

CARE

RISK RATING AGENCY

RISK RATING UPDATE OF THE
PARTICIPATION CERTIFICATES OF
BOSQUES DEL URUGUAY II
FORESTRY FINANCIAL TRUST
(FIDEICOMISO FINANCIERO
FORESTAL BOSQUES DEL
URUGUAY II)

Montevideo, April 2026

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Public Offering Rating Update of the Participation Certificates of the Bosques del Uruguay II Forestry Financial Trust

April 9, 2026

Trustee: EF Asset Management Administradora de Fondos de Inversión
Manager and Organizer: Agro Empresa Forestal S.A.
Registrar and Paying Agent: EF Asset Management Administradora de Fondos de Inversión
Representative Entity: Bolsa Electrónica de Valores del Uruguay S.A.
Securities: Participation Certificates
Currency: U.S. Dollars
Issue Amount: USD 70,000,000
Initial Offering Date: January 19, 2015
Term: Until the liquidation of all Trust assets and the settlement of its liabilities, with a maximum term of 30 years
Distributions: Subject to cumulative results, in accordance with the established procedure.
Trust Assets: Land and forest plantations
Validity of the Rating: November 30, 2026
Rating Committee: Julio Preve, Adrián Tamber and Martín Durán Martínez
Risk Rating: BBB+.uy¹
Manual used: *Manual de Calificación de Finanzas Estructuradas Administradas por Terceros* [Third-Party Managed Structured Finance Rating Manual]²

¹. The rating assigned may be subject to change at any time, as derived from CARE's methodology.

². Available at www.care.com.uy

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GENERAL OVERVIEW

CARE has updated the rating of the Participation Certificates of the Bosques del Uruguay II Forestry Financial Trust, maintaining its BBB+.uy investment-grade rating.

Based on the overall assessment of the main considerations in this review, the Rating Committee highlights the following:

- A financial structure that, from a legal standpoint, provides the necessary safeguards, as outlined in the legal report included in Annex I of the original rating and subsequently reaffirmed over time.
- A business that, from an economic and financial standpoint for the investor, withstands reasonably applied stress scenarios unrelated to its core operations, as tested by the issuer and the rating agency. In March 2025, the Manager presented an update to the financial projections as of December 2024, estimating an Internal Rate of Return (IRR) for the entire period of approximately 8.1%, a figure that remains virtually unchanged from the estimates made in the previous year (see Section IV).
- The Manager's reports (Agro Empresa Forestal S.A.), validated by the Surveillance Committee, are generally deemed satisfactory in terms of the project's progress. The Committee further reports that the minimum expected standards continue to be met with respect to planted areas, survival rates, and the Mean Annual Increment (MAI) of the forests.
- It is worth noting that the same company also manages three other projects with similar characteristics, all of which have been rated investment grade by CARE. The company currently manages over 80,000 hectares of forest plantations, financed through the issuance of a total of USD 640 million. Additionally, as of December 2024, the company held Participation Certificates across the four Trusts with an aggregate value of approximately USD 14 million.
- The management capacity of the Project's Manager, Agro Empresa Forestal, continues to meet the efficiency standards assessed in the previous rating update reports, as confirmed by information provided by the relevant parties.

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- A corporate governance structure that mitigates investor risk and has operated properly up to the date of this report, as evidenced by the Manager's reports, meetings of Participation Certificate holders, and reports from the Surveillance Committee.
- The Trust owns approximately 14,700 hectares, of which around 9,300 are planted, representing a utilization rate of 63%. In 2025, approximately 240 hectares were planted, and there was no reduction in area due to final harvests (clearfell operations). All wood production was derived from commercial thinning operations.
- According to the Manager's report, the Trust's total gross revenues for 2025 amounted to approximately USD 9.1 million, about 17% above budget and nearly 80% higher than in 2024. Higher harvesting and timber extraction resulted in production costs being almost 48% above budget, leading to a negative net income (gross revenues - operating costs - expenses) of USD -1.5 million. This result is largely explained by pine exports—characterized by very thin margins—and by the fact that part of the harvested timber had not yet been collected (paid).
- A new valuation of the Trust's land and forest plantations as of December 2025 was presented, reaching a total amount of USD 121.0 million, 0.5% higher than the previous year, comprising USD 51.7 million in land and USD 69.3 million in forest plantations. On this occasion, the value of the plantations decreased by 1.4% compared to the previous year, while land values increased by 3.2%. As of December 31, 2025, the Trust's equity amounted to USD 121.4 million, exceeding the nominal value of the issuance, which totaled USD 70 million.
- Global wood product consumption is expected to outpace population growth, driven by rising demand from low- and middle-income countries. This higher demand will need to be met by boosting productivity through sustainable forest management, in line with increasingly stringent environmental requirements. Uruguay's forestry production, and particularly that of this Trust, satisfactorily meets the environmental requirements of international markets.
- However, this expected long-term trend may be affected in the shorter term by adverse conditions that could exert downward pressure on demand and, consequently, on prices. Demand and

international prices for the products marketed by the Trust (pulp, eucalyptus solid wood and pine) have shown significant fluctuations in recent years as a result of cyclical factors (pandemic effects, geopolitical conflicts, trade disputes, etc.). In particular, 2025 has been characterized by the impact and uncertainty generated by tariffs imposed by the United States. Recent geopolitical conflicts are also likely to have short-term effects on prices and their volatility.

