

**Fideicomiso Financiero Forestal
Bosques del Uruguay II**

**Financial Forestry Trust
Bosques del Uruguay II**

Condensed Interim Financial Statements
for the Six Months Ended June 30, 2025
and Independent Review Report

NOTICE: This is a translation of the original Spanish version. It has been translated by a third party for informational purposes only. In the event of any discrepancy, the Spanish version, as prepared by the auditor, shall prevail.



FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY II

Condensed Interim Financial Statements for the Six-Month Period Ended June 30, 2025, and Independent Review Report

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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 Financial Forestry Trust *Fideicomiso Financiero Forestal Bosques del Uruguay II* (hereinafter “the Trust”), which comprise the condensed interim statement of financial position as of June 30, 2025, and the related condensed interim statement of comprehensive income, cash flows, and changes in fiduciary net position for the six-month period then ended, together with the selected explanatory notes. The Trust’s Management is responsible for the preparation and fair presentation of these condensed interim financial statements and notes, in accordance with International Financial Reporting Standards applicable to interim financial reporting (IAS 34). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (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 primarily of making inquiries of personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially narrower in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not provide assurance that all significant matters that might be identified in an audit would become known to us. 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 Financial Forestry Trust *Fideicomiso Financiero Forestal Bosques del Uruguay II* as of June 30, 2025, and the results of its operations and its cash flows for the six-month period then ended, in accordance with International Financial Reporting Standards applicable to interim financial reporting (IAS 34).



Other Matters

Our work also included the review of the conversion of figures from U.S. dollars into Uruguayan pesos. In our opinion, such conversion has been carried out in accordance with the methodology described in Note 2.2. The translation of the condensed interim financial statements into Uruguayan pesos has been performed solely to comply with the regulations in force in Uruguay regarding the presentation of financial statements.

August 29, 2025



Lucía Recalde

Partner, Deloitte S.C.



FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY II

Condensed Interim Statement of Financial Position as of June 30, 2025

(in U.S. dollars and Uruguayan pesos)

		USD		Equivalent in UYU	
	Notes	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Assets					
Non-current assets					
Property, plant and equipment	5	55,505,753	55,656,196	2,195,141,516	2,452,545,940
Biological assets- plantations	4	71,011,551	70,315,399	2,808,364,806	3,098,518,370
Total non-current assets		126,517,304	125,971,595	5,003,506,322	5,551,064,310
Current assets					
Inventories	3.1	632,800	667,603	25,025,982	29,418,588
Trade receivables and other accounts receivable	3.2	346,340	37,587	13,697,051	1,656,329
Other non-financial assets	3.3	539,164	462,417	21,322,854	20,376,869
Cash and cash equivalents	3.4	252,565	858,701	9,988,457	37,839,534
Total current assets		1,770,869	2,026,308	70,034,344	89,291,320
Total assets		128,288,173	127,997,903	5,073,540,666	5,640,355,630
Equity					
Participation certificates	7	70,000,000	70,000,000	1,988,715,600	1,988,715,600
Revaluation reserve	7	14,040,380	14,040,380	607,636,355	607,636,355
Foreign currency translation reserve	7	-	-	730,361,837	1,286,603,112
Retained earnings		39,522,924	39,416,251	1,559,967,739	1,557,284,845
Total equity		123,563,304	123,456,631	4,886,681,531	5,440,239,912
Liabilities					
Non-current liabilities					
Deferred tax liabilities	2.15	2,576,165	3,231,998	101,882,187	142,421,205
Total non-current liabilities		2,576,165	3,231,998	101,882,187	142,421,205
Current liabilities					
Trade payables and other accounts payable	3.5	829,016	708,538	32,785,930	31,222,466
Loans and borrowings	3.6	1,319,688	600,736	52,191,018	26,472,047
Total current liabilities		2,148,704	1,309,274	84,976,948	57,694,513
Total liabilities		4,724,869	4,541,272	186,859,135	200,115,718
Total liabilities and equity		128,288,173	127,997,903	5,073,540,666	5,640,355,630



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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY II

