19,621,094
Depreciation	210,114	208,035	8,953,502	8,033,576
Farm expenses	207,713	330,804	8,933,758	12,883,389
Other fees	86,183	76,551	3,706,756	2,976,818
Insurances	68,682	42,465	2,926,709	1,639,870
Miscellaneous	66,085	38,553	2,853,769	1,498,771
Taxes	44,181	42,436	1,882,433	1,638,675
	<b>1,239,041</b>	<b>1,247,026</b>	<b>52,976,647</b>	<b>48,292,193</b>

### 3.9 Financial Results

<i>Item</i>	USD		Equivalent in UYU	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Interest income	-	2,271	-	88,721
Bank charges and interest expenses	(57,768)	(29,312)	(2,479,457)	(1,143,256)
Interest on loans	(128,516)	(49,220)	(5,470,549)	(1,902,361)
Foreign exchange differences	(360,381)	(243,472)	(15,531,149)	(9,321,803)
	<b>(546,665)</b>	<b>(319,733)</b>	<b>(23,481,155)</b>	<b>(12,278,699)</b>

## NOTE 4 - BIOLOGICAL ASSETS – PLANTATIONS

Biological assets comprise forest plantations located mainly in the departments of Cerro Largo, Lavalleja, Rocha, Florida and Treinta y Tres. The main species include *Eucalyptus dunnii*, *globulus*, *Pinus taeda* and *hybrid*. As of March 31, 2025, the forest plantations covered 26,985 hectares within an approximate total area of 45,222 hectares (compared to 26,843 hectares planted as of December 31, 2024).

The change in the biological asset for the three-month period ended March 31, 2025, and December 31, 2024, is detailed below:

	USD		Equivalent in UYU	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Opening balance	87,698,186	92,013,015	3,864,508,245	3,590,531,864
Increase due to costs capitalized into biological assets	700,243	4,254,957	29,685,094	170,756,370
Reduction by harvest of biological assets	(758,623)	(3,537,020)	(32,193,564)	(139,114,496)
Change in the fair value of biological assets	-	(5,032,766)	-	(221,773,859)
Translation adjustments	-	-	(169,997,662)	464,108,366
	<b>87,639,806</b>	<b>87,698,186</b>	<b>3,692,002,113</b>	<b>3,864,508,245</b>

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

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

In U.S. dollars:

03/31/2025									12/31/2024
Item	Gross Carrying Amount			Depreciations				Net carrying amount	Net carrying amount
	Opening balances	Translation adjustment	Closing balances	Accumulated at the beginning of the period	Depreciation for the period	Translation adjustment	Accumulated at period-end		
Lands	149,717,380	-	149,717,380	-	-	-	-	149,717,380	149,717,380
Improvements	19,867,614	-	19,867,614	(4,454,393)	(171,766)	-	(4,626,159)	15,241,455	15,413,221
Other improvements	1,533,897	-	1,533,897	(720,424)	(38,348)	-	(758,772)	775,125	813,473
Total	171,118,891	-	171,118,891	(5,174,817)	(210,114)	-	(5,384,931)	165,733,960	165,944,074

Equivalent in Uruguayan pesos:

03/31/2025									12/31/2024
Item	Gross Carrying Amount			Depreciations				Net carrying amount	Net carrying amount
	Opening balances	Translation adjustment	Closing balances	Accumulated at the beginning of the period	Depreciation for the period	Translation adjustment	Accumulated at closing		
Lands	6,597,446,068	(290,302,000)	6,307,144,068	-	-	-	-	6,307,144,068	6,597,446,068
Improvements	875,486,242	(38,523,302)	836,962,940	(196,287,276)	(7,319,413)	8,720,489	(194,886,200)	642,076,740	679,198,966
Other improvements	67,592,736	(2,974,228)	64,618,508	(31,746,203)	(1,634,089)	1,415,526	(31,964,766)	32,653,742	35,846,533
Total	7,540,525,046	(331,799,530)	7,208,725,516	(228,033,479)	(8,953,502)	10,136,015	(226,850,966)	6,981,874,550	7,312,491,567

## NOTE 6 - ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

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

	March 31, 2025		December 31, 2024	
	UYU	Equivalent in USD	UYU	Equivalent in USD
<b>Assets</b>				
Other non-financial assets	82,747,948	1,964,250	93,752,856	2,127,555
Cash and cash equivalents	396,637	9,415	406,027	9,214
<b>Total assets</b>	<b>83,144,585</b>	<b>1,973,665</b>	<b>94,158,883</b>	<b>2,136,769</b>
<b>Liabilities</b>				
Deferred tax	(353,113,985)	(8,382,130)	(353,113,985)	(8,013,298)
Accounts payable and other payables	(78,883,937)	(1,872,527)	(107,867,900)	(2,447,871)
<b>Total liabilities</b>	<b>(431,997,923)</b>	<b>(10,254,658)</b>	<b>(460,981,885)</b>	<b>(10,461,169)</b>
<b>Net position</b>	<b>(348,853,338)</b>	<b>(8,280,993)</b>	<b>(366,823,002)</b>	<b>(8,324,400)</b>

The U.S. dollar exchange rate was UYU 42.127 as of March 31, 2025, and UYU 44.066, as of December 31, 2024.