- The agricultural land market (including timberland) shows long-term upward price trends, driven by sustained increase in demand for food, fiber and timber. Additionally, opportunities to expand the agricultural frontier are becoming increasingly limited. In Uruguay, land price increases are expected to be more moderate than those recorded between 2004 and 2014. After a period of adjustment and erratic behavior, with few transactions between 2015 and 2020, land prices have increased steadily over the past five years. According to the Agricultural Statistics Directorate of the Ministry of Livestock, Agriculture and Fisheries [DIEA-MGAP, for its acronym in Spanish], the average land price in 2025, in nominal terms, exceeds the 2014 record by 6.2%.
- Regarding public policy, there is a specific regulatory framework governing the sector which, to date, has not significantly restricted forestry development, although it has, in some cases, slowed investment. However, the current administration could promote the implementation of changes to the regulatory framework aimed at restricting land use for forestry activities, with potential impacts on the sector. This Trust, however, has already completed its planting phase and obtained the relevant permits; therefore, no immediate threats to the project are currently identified.

I. INTRODUCTION

1. Scope and Conceptual Framework of the Rating

CARE Risk Rating Agency has been engaged to update the rating of the Participation Certificates of the Bosques del Uruguay II Forestry Financial Trust (Fideicomiso Financiero Forestal Bosques del Uruguay II), with a nominal value of USD 70,000,000 (seventy million U.S. dollars).

A risk rating represents the expression of a specialized opinion issued by an entity authorized for such purpose by the Central Bank of Uruguay [BCU, for its acronym in Spanish], which supervises and regulates both the financial system and rating agencies. The rating assigned does not constitute a recommendation or guarantee by CARE for prospective investors and should therefore be considered as one factor among others in any investment decision. CARE does not audit or verify the accuracy of the information provided, although it is sourced from entities deemed reliable by the agency.

The conceptual framework of this rating involves a forward-looking assessment that assigns a grade reflecting the Trust's expected performance and its capacity to generate returns over time, in accordance with the forestry Business Plan its Management is mandated to execute. While the initial rating accepted as reasonable the IRR range derived from multiple simulations, subsequent reviews are not strictly tied to achieve those figures. Indeed, this issuance does not involve a fixed return commitment. Therefore, the assigned rating does not solely depend on the IRR estimated in the project or the investors' opportunity cost of capital. Ultimately, the rating reflects, among other factors, the project's performance and the achievement of a minimum return considered acceptable at the time of each review.

CARE Risk Rating Agency is a credit rating agency whose records and manuals have been authorized by the Central Bank of Uruguay since April 1998. The agency assigns ratings in accordance with its methodology duly approved by such authority, selecting the appropriate professionals to constitute the Rating Committee in each case, which renders its opinion based on its internal manuals. These manuals, together with its Code of Ethics, records, and background information, are available on CARE's website (www.care.com.uy) as well as on the regulator's website (www.bcu.gub.uy). In this case, the Rating Committee was composed of Martín Duran, Julio Preve and Adrián Tamber. CARE engaged the services of Leandro Rama, Attorney-at-Law, to conduct the legal risk assessment at the time of the original rating. In addition, CARE regularly commissions supplementary field reports, when deemed necessary, and conducts site visits to the farms.

2. General Background and Key Events of the Period

A. General Background

The Bosques del Uruguay II Forestry Financial Trust aims to provide investors with long-term returns, primarily generated from the sale of harvested and standing timber, as well as from the appreciation of land assets. To a lesser extent, returns are also expected from the sale of carbon credits and grazing rental income from non-forested land. The Trust operates in accordance with established investment and management protocols, maintaining appropriate production, environmental, and social standards. According to the total projected revenue outlined in the Prospectus, approximately 78% is expected to be derived from wood sales, 20.5% from the sale of land at the end of the project, and less than 1.5% from carbon credit sales and grazing rental income³.

The most relevant precedents are the Bosques del Uruguay I, III and IV Forestry Financial Trusts, which issued Participation Certificates in August 2011, December 2016, and April 2019, for amounts of USD 50, 190 and 330 million, respectively. These Trusts, managed by the same entity as the present Trust, have satisfactorily complied with their original Business Plans, which are similar to the one presented in this report. All three have been rated investment grade by CARE.

- The land portfolio of BDU II comprises 20 farms covering a total area of 14,656 hectares, of which approximately 9,300 hectares were planted as of the end of 2025, representing in a land utilization rate of 63%. The properties are located in the departments of Lavalleja, Cerro Largo, Florida, and Treinta y Tres.
- The land acquisition and plantation phases have been completed. Future project operations will mainly involve forest and fencing maintenance, weed control, pruning, thinning, harvesting, stump removal, regrowth management, monitoring, replanting, and other related activities.
- *Pinus taeda* plantations currently account for approximately 15% of the total forest estate area. Eucalyptus plantations for pulp production represent 18%, while *Eucalyptus grandis* plantations—primarily intended for solid wood production—account for 67% of the area.
- In April 2017, the Trust Agreement was amended to authorize the Trust to incur debt of up to 15% of its equity, subject to prior

³. Chapter IV of the Prospectus: Purpose and Characteristics of the Investment.

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approval by the Surveillance Committee and notification to the Risk Rating Agency.