Condensed Interim Statement of Comprehensive Income for the Six-Month Period Ended June 30, 2025

(in U.S. dollars)

	Notes	Quarter ended		Six-month period ended	
		06/30/2025	06/30/2024	06/30/2025	06/30/2024
Operating revenue	3.7	702,550	1,083,665	2,412,292	3,105,348
Cost of goods sold		(516,150)	(582,173)	(1,716,378)	(2,035,686)
Gross margin		186,400	501,492	695,914	1,069,662
Administrative and selling expenses	3.8	(628,268)	(523,039)	(1,234,705)	(1,174,171)
Financial results	3.9	(229,400)	154,381	(379,595)	22,709
Profit (loss) for the period before income tax		(671,268)	132,834	(918,386)	(81,800)
Income tax	2.15	1,025,059	(75,673)	1,025,059	(75,673)
Profit (loss) for the period		353,791	57,161	106,673	(157,473)
Other comprehensive income for the period		-	-	-	-
Comprehensive income for the period		353,791	57,161	106,673	(157,473)



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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY II
Condensed Interim Statement of Comprehensive Income
for the Six-Month Period Ended June 30, 2025

(in Uruguayan pesos)

	Notes	Quarter ended		Six-month period ended	
		06/30/2025	06/30/2024	06/30/2025	06/30/2024
Operating revenue	3.7	29,376,353	41,835,635	102,528,505	120,062,338
Cost of goods sold		(21,594,402)	(22,524,678)	(72,855,607)	(78,858,552)
Gross margin		7,781,951	19,310,957	29,672,898	41,203,786
Administrative and selling expenses	3.8	(25,747,239)	(20,539,713)	(51,667,358)	(45,727,122)
Financial results	3.9	(9,393,074)	5,980,858	(15,861,663)	932,910
Profit (loss) for the period before income tax		(27,358,362)	4,752,102	(37,856,123)	(3,590,426)
Income tax	2.15	40,539,017	(3,026,088)	40,539,017	(3,026,088)
Profit (loss) for the period		13,180,655	1,726,014	2,682,894	(6,616,514)
Other comprehensive income for the period					
Foreign currency translation reserve	2.2	(556,241,275)	124,252,969	(556,241,275)	124,252,969
Comprehensive income for the period		(543,060,620)	125,978,983	(553,558,381)	117,636,455



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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY II

Condensed Interim Statement of Cash Flows

for the Six-Month Period Ended June 30, 2025

(in U.S. dollars and Uruguayan pesos)

	USD		Equivalent in UYU	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Cash flows from operating activities				
Profit (loss) for the period before income taxes	(918,386)	(81,800)	(37,856,123)	(3,590,426)
Adjustments for:				
Depreciations	168,684	167,508	7,069,176	6,500,733
Accrued but unpaid interest	19,688	23,331	778,619	932,995
	(730,014)	109,039	(30,008,328)	3,843,302
Changes in assets and liabilities				
Trade receivables and other accounts receivable	(308,753)	441,513	(12,908,037)	17,442,192
Inventories	34,803	426,522	1,455,009	16,849,965
Other non-financial assets	(76,747)	366,467	(3,208,562)	14,477,462
Trade payables and other accounts payable	489,704	(851,020)	20,473,055	(33,619,971)
Translation adjustment	-	-	(3,127,164)	(372,969)
Net cash flows (used in) / from operating activities	(591,007)	492,521	(27,324,027)	18,619,981
Cash flows used in investing activities				
Costs incurred in biological assets	(696,152)	(643,105)	(29,130,594)	(24,834,573)
Purchases of property, plant and equipment	(18,241)	(21,943)	(749,553)	(859,724)
Net cash flows used in investing activities	(714,393)	(665,048)	(29,880,147)	(25,694,297)
Cash flows from financing activities				
Loan proceeds	703,130	610,684	29,411,650	23,636,579
Loan repayments	(3,866)	(626,781)	(168,217)	(24,220,594)
Net cash flows (used in) / from financing activities	699,264	(16,097)	29,243,433	(584,015)
Changes in cash flows and cash equivalents	(606,136)	(188,624)	(27,960,741)	(7,658,331)
Cash and cash equivalents at the beginning of the period	858,701	1,042,819	37,839,534	40,692,889
Effect of foreign currency translation on cash and cash equivalents	-	-	109,664	173,411
Cash and cash equivalents at the end of the period	252,565	854,195	9,988,457	33,207,969