## NOTE 7 – EQUITY

Book-entry Participation Certificates with a nominal value of USD 190,000,000 were registered in the Securities Market Registry. The nominal value of each Participation Certificate is USD 1,000.

The subscription of the Participation Certificates was made on a deferred basis, in accordance with the procedures and schedules provided in the Agreement.

As of March 31, 2025, participation certificates were paid in as follows:

Date	USD	Equivalent in UYU
12/07/2016	9,502,000	273,619,592
02/13/2017	161,501,000	4,630,556,672
11/06/2017	10,000,000	291,990,000
09/24/2018	8,997,000	294,975,642
<b>Total Paid-in Capital</b>	<b>190,000,000</b>	<b>5,491,141,906</b>

## NOTE 8- COMMITMENTS AND CONTINGENCIES

As of March 31, 2025, the Trust had commitments arising from grazing contracts on its own land amounting to USD 98,200, covering 29,833 hectares of pastured land.

## NOTE 9 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	USD		Equivalent in UYU	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
<b>Trade payables</b>				
Agro Empresa Forestal S.A.	235,078	229,121	9,903,131	10,096,446
	<b>235,078</b>	<b>229,121</b>	<b>9,903,131</b>	<b>10,096,446</b>

b) Transactions with related parties are composed as follows:

	USD		Equivalent in UYU	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
<b>Accrued fees</b>				
Agro Empresa Forestal S.A.	556,083	508,182	23,719,720	19,621,094
	<b>556,083</b>	<b>508,182</b>	<b>23,719,720</b>	<b>19,621,094</b>

## NOTE 10 - FINANCIAL RISK MANAGEMENT

The main types of risks associated with the Trust's financial instruments and the related management policies are outlined below.

### 10.1 Credit Risk

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

The Trust has a low level of exposure to this risk due to its limited credit holdings and the restrictions on the financial instruments in which it can invest. Its main assets are measured at fair value, as detailed in Notes 2.9 and 2.11.

### 10.2 Liquidity risk

Liquidity risk is the risk that the Trust fails to meet its financial obligations as they fall due. Its main obligation consists of the settlement of Participation Certificates. As indicated in Note 1, these certificates grant their holders the right to participate in the results.

The Trust's exposure to this risk is not significant, given the business plan set forth in the Trust Agreement and the restrictions on the types of assets in which the Trust may invest.

### 10.3 Market risk

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

#### a) Currency Risk

The Trust is exposed to currency risk because of its monetary position in Uruguayan pesos (see Note 6). The table below shows the Trust's sensitivity to a 10% appreciation or depreciation of the Uruguayan peso against the U.S. dollar. The sensitivity analysis includes all outstanding monetary items denominated in foreign currency. If the Uruguayan peso were to appreciate by 10% against the U.S. dollar, comprehensive income for the period would decrease by USD 920,110, equivalent to UYU 34,885,334. Conversely, a 10% depreciation of the Uruguayan peso would increase comprehensive income by USD 752,817, equivalent to UYU 34,885,334.

**b) Interest Rate Risk**

The Trust is exposed to low-interest rate risk.

**c) Price risk**

Price risk refers to the possibility that changes in market prices relevant to the Trust's business activities may affect its income or the value of financial and non-financial instruments held. The main assets exposed to this risk at each reporting date are as follows:

	<b>USD</b>		<b>Equivalent in UYU</b>	
	<b>03/31/2025</b>	<b>12/31/2024</b>	<b>03/31/2025</b>	<b>12/31/2024</b>
Inventories	2,833,142	2,538,464	119,351,790	111,859,933
Property, plant and equipment (land)	149,717,380	149,717,380	6,307,144,068	6,597,446,068
Biological asset	87,639,806	87,698,186	3,692,002,113	3,864,508,245
	<b>2,833,142</b>	<b>239,954,030</b>	<b>119,351,790</b>	<b>10,573,814,246</b>

**NOTE 11 – SUBSEQUENT EVENTS**

After March 31, 2025, no events or circumstances have occurred that would significantly affect the Trust's financial position, operating results, or cash flows.