- In October 2018, the Cruz Roja farm, covering 1,782 hectares, was sold to the Bosques del Uruguay III Forestry Financial Trust. Of the total area, 1,350 hectares were available for planting, of which 51% had already been planted. This transaction was approved by the Surveillance Committee and unanimously authorized by the holders of the Participation Certificates at the meeting held on April 16, 2018.
- On June 13, 2019, a meeting of the holders of the Participation Certificates of the Trust was held, with 100% of holders in attendance. At that meeting, it was unanimously resolved, for the first time, to make an advance distribution in the amount of USD 2 million, given the availability of Distributable Net Funds.
- Since July 2020, contracting short-term loans for working capital has become a standard management practice, with due notification consistently provided to the Surveillance Committee and the Risk Rating Agency. To date, the Trust has experienced no difficulties in meeting its obligations.
- On December 28, 2020, a meeting of the holders of the Participation Certificates was held, with 100% of holders in attendance. At that meeting, it was resolved to amend certain terms and conditions of the Participation Certificates. The changes included modifying the fee adjustment formula for Agro Empresa Forestal and publishing Trust-related information on the Bosques del Uruguay WEBSITE once a year.
- Agro Empresa Forestal (AF) has been a signatory to the PRI (Principles for Responsible Investment) since 2022. In this regard, the company is required to submit annual reports and evaluations related to responsible investment practices and must comply with minimum standards and specific indicators to maintain its membership. In 2023, AF submitted its first report (voluntary on that occasion, although it will become mandatory in the future), obtaining three stars in Policy, Governance and Strategy (PGS) and four stars in Confidence-Building Measures (CBM). The highest possible rating is five stars, with PGS being the most relevant module.

- On February 28, 2024, a meeting of the Beneficiaries was held, at which it was resolved to amend certain provisions of the Trust Agreement relating to adjustments to the manager’s remuneration.
- During the fourth quarter of 2024, the project obtained validation under the VCS–CCB (Climate, Community & Biodiversity) standard, which adds value to carbon credits and enables progress in their commercialization, allowing revenues to be generated in the coming years.
- The Trust holds FSC (Forest Stewardship Council) certification. During the last quarter of 2024, an additional 4,735 hectares were certified, resulting in 100% of the Trust’s forest area being certified.

B. Key Highlights of the Period

- At the end of 2025, the Manager submitted the budget for 2026, which has already been approved by the Surveillance Committee. Gross revenues are projected at approximately USD 6.5 million, of which 76% is expected to come from domestic timber sales (pulp and sawmills), 13% from export timber sales, and the remainder from other income (grazing income and carbon credits). After deducting operating costs and expenses, a positive net result of approximately USD 1.1 million is expected. Finally, investments of around USD 460 thousand are projected.

Table 1. Projected Operating Budget 2026 (USD)	
	Budget
Gross Revenue from Domestic Sales	4,922,695
Gross Revenue from Export Sales	872,195
Other Revenue	698,913
Total Revenues	6,493,803
Operating Costs	-3,637,781
Expenses	-1,731,685
Net Operating Income	1,124,337
Capital Expenditures	-460,881
Net Operating Income after Capital Expenditures	663,456

Source: Manager

- In 2025, the Trust reported total gross revenues of approximately USD 9.1 million, 17% above the amount initially projected for the year and 79% higher than in the previous year. Revenues consisted of 23% from wood sold in the domestic market, 75% from export sales, and 2% from grazing rental

income and beekeeping activities. While domestic sales declined compared to 2024—mainly due to lower pulp deliveries to pulp mills—bulk export shipments in the second half of the year (primarily pine) boosted the Trust’s overall revenues.

Table 2. Budgeted vs. Actual Revenues for Fiscal Year 2025 (USD)

	Actual	Budget	Variance
Gross Revenue from Domestic Sales	2,054,883	1,868,112	10%
Gross Revenue from Export Sales	6,858,107	5,548,279	24%
Other Revenue	182,259	354,515	-49%
Total	9,095,249	7,770,906	17%

Source: Manager

- Wood production came from commercial thinning of pine and eucalyptus, as no clearfell operations took place in 2025. There were positive deviations in thinning volumes, particularly for pine, which resulted in variances against budget (production costs). The additional pine volumes generated higher production costs related to road maintenance and transport in 2025. As a result, production costs in 2025 were 48% above budget.

Table 3. Actual and Budgeted Costs and Capital Expenditures for 2025 (USD)

	Actual	Budget	Variance
Operating Costs	8,287,536	5,604,271	48%
SG&A, Management, Fixed and Financial Expenses	2,329,336	2,211,823	5%
Capital Expenditures – Establishment and Silvicultural Management	1,333,493	910,552	46%
Total	11,950,365	8,726,646	37%

Source: Manager

- Expenses were reasonably in line with projections for the year (+5%), while capital expenditures were 46% above budget.
- The area planted in 2025 totaled 240 hectares, in line with budget projections. The variance from the annual investment budget is explained by the execution of silvicultural activities not originally budgeted (additional ant and weed control, replanting, and regrowth management), the implementation of pine and eucalyptus regeneration control to comply with environmental regulations, and due to the combined effect of pruning rate adjustments in local currency and exchange rate fluctuations.
- Net result⁴ for 2025 was negative (USD -1.5 million), largely due to the recognition of costs associated with bulk export

⁴. Net result = gross revenues – operating costs – expenses.

shipments in the second half of the year, for which receivables remained outstanding. The decline in sales during the first half of the year led to the need for additional borrowing. In July 2025, the Surveillance Committee authorized the Trust to obtain a loan of USD 7 million, and in November an additional short-term loan of USD 2 million was taken to finance exports.

- As of December 2025, the annual valuation of the Trust's assets showed a 0.5% increase compared to the previous year's valuation (USD 610,000). On the one hand, the value of forest plantations decreased by 1.4% (USD -1 million), while land values increased by 3.2% (USD +1.6 million).