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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY II
Condensed Interim Statement of Changes in Fiduciary Net Position
for the Six-Month Period Ended June 30, 2025

(in U.S. dollars)

	<u>Notes</u>	PARTICIPATION CERTIFICATES	VALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
As of December 31, 2023	7	70,000,000	10,265,092	47,897,921	128,163,013
Profit (loss) for the period		-	-	(157,473)	(157,473)
As of June 30, 2024	7	70,000,000	10,265,092	47,740,448	128,005,540
Revaluation of property, plant and equipment, net of deferred tax		-	3,775,288	-	3,775,288
Profit (loss) for the period		-	-	(8,324,197)	(8,324,197)
As of December 31, 2024	7	70,000,000	14,040,380	39,416,251	123,456,631
Profit (loss) for the period		-	-	106,673	106,673
As of June 30, 2025	7	70,000,000	14,040,380	39,522,924	123,563,304

Condensed Interim Statement of Changes in Fiduciary Net Position
for the Six-Month Period Ended June 30, 2025

(in Uruguayan pesos)

	<u>Notes</u>	PARTICIPATION CERTIFICATES	VALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
As of December 31, 2023	7	1,988,715,600	441,274,503	640,428,230	1,930,758,736	5,001,177,069
Foreign currency translation reserve		-	-	124,252,969	-	124,252,969
Profit (loss) for the period		-	-	-	(6,616,514)	(6,616,514)
As of June 30, 2024	7	1,988,715,600	441,274,503	764,681,199	1,924,142,222	5,118,813,524
Revaluation of property, plant and equipment, net of deferred tax		-	166,361,852	-	-	166,361,852
Foreign currency translation reserve		-	-	521,921,913	-	521,921,913
Profit (loss) for the period		-	-	-	(366,857,377)	(366,857,377)
As of December 31, 2024	7	1,988,715,600	607,636,355	1,286,603,112	1,557,284,845	5,440,239,912
Foreign currency translation reserve		-	-	(556,241,275)	-	(556,241,275)
Profit (loss) for the period		-	-	-	2,682,894	2,682,894
As of June 30, 2025	7	1,988,715,600	607,636,355	730,361,837	1,559,967,739	4,886,681,531



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

FIDEICOMISO FINANCIERO FORESTAL BOSQUES DEL URUGUAY II

Notes to the Condensed Interim Financial Statements for the Six-Month Period Ended June 30, 2025

NOTE 1 - BASIC INFORMATION ABOUT THE FINANCIAL FORESTRY TRUST FIDEICOMISO FORESTAL BOSQUES DEL URUGUAY II

In the city of Montevideo, on August 14, 2014, 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 II*.

On December 5, 2014, the Central Bank of Uruguay [BCU, for its acronym in Spanish] authorized the registration of the Trust in the Securities Market Registry (Notice No. 2014/208).

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 allocated solely for the purposes set forth 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 in 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 purposes, specifying the general requirements that the Properties shall 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 in securities 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.

In accordance with the provisions of the Trust Agreement, forest plantations and land shall be appraised as of December 31 each year.

On January 19, 2015 (the Subscription Closing Date), book-entry Participation Certificates in the amount of seventy million U.S. dollars (USD 70,000,000), to be issued by the Trustee on behalf of the Forest Financial Trust *Fideicomiso Financiero Forestal Bosques del Uruguay II*, were placed on the *Bolsa Electrónica de Valores del Uruguay S.A.* (BEVSA).

Participation Certificates entitle Holders to the right to share in the Trust's results, pursuant to the terms and conditions set forth 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.



The condensed interim statement of comprehensive income, changes in fiduciary net position, and cash flows, are presented for the six-month period ended June 30, 2025.

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 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.

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

IAS 21 establishes 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 shall present 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 shall be translated at the closing exchange rate.
- Income and expenses shall be translated at the exchange rates prevailing on the date of the respective transaction.
- Equity items, other than profit or loss for the period, shall be translated at the closing exchange rate.
- Translation differences shall be 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 translating assets, liabilities, and equity at the closing exchange rate, and income and expenses at the exchange rates prevailing on the dates of the respective transactions, is recognized 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 June 30, 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 70,315,399, equivalent to UYU 3,098,518,370.

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.

The Trust has a carbon project named "Bosques del Uruguay II Afforestation through High Quality Timber in Grasslands." The project is certified by VERRA under the VCS and CCB standards, and is eligible under the CORSIA scheme, producing carbon credits.



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 composition and movement of property, plant and equipment balances for the six-month period ended June 30, 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 50,085,062, equivalent to UYU 2,207,048,342.

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 June 30, 2025, and the capital amount required to be maintained. The capital concept applied is that of financial capital.

2.14 Statement of Cash Flows

For the preparation of the statement of cash flows, cash and cash equivalents have been defined as cash on hand and short-term investments with original maturities of three months or less from the acquisition date. The statement of cash flows has been prepared using the indirect method.



Item	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Treasury bills	-	648,566	-	28,579,742
Banks	252,565	210,135	9,988,457	9,259,792
	252,565	858,701	9,988,457	37,839,534

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 June 30, 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.

A) Income Tax

	USD		Equivalent in UYU	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
<u>(Loss)/Gain on Deferred Tax</u>	1,025,059	(75,673)	40,539,017	(3,026,088)
	1,025,059	(75,673)	40,539,017	(3,026,088)



B) Deferred Income Tax

	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Property, plant and equipment-land	(178,465)	(670,070)	(7,057,938)	(29,527,304)
Other property, plant and equipment - agricultural	194,706	113,284	7,700,248	4,991,995
Biological Assets	(2,592,406)	(2,675,212)	(102,524,497)	(117,885,896)
Deferred tax liability	(2,576,165)	(3,231,998)	(101,882,187)	(142,421,205)

C) Movements in Deferred Taxes for the Period

	USD			
	Balance as of 12.31.2024	Adjustment to Earnings	Translation Effect	Balance as of 06.30.2025
Property, plant and equipment - land	(670,070)	568,155	(76,550)	(178,465)
Other property, plant and equipment - agricultural	113,284	68,480	12,942	194,706
Biological assets	(2,675,212)	388,424	(305,619)	(2,592,406)
DEFERRED TAX LIABILITY	(3,231,998)	1,025,059	(369,227)	(2,576,165)

	UYU		
	Balance as of 12.31.2024	Adjustment to Earnings	Balance as of 06.30.2025
Property, plant and equipment - land	(29,527,304)	22,469,366	(7,057,938)
Other property, plant and equipment - agricultural	4,991,996	2,708,252	7,700,248
Biological assets	(117,885,897)	15,361,399	(102,524,497)
DEFERRED TAX LIABILITY	(142,421,205)	40,539,017	(101,882,187)

D) Reconciliation of Income Tax Expense and Accounting Profit

	06/30/2025		06/30/2024	
	USD	Equivalent in UYU	USD	Equivalent in UYU
Accounting profit before IRAE	(918,386)	(37,856,123)	(81,800)	(3,590,426)
	25%	25%	25%	25%
Income tax at applicable rate	229,597	9,464,031	20,450	897,607
<u>Adjustments that do not generate temporary difference:</u>				
Non-taxable income	571,428	23,889,680	691,887	27,333,327
Expenses associated with non-taxable	(594,489)	(24,853,800)	(653,335)	(25,810,344)
Tax losses	(72,376)	(3,025,815)	(28,620)	(1,130,626)
Translation adjustment	(369,227)	-	69,368	-
Other net items	1,260,126	35,064,921	(175,423)	(4,316,052)
	1,025,059	40,539,017	(75,673)	(3,026,088)



2.16 Provisions

Provisions are recognized when the Trust has a present obligation (legal or contractual) 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.