3. Information Reviewed

The following information was reviewed for this update:

- Financial Statements of the Trustee as of December 31, 2025
- Financial Statements of the Trust as of December 31, 2025
- Statement of Financial Position of Agroempresa Forestal as of December 31, 2024, with the corresponding audit report
- Quarterly reports of the Manager, the most recent dated December 2025
- Quarterly reports of the Surveillance Committee, the most recent dated December 2025
- Rating reports for comparable trusts
- Relevant information on the forestry sector
- Valuations as of December 2025 (Indufor)

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II. THE TRUST AND THE PARTICIPATION CERTIFICATES

Participation Certificates of the Bosques del Uruguay II Forestry Financial Trust were issued through a public offering. The Trust was established pursuant to the corresponding Financial Trust Agreement. This Agreement, together with the Certificates and the other related contracts, was analyzed in the legal report prepared at the time of the original rating.

1. General Description

Name:	Fideicomiso Financiero Forestal Bosques del Uruguay II (Bosques del Uruguay II Forestry Financial Trust)
Trustee:	EF Asset Management Administradora de Fondos de Inversión S.A.
Manager:	Agro Empresa Forestal S.A.
Registrar and Paying Agent:	EF Asset Management Administradora de Fondos de Inversión S.A.
Representative Entity:	Bolsa Electrónica de Valores S.A.
Stock Exchange Listing:	Bolsa Electrónica de Valores S.A.
Organizer:	EF Asset Management Administradora de fondos de Inversión S.A.
Securities Issued:	Participation Certificates
Trust Assets:	The Trust invested in the development of a forestry asset base, which includes the acquisition and/or leasing of rural properties and the establishment of forest plantations.
Currency:	U.S. Dollars
Issue Amount:	USD 70,000,000
Term of the Issue:	Until the liquidation of the Trust's assets and the settlement of its liabilities, up to 30 years.
Subscription date:	January 19, 2015
Distributions:	Based on accumulated results, pursuant to the established procedure.
Risk Rating:	BBB+.uy

2. Legal Analysis

The legal analysis was included in Annex I of the original rating report. It ruled out any potential conflicts arising from the legal structure, the relevant agreements or compliance with current regulations, among others.

The conclusion of the report stated: ***“In summary, considering all aspects involved, the Trust has a reasonable degree of coverage, and no substantial legal risks related to legal contingencies are posed to the issuance process.”***

3. Risks Considered

Structural Legal Risk. This refers to the analysis of the potential for failures to make payments to the beneficiaries resulting from defects in the legal structure due to non-compliance with applicable regulations, as well as from the possible enforcement of court rulings resulting from claims brought by parties who may have been adversely affected by the structure previously described. Based on the aforementioned legal report—which is essentially consistent with those prepared for analogous Trusts I, III, and IV—and considering the passage of time without any disputes having arisen, CARE concludes that structural legal risk is *virtually nil*.

Liquidity Risk. The Certificates have been structured to be liquid. Hence, liquidity is deemed adequate, considering the characteristics of the Uruguayan market. However, this process is not instantaneous and may require an indeterminate amount of time. *This risk is categorized as medium-low.*

III. THE MANAGEMENT

The characteristics of the issuance require the analysis of two management entities: EF Asset Management (EFAM), acting as the Issuer and Trustee of the Financial Trust, and Agro Empresa Forestal S.A. (AF) acting as Project Manager.

1. EF Asset Management (EFAM)

The Trustee is EF Asset Management Administradora de Fondos de Inversión S.A. (EFAM), a closed joint-stock company whose corporate purpose is the management of investment funds and trusts of all types. It was registered with the National Commercial Registry on April 7, 2003, under No. 2014 - Tax ID: 214769530012.

On August 20, 2003, the Central Bank of Uruguay authorized the company to operate under the Investment Funds Law No. 16,774, dated September 27, 1996, as amended by Law No. 17,202, dated September 24, 1999.

On July 9, 2004, the Central Bank of Uruguay (Notice No. 2004/188) authorized EFAM to act as a Financial Trustee under Law No. 17,703, dated October 27, 2003. On that same date, the company was registered as a Financial Trustee in the Securities Market Registry of the Central Bank of Uruguay.

On May 23, 2005, EFAM was further authorized by the Central Bank to act as a Professional Trustee under the same Law (No. 17,703) and was registered with the Register of Professional Trustees, General Trustees Section of the Central Bank of Uruguay.

Economic and Financial Situation

The analysis of EFAM's financial statements as of December 31, 2025, continues to show a strong solvency position.

The liquidity ratio for the fiscal year, measured as the current ratio, remains below one. It is worth noting that non-current assets mainly consist of guarantee deposits that the company is required to maintain, pursuant to applicable regulations, for the trusts it manages. Accordingly, these funds are subject to restricted availability. This explains the financial liabilities incurred to establish these guarantees, which are subsequently settled once the guarantees are released. Regarding any potential temporary funding needs to meet short-term obligations, the company has access to financing from related parties; therefore, liquidity risk is considered very limited. This mitigates the significance of the current ratio being below one, as previously noted.

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A summary of the statement of financial position and statement of profit or loss as of December 31, 2025, together with a comparison with prior years, is presented below.

Table 4. Statement of Financial Position - EFAM (thousands of UYU)			
Item	12/31/2025	12/31/2024	12/31/2023
Current Assets	32,193	33,440	26,198
Non-current Assets	287,528	290,099	248,688
Total Assets	319,720	323,539	274,886
Current Liabilities	38,988	45,457	38,315
Non-current Liabilities	250,654	249,374	211,246
Total Liabilities	289,642	294,830	249,561
Equity	30,079	28,708	25,325
Total Liabilities and Equity	319,720	323,539	274,886
Current Ratio	0.83	0.74	0.68

Source: Financial Statements of EFAM

The results at the end of fiscal year 2025 show a level of revenue broadly in line with the previous year, but higher expenses, resulting in a decline in profit.