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 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, 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 the end of each reporting period, the Trust hires an external appraiser to determine the fair value of land and forest plantations.

Key Assumptions Used in the Impairment Test

For the purpose of conducting the impairment test, Management hires an external 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

Wood flow projections are prepared 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.

Overhead costs: 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, based on prices at the sawmill gate, net of the company's average transportation and harvesting 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 flows 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 six-month period ended June 30, 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	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Wood	569,445	581,818	22,520,403	25,638,421
Adjuvant	4,420	3,897	174,804	171,742
Herbicide	41,147	35,116	1,627,307	1,547,427
Fertilizer	5,117	8,787	202,372	387,187
Ant killer	8,054	7,257	318,506	319,774
Seedlings	-	6,009	-	264,773
Seeds	4,617	24,719	182,590	1,089,264
	632,800	667,603	25,025,982	29,418,588

3.2 Trade Receivables and Other Accounts Receivable

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Trade receivables	325,540	10,062	12,874,462	443,404
Grazing receivables	20,800	27,525	822,589	1,212,925
	346,340	37,587	13,697,051	1,656,329

3.3 Other Non-Financial Assets

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Tax credits	523,572	462,168	20,706,213	20,365,897
Advances to suppliers	12,102	249	478,602	10,972
Other non-financial assets	3,490	-	138,039	-
	539,164	462,417	21,322,854	20,376,869

3.4 Cash and Cash Equivalents

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Treasury bills	-	648,566	-	28,579,742
Banks	252,565	210,135	9,988,457	9,259,792
	252,565	858,701	9,988,457	37,839,534



3.5 Trade Payables and Other Accounts Payable

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Trade payables	423,088	375,421	16,732,271	16,543,329
Tax payables	292,645	236,322	11,573,530	10,413,764
Advances from customers	87,418	39,339	3,457,208	1,733,521
Provisions	7,369	24,478	291,446	1,078,640
Other payables	18,496	32,978	731,475	1,453,212
	829,016	708,538	32,785,930	31,222,466

3.6 Loans and Borrowings

<i>Item</i>	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Bank loan	1,319,688	600,736	52,191,018	26,472,047
	1,319,688	600,736	52,191,018	26,472,047

The balance as of June 30, 2025, includes the renewal of a promissory note outstanding in December 2024 with a local bank. This renewal was made in February 2025 as a fixed-term deposit in U.S. dollars, for a principal amount of USD 600,000 maturing in 180 days.

Another promissory note corresponds to a fixed-term deposit in U.S. dollars taken with a local bank in 2025, for a principal amount of USD 600,000 maturing in 360 days.

The third promissory note corresponds to a fixed-term deposit in U.S. dollars taken with a local bank in June 2025, for a principal amount of USD 100,000 maturing in 360 days.

Accrued and unpaid interest at the end of the period amounts to USD 19,688, equivalent to UYU 778,618.

The balance as of December 31, 2024, includes a fixed-term deposit in U.S. dollars taken with a local bank in August 2024, for a principal amount of USD 800,000 maturing in 180 days. The deposit was partially repaid in December for an amount of USD 200,000. Therefore, the outstanding principal as of December 31, 2024, amounts to USD 600,000.

Accrued and unpaid interest at year-end 2024 amounted to USD 736, equivalent to UYU 32,447.

3.7 Operating Revenue

<i>Item</i>	USD			
	Quarter ended		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Revenue from wood sales	658,578	1,037,614	2,317,690	3,019,732
Revenue from grazing operations	42,600	45,591	92,611	84,856
Revenue from beehive operations	1,372	460	1,991	760
	702,550	1,083,665	2,412,292	3,105,348



Equivalent in UYU

Item	Quarter ended		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Revenue from wood sales	27,564,515	40,039,666	98,559,494	116,738,803
Revenue from grazing operations	1,755,308	1,778,049	3,886,404	3,294,058
Revenue from beehive operations	56,530	17,920	82,607	29,477
	29,376,353	41,835,635	102,528,505	120,062,338