Table 5. Statement of Profit or Loss - EFAM (thousands of UYU)			
Item	12/31/2025	12/31/2024	12/31/2023
Operating Revenue	103,621	95,753	85,442
Administrative and Selling Expenses	(89,335)	(78,523)	(71,408)
Operating Profit	14,286	17,230	14,033
Finance Result	(11,407)	(11,495)	(11,743)
Profit (Loss) before Income Taxes	2,879	5,735	2,290
Corporate Income Tax (IRAE)	(1,508)	(2,352)	(1,477)
Profit (Loss) for the Period	1,371	3,383	812
Operating Profit / Revenue	13.79%	17.99%	16.42%
Profit for the Period / Revenue	1.32%	3.53%	0.95%

Source: Financial Statements of EFAM

EFAM manages a substantial and diverse portfolio of trusts; therefore, its suitability to perform this role is beyond doubt.

Accordingly, no risks have been identified concerning EFAM's performance as Trustee.

2. Agro Empresa Forestal S.A. (AF)

The operating and management company has been previously analyzed by CARE in the original rating for this Trust and three similar ones, as well as in subsequent updates. On all occasions, the company's performance and its capacity to execute the various projects have been assessed positively. Accordingly, the analysis will focus on monitoring its performance and identifying any material developments that may warrant a revision of this assessment.

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CARE's own review of the progress of each project under AF's management remains the most reliable source of information for assessing the company's management capacity.

In summary, AF Global S.R.L. is the holding company under which AF Administraciones Forestales operates. The group also includes two other business units: La Novillada, which specializes in weed control and the sale of agrochemicals, and AF Maderas, which focuses on the export of sawlogs and timber sales in the domestic market.

AF began operations in Uruguay in 2000, later expanding to Chile in 2007, and to Brazil in 2010. Combining the three countries, the company has managed more than 100,000 hectares.

In Uruguay, its most significant track record is the management of the assets of four Trusts (including this one) rated by CARE. These four Trusts together had an original value of more than USD 640 million. All of them have received investment-grade ratings, reflecting their solid performance to date.

The structure has been adjusted over time to meet the demands arising from the growth in the assets under management. Currently, it maintains the same organizational framework established several years ago. More recently, a Risk Committee was created, led by Economist María Stella, with the participation of professionals such as Economist Aldo Lema, among others.

Key Personnel

The basic structure is composed of a Board of Directors, an Audit Committee and a Compliance Committee. No relevant changes to this structure have been reported.

- **Francisco Bonino, Agricultural Engineer**, continues to be the key figure, who serves as Chair of the Board of Directors and member of the Audit Committee.
- **Dan Guapura, Mechanical Industrial Engineer**, is the General Manager.
- **María Stella, Economist (MSc.)**, is responsible for investor reporting, annual valuations (BEVSA/Independent/AF), financial projections and monitoring key variables (prices, comparable transactions, etc.).

Economic and Financial Situation

The company's fiscal year ends on December 31. On this occasion, the most recent available financial statements audited by Grant Thornton as of December 31, 2024, were considered.

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According to those financial statements, the company shows a positive and growing equity position, consistent with its performance. It is worth highlighting AF's role in the four Trusts it manages. As of year-end 2024, its assets included Participation Certificates issued by the four Trusts, totaling approximately USD 14 million.

In view of the above, CARE maintains a favorable opinion regarding AF's capacity to manage this and other related operations. It is also worth recalling that, as the Trust's Asset Manager, AF is subject to standard oversight mechanisms, including the possibility of its replacement in the event that any of the contingencies provided in the relevant agreements may occur.

3. The Trust

The BDU II Trust was established on August 14, 2014, pursuant to its Trust Agreement, and its registration was authorized by the Central Bank of Uruguay on December 5, 2014. On January 19, 2015, Participation Certificates amounting to USD 70 million were issued and listed on BEVSA under a deferred funding mechanism, as provided in the Issuance Document and disclosed in the Prospectus. The Participation Certificates were fully paid after a process that began in January 2015 and concluded in February 2017.

A summary of its statement of financial position and statement of profit or loss as of December 31, 2025, is presented below.

Table 6. Statement of Financial Position of the Trust			
Thousands of USD	12/31/2025	12/31/2024	12/31/2023
Current Assets	8,433	2,026	4,705
Non-current Assets	126,263	125,972	128,863
Total Assets	134,696	127,998	133,568
Current Liabilities	3,847	1,309	2,536
Non-current Liabilities	9,469	3,232	2,869
Total Liabilities	13,315	4,541	5,405
Equity	121,382	123,457	128,163
Total Liabilities and Equity	134,696	127,998	133,568
Current Ratio	2.19	1.55	1.86

Source: Financial Statements of the BDU II Trust

As of December 31, 2025, the Trust's equity, as shown in the preceding table, decreased again to USD 121.4 million; however, it remains significantly higher, in nominal terms, than the amount originally issued, which was USD 70 million.

Table 7. Statement of Profit or Loss of the Trust

In thousands of USD	12/31/2025	12/31/2024	12/31/2023
Operating Revenue	9,095	5,090	11,668
Change in Fair Value of Biological Assets (1)	(2,390)	(7,903)	11,126
Continuing Operations	6,705	(2,813)	22,794
Cost of Goods Sold	(8,287)	(3,364)	(9,291)
Gross Profit	(1,582)	(6,177)	13,503
Administrative and Selling Expenses	(2,668)	(2,247)	(2,710)
Operating Income	(4,250)	(8,424)	10,793
Other Results (2)	-	-	-
Financial Results	(594)	267	(188)
Profit (Loss) for the period before Taxes	(4,844)	(8,157)	10,606
Corporate Income Tax (IRAE)	1,304	(325)	(131)
Profit (Loss) for the Period	(3,539)	(8,482)	10,475
Other Comprehensive Income (2)	1,603	4,149	1,899
Deferred Tax	(138)	(374)	(38)
Total Comprehensive Income for the period	(2,075)	(4,706)	12,336

Source: Financial Statements of the BDU II Trust

(1) Change in the fair value of plantations

(2) Change in the fair value of land

The Trust's revenue for 2025 mainly consisted of wood sales (USD 8.9 million), with the balance, to a lesser extent, relating to grazing rental income and other income. As regards year-end valuations, a further downward adjustment was recorded in biological assets, this time amounting to USD 2.4 million, which largely explains the result for the period. Further details on production and commercial activity, as well as on the appraisals performed, are provided in another section of this report.

Risks Considered

Management Risk: Given the proven suitability of AF S.A. and EFAM to fulfill their roles and based on all the analyses carried out in the rating of the BDU II Trust, CARE considers that the risk of non-compliance with project-related responsibilities by either the Manager or the Trustee to be virtually nonexistent. *Virtually no risk.*

Conflict Risk: This refers to the potential for legal disputes that may interfere with the assigned mandate, and to the extent to which provisions exist to address them. For the same reasons noted above, it is highly unlikely that, even in the event of a conflict, the Trustee and the Manager would be unable to resolve it satisfactorily. *Very low risk.*

Risk of Change in Trustee: This risk is duly provided for in the relevant cases, ensuring that such a possibility remains under the control of properly represented investors.

Risk of Change in Forestry Manager: This risk is also provided for under the Agreement, based on various performance outcomes.

IV. UNDERLYING ASSET AND PROJECTED CASH FLOW

Investments were made in the acquisition of rural properties to develop forestry activities, in accordance with the terms and conditions outlined in the Agreement. These properties form part of the Trust's assets. The Trustee invested in those Properties recommended by the Manager, pursuant to the Business Plan and following the procedures provided in the Trust Agreement.

1. Evaluation of Investment Profitability

The Project, as set out in the original Prospectus, estimated an IRR of 8.55%. Subsequently, the Manager updated the projected cash flows. The latest update of the cash flow projection was presented as of March 2025, based on actual data as of December 2024 and projections through to the termination of the Trust.

In this updated cash flow projection, the Manager presented a range of possible scenarios, assuming different trajectories for wood prices, production costs, and land values from 2025 until the termination of the Trust in 2035.

Among the scenarios presented, the one that meets CARE's criteria for long-term projections is as follows:

- **Product prices** are assumed to adjust in line with U.S. inflation, estimated at 2.1% per year⁵. No real increases in wood prices are projected, either for pulpwood or for solid wood.
- **Land prices** are expected to increase by 3% per year in nominal U.S. dollar terms.
- **Domestic costs** are projected to adjust in line with inflation in both the U.S. and Uruguay. For Uruguay, an average annual depreciation of 3.5% and an inflation rate of 6.2% are projected.

Additionally, projected yields are consistent with the actual performance observed in the forest plantations, while prices and costs are based on current levels. The terminal value of the forests is calculated as the present value of 20 years of future cash flows discounted at 8.5%, which represents a conservative assumption.

Cash flows to investors are those projected in the updated cash flow, which is expected to commence in 2025 and continue until the liquidation of the Trust in 2035. The USD 2 million profit distribution made in 2019 is also included as cash inflow.

Based on this projection, the IRR for the entire term of the Trust would be 8.2%, showing no variation from the previous year's estimate. This IRR is calculated under the assumption that the investor acquired the Participation Certificates at par value in year zero.

⁵. It is still slightly above those levels today; however, it is expected to adjust to historical levels.

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The table below presents, for sensitivity analysis purposes, the results of different IRR scenarios, some more favorable and others less so.

Table 8. IRR Results under Different Scenarios	
Scenario	IRR
1 Wood prices adjust in line with U.S. inflation, plus an additional 1.5% real growth. Costs adjust in line with U.S. and Uruguayan inflation, and land values increase by 1.5%.	8.1%
2 Wood prices adjust in line with U.S. inflation. Costs adjust in line with U.S. and Uruguayan inflation, and land values increase by 1.5%.	8.1%
3 Same as Scenario 2, but assuming a 3% increase in land prices.	8.2%
4 Wood and land prices increase by 1.5%.	6.9%
5 Land prices increase by 1.5%.	6.9%
6 All factors remain constant.	6.7%

Source: Manager

The projected IRRs under the different scenarios show little variation.

Scenario 3 is the one that aligns with the criteria used by CARE for preparing projections. It assumes that wood prices will increase in line with U.S. inflation, remaining stable in real terms. According to the World Bank's most recent projections through 2035, annual growth is expected to range between 1.1% and 1.5%, depending on the source region (see Section V). Regarding land, an annual increase of 3% is considered both reasonable and conservative, and is the value typically used by the rating agency in its projections.

Scenario 6 represents the real IRR. It assumes that wood prices, production costs, and land prices remain constant in nominal terms throughout the entire period. In this case, the IRR would be 6.7% in real terms.

This revised IRR estimate is consistent with the rigorous sensitivity analysis to which CARE subjected the cash flows at the time of the original rating. On that occasion, the cash flows were tested against adverse assumptions regarding:

- the forest growth rate, and
- the expected appreciation in land value.