3.8 Administrative and Selling Expenses

USD

Item	Quarter ended		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Forestry Operator fees	242,046	144,677	484,092	476,471
Registered Agent fees	-	-	14,000	-
Other fees	71,349	64,710	124,022	120,299
Farm expenses	54,626	47,891	219,189	167,223
Depreciation	84,409	83,781	168,685	167,509
Taxes	126,487	141,441	127,020	142,747
Insurances	41,294	29,987	81,606	59,974
Miscellaneous	8,057	10,552	16,091	39,948
	628,268	523,039	1,234,705	1,174,171

Equivalent in UYU

Item	Quarter ended		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Forestry Operator fees	9,988,190	5,679,189	20,312,662	18,489,864
Registered Agent fees	-	-	606,620	-
Other fees	2,975,794	2,500,556	5,241,994	4,659,873
Farm expenses	2,261,202	1,858,459	9,319,541	6,486,921
Depreciation	3,477,948	3,267,401	7,069,176	6,500,733
Taxes	5,008,524	5,655,840	5,031,238	5,706,592
Insurances	1,701,505	1,169,460	3,418,328	2,327,487
Miscellaneous	334,076	408,808	667,799	1,555,652
	25,747,239	20,539,713	51,667,358	45,727,122

3.9 Financial Results

USD

Item	Quarter ended		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Interest income	1,327	3,316	4,820	4,808
Bank charges and interest expenses	(2,939)	(5,949)	(4,077)	(12,259)
Interests on loans	(14,783)	(17,087)	(22,817)	(34,016)
Foreign exchange differences	(213,005)	174,101	(357,521)	64,176
	(229,400)	154,381	(379,595)	22,709



Item	Equivalent in UYU			
	Quarter ended		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Interest income	54,861	129,508	206,105	188,067
Bank charges and interest expenses	(121,984)	(228,053)	(170,931)	(474,491)
Interests on loans	(607,230)	(664,597)	(949,970)	(1,315,973)
Foreign exchange differences	(8,718,721)	6,744,000	(14,946,867)	2,535,307
	(9,393,074)	5,980,858	(15,861,663)	932,910

NOTE 4 - BIOLOGICAL ASSETS – PLANTATIONS

Biological assets comprise forest plantations located mainly in the departments of Cerro Largo, Lavalleja, and Treinta y Tres. The main species include *Eucalyptus grandis*, *saligna*, *dunnii*, *globulus*, and *Pinus elliottii*. As of June 30, 2025, the plantations covered 9,325 hectares within an approximate total area of 14,677 hectares (compared to 9,087 hectares planted as of December 31, 2024).

The change in the biological assets for the six-month period ended June 30, 2025, and December 31, 2024, is detailed below:

	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Opening balance	70,315,399	77,041,968	3,098,518,370	3,006,331,691
Increase due to costs capitalized into biological assets	696,152	1,176,553	29,130,595	47,215,172
Change in fair value of biological assets	-	(7,903,122)	-	(348,258,954)
Translation adjustment	-	-	(319,284,159)	393,230,461
	71,011,551	70,315,399	2,808,364,806	3,098,518,370



NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is composed as follows:

In U.S. dollars:

06/30/2025										12/31/2024
Item	Gross Carrying Amount				Depreciations				Net carrying amount	Net carrying amount
	Opening balances	Additions	Translation adjustment	Closing balances	Accumulated at the beginning of the period	Depreciation for the period	Translation adjustment	Accumulated at period-end		
Lands	50,085,062	-	-	50,085,062	-	-	-	-	50,085,062	50,085,062
Improvements	6,792,152	-	-	6,792,152	(1,704,658)	(119,673)	-	(1,824,331)	4,967,821	5,087,494
Other improvements	977,566	18,241	-	995,807	(493,926)	(49,011)	-	(542,937)	452,870	483,640
Total	57,854,780	18,241	-	57,873,021	(2,198,584)	(168,684)	-	(2,367,268)	55,505,753	55,656,196

Equivalent in Uruguayan pesos:

06/30/2025										12/31/2024
Item	Gross Carrying Amount				Depreciations				Net carrying amount	Net carrying amount
	Opening balances	Additions	Translation adjustment	Closing balances	Accumulated at the beginning of the period	Depreciation for the period	Translation adjustment	Accumulated at closing		
Lands	2,207,048,342	-	(226,284,310)	1,980,764,032	-	-	-	-	1,980,764,032	2,207,048,342
Improvements	299,302,962	-	(30,686,941)	268,616,021	(75,117,494)	(5,015,354)	7,984,138	(72,148,710)	196,467,311	224,185,468
Other improvements	43,077,402	749,553	(4,444,782)	39,382,173	(21,765,272)	(2,053,822)	2,347,094	(21,472,000)	17,910,173	21,312,130
Total	2,549,428,706	749,553	(261,416,033)	2,288,762,226	(96,882,766)	(7,069,176)	10,331,232	(93,620,710)	2,195,141,516	2,452,545,940



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

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

	June 30, 2025		December 31, 2024	
	UYU	Equivalent in USD	UYU	Equivalent in USD
Assets				
Other non-financial assets	21,317,794	539,036	20,365,897	462,168
Cash and cash equivalents	81,377	2,058	243,519	5,526
Total assets	21,399,171	541,094	20,609,416	467,694
Liabilities				
Deferred tax	(101,882,187)	(2,576,165)	(142,421,205)	(3,231,998)
Trade payables and other accounts	(20,565,642)	(520,017)	(21,540,796)	(488,830)
Total liabilities	(122,447,829)	(3,096,183)	(163,962,001)	(3,720,828)
Net position	(101,048,658)	(2,555,089)	(143,352,585)	(3,253,134)

The U.S. dollar exchange rate was UYU 39.548 as of June 30, 2025, and UYU 44.066, as of December 31, 2024.

NOTE 7 – EQUITY

Book-entry Participation Certificates with a nominal value of USD 70,000,000 were registered in the Securities Market Registry. The nominal value of each Participation Certificate is USD 1,000 (one thousand U.S. dollars).

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

The balance of equity adjustments includes the accumulated revaluation of property, plant and equipment, net of the deferred tax effect, amounting to USD 14,040,380 (equivalent to UYU 607,636,355) as of June 30, 2025, and USD 14,040,380 (equivalent to UYU 607,636,355) as of December 31, 2024.

NOTE 8 – COMMITMENTS

As of June 30, 2025, the Trust had commitments arising from grazing contracts amounting to USD 153,994, covering 11,296 hectares of grazing 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	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Trade payables				
Agro Empresa Forestal S.A.	102,862	99,729	4,068,003	4,394,667
	102,862	99,729	4,068,003	4,394,667

b) Transactions with related parties are composed as follows:

	USD			
	Quarter end		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Accrued fees				
Agro Empresa Forestal S.A.	242,046	144,677	484,092	476,471
	242,046	144,677	484,092	476,471

	Equivalent in UYU			
	Quarter ended		Six-month period ended	
	06/30/2025	06/30/2024	06/30/2025	06/30/2024
Accrued fees				
Agro Empresa Forestal S.A.	9,988,190	5,679,189	20,312,662	18,489,864
	9,988,190	5,679,189	20,312,662	18,489,864

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 may not be able 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, in light of 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 283,899, equivalent to UYU 10,104,866. Conversely, a 10% depreciation of the Uruguayan peso would increase comprehensive income by USD 232,281, equivalent to UYU 10,104,866.

b) Interest Rate Risk

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

c) Price Risk

Price risk 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:

	USD		Equivalent in UYU	
	06/30/2025	12/31/2024	06/30/2025	12/31/2024
Inventories	632,800	667,603	25,025,982	29,418,588
Property, plant and equipment (land)	50,085,062	50,085,062	1,980,764,032	2,207,048,342
Biological assets	71,011,551	70,315,399	2,808,364,806	3,098,518,370
	121,729,413	121,068,064	4,814,154,820	5,334,985,300

NOTE 11 – SUBSEQUENT EVENTS

After June 30, 2025, no events or circumstances have occurred that would significantly affect the Trust's financial position, operating results, or cash flows.