The most adverse scenario assumed that the increase in the forest growth rate would be 25% lower than expected and that there would be no increase in land prices throughout the entire period. Based on the results obtained from the permanent sample plots, such a reduction in the growth rate appears unlikely at this stage.

A simulation of 10,000 iterations under this highly unfavorable scenario showed an expected nominal IRR of 6.58%, with a 95% probability that the IRR would exceed 5.74%.

2. New Estimate of the Opportunity Cost of Capital

One method to assess the attractiveness of an IRR is to compare it with the opportunity cost of equity. This rate serves as a benchmark for the expected profitability of a project and is the key indicator for discounting projected cash flows.

CARE estimates the opportunity cost of capital using the Capital Asset Pricing Model (CAPM)⁶. This model considers the risk-free rate, the market risk premium, and the risk premium assigned to the specific production system, in this case forest production. To avoid abrupt fluctuations in the rate and ensure a medium-term perspective, CARE used the average values from the past five years for all variables.

To account for systemic risk, the average “beta”⁷ of forest companies in emerging markets is used, which stands at 0.98. This figure indicates that investments in the forest sector have a level of risk and variability broadly in line with the average of all activities in that market. For the risk-free rate, the yield on 10-year U.S. Treasury Bonds (3.42%) is used. Country risk (UBI index) is assumed at 90 basis points⁸, and the equity market risk premium is set at 5.3%.

Applying these values results in an expected return on equity of 6.2%. This figure is lower than the IRR estimated for the scenario that reflects the rating agency’s criteria (8.2%), indicating that the investment would generate a return above the opportunity cost of capital.

In the current context, the risk-free rate is higher than the five-year average; however, country risk is lower than in that period. Therefore, if current values are applied, the opportunity cost of capital would be lower (5.9%).

Other indicators against which the Trust’s expected IRR could be compared include yield curves, which represent potential investment alternatives, as they are estimated specifically for Uruguay⁹. Currently (April 2026), the 10-year U.S. dollar yield curve [CUD, for its acronym in Spanish] stands at 5.2%. In this case, the IRR estimated under the most likely scenario also exceeds the level of the U.S. dollar yield curve. However, it should be noted that the CUD reflects only sovereign risk.

Based on these criteria, the project’s return for investors remains above the opportunity cost of capital.

While these short-term comparisons cannot be interpreted strictly, they serve as a reference that—among others—helps to form a judgment about the original investment in light of the current context.

⁶. The Capital Asset Pricing Model (CAPM) is a financial valuation model used to calculate the expected return that an investor should require when investing in a financial asset, based on the level of risk assumed

⁷. This value is provided by Damodaran.

⁸. This corresponds to the 5-year average; as of March 2026, country risk stands at approximately 65 basis points.

⁹. Spot Yield Curve of Uruguayan Sovereign Bonds issued either in inflation-indexed local currency or in U.S. dollars, as applicable.

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3. Compliance with Minimum Project Standards

The characteristics of the project make the economic results sensitive to the actions carried out by the Manager: land acquisition, forest establishment and tending, species reconversion, operating costs, harvesting and sale, etc. For this reason, the Trust Agreement set out minimum performance standards for the Manager.

In this regard, the Surveillance Committee reported that the minimum requirements have been satisfactorily met:

- Land acquisition: Met. The objective was to acquire 13,200 hectares and lease 800 hectares; and a total of 14,656 hectares have been acquired.
- Plantable area: No area has been reported as “available for planting” for more than 24 consecutive months. The Trust has 190 hectares of unplanted land across several properties classified as “Future Plantable.” These are small areas that will be utilized when those properties are replanted.
- Planting practices and survival rates: The average survival rate recorded in the May 2025 measurement was 90%.
- Mean Annual Increment (MAI) of the plantations:
 - For both *E. grandis* destined for solid wood and pulp, the commercial volumes obtained from the 2025 measurements of plantations older than 7 years are at or above the maximum curve projected in the Prospectus. For pine plantations, commercial volumes are in line with the most probable curve.

Overall, there is generally a good level of compliance with the performance commitments.

As the Trust has acquired farms that were already planted, the timing of the commencement of clearfell wood sales has been adjusted relative to the original projection, advancing the Trust's revenues for these activities. In turn, establishment costs are deferred in areas acquired that were already planted, as these costs will only be incurred after the corresponding clearfell has been performed. Macroeconomic variables (inflation and exchange rates) have evolved differently from initial projections, resulting in a significant increase in internal costs in U.S. dollar terms.

4. Forestry Production Performance Risks

This category includes risks related to forest management, as well as climate-related risks such as droughts and wildfires.

Forest management risk refers to decisions related to forest operations, including species selection and site suitability; seedling production and establishment; tree improvement programs through genetic selection; the design and implementation of spacing regimes and silvicultural practices; and the protection of plantations and land from disturbances such as fire, pests and diseases, animals, and invasive weeds.

The productive management risk is minimal because it is mitigated by the Manager's proven track record and experience. The forest sector in Uruguay is in a mature stage characterized by the presence of important entities involved in primary and industrial production, support services, logistics, and foreign trade.

Considering biological risks, the selected species have shown a strong performance in the ecosystems where they have been planted, and their pathologies are well known. However, as this is a long-term project, if the species were to present biological issues in the future, the country and the region would have access to an extensive network of highly skilled professionals specializing in basic and applied research. These professionals are primarily based at the National Institute of Agricultural Research and the University of the Republic, particularly in the School of Agronomy and the School of Sciences.

Regarding climate risks, the most significant is the occurrence of extreme droughts, such as the one experienced in 2022/2023, whose negative impacts offer very limited possibilities for mitigation. These risks are difficult to prevent and estimate in terms of their future impact. The severe drought experienced in 2022/2023 has provided valuable real-world information on the effects that such events may have on forest production.

In the case of forest fires, they are an increasingly relevant risk in the forest sector, and these types of projects have appropriately internalized it. Management measures are in place to minimize the occurrence of fire, including the establishment of firebreaks, waste removal, continuous monitoring in summer months, and contracting insurance policies. Additionally, the wide geographic dispersion of the farms helps to mitigate this risk, as any fire event would likely be confined to the affected property.

Finally, the Manager conducts ongoing monitoring of the plantations to enable early detection of any phytosanitary or management issues that could affect their normal development.

5. Results of Permanent Sample Plot Measurements

Permanent sample plots have been established in the Trust's forest stands, distributed across different farms. The number of plots in pine stands will remain stable, while those in eucalyptus stands (for pulp and sawlogs) will continue to increase. The purpose of these permanent plots is to measure two key tree growth parameters—height and diameter—which are critical for estimating future production.

The results of the measurements carried out in September 2025 show that the Mean Annual Increment (MAI) is above the curves projected in the prospectus, both for pine and eucalyptus.

6. Land and Forest Plantation Valuation

As of December 2025, the annual valuation of the Trust's land and plantations was performed by the same appraisers as in 2024: land was appraised by Consur UIT and the forest plantations by Indufor.

Indufor considers only the value of the land (as calculated by Consur) and the forest plantations in the valuation of the assets. Unlike other appraisers, Indufor does not consider grazing income or potential revenue from carbon credit sales. According to the methodology applied, these concepts are reflected in the value of the land.

The methodology applied to forest plantations (timber) is a combination of a comparable sales approach and a valuation of the forest asset using a discounted cash flow method at a rate of 7.5%, assigning a notional land rental. The value assigned to the forest assets using this methodology was USD 69.3 million, representing a decrease of 1.4% compared to the previous year.

Regarding the land, its appraised value amounted to USD 51.7 million, which results in an average value of USD 3,515 per hectare, and reflecting a 9.1% increase compared to the previous year. The land valuation is based on a combination of three factors: (i) historical trends in land prices, (ii) the market value of comparable transactions, and (iii) the intrinsic characteristics of the farms, including soil type, effective planted area, geographic location, and native forest area.

The table below presents the evolution of the Trust's land and forest plantation values. The series begins after the acquisition period was completed to ensure data comparability. It is important to note that the valuations were conducted using different methodologies and reflect the combined value of the land and the forest plantations. Grazing and carbon credit income are not included, as they are not considered by all appraisers.

Table 9. Evolution of Land and Forest Plantation Valuation

Year	In millions of USD
2015	26.70
2016	51.50
2017	66.00
2018	66.20
2019	74.99
2020	71.90
2021	97.80
2022	111.10
2023	123.00
2024	120.40
2025	121.01

Source: CARE, based on valuation reports

Note: The planted area only stabilized in 2018. In 2015 and 2016, the area was smaller; in 2018, the area increased temporarily, as a farm was later sold to BDU III. Carbon credits and grazing income were not included in the valuation.

The 2025 valuation estimated a total asset value as of December 31, 2025, of USD 121.0 million, representing a 0.5% increase over the previous year. The trend shows a steady increase in asset value, which has grown at a compound annual rate of 9.0% over the period, largely driven by the growth of the plantations.

While these values do not include the value of future carbon credits, the appraiser reports that it could amount to USD 1.94 million. The discount rate applied to carbon-related revenue is the same as that used for forest plantations.

The table below presents the results of the 2025 valuation, broken down by its different components and compared with previous years.

Table 10. Valuation by Component (USD millions)

	2022	2023	2024	2025	Variation
Timber production	67.06	77.04	70.30	69.32	-1.4%
Grazing	1.31	1.35	-	-	-
Land value	44.04	45.94	50,10	51.69	3.2%
Total	112.41	124.33	120.40	121.01	0.5%
Carbon credits	0.48	1.10	1.90	1.95	-

Source: Care based on valuations

Note: In 2025, the appraiser estimates potential carbon credits of USD 1.95 million; however, these are not included for methodological reasons.

Valuations of the plantations represent a snapshot of the forests as of December 31. Therefore, compared to the previous year's valuation, they reflect factors such as biological growth of the trees, changes in the number of planted hectares, adjustments in wood prices, and production costs.

The main factors contributing to the slight decline in the valuation of the plantations are as follows:

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- An impact on timber quality resulting from the earlier implementation of thinning and clearfell operations, leading to a higher proportion of smaller-diameter, lower-value logs.
- The increase in other cost components, particularly general expenses, has contributed to a lower valuation. Notably, maintenance and fire protection costs have increased significantly.
- A reduction in projected future revenues was considered, driven by lower pulp prices and weaker export market conditions, given the current market environment.

7. Risks considered

Cash Flows Generation Risk. Considering management, biological and physical variables, as well as the economic and financial variables included in the sensitivity analysis; CARE concluded that *the cash flow generation risk is minimal*.

Currency Mismatch Risk. The most relevant income and expenses are projected in the same currency; therefore, this risk is considered *virtually nil*.

V. THE ENVIRONMENT

The environment analysis assesses future factors that may have an impact on the generation of the projected cash flows, but which arise from circumstances outside the company's control and relate to the broader context. These factors include the expected evolution of domestic and international markets for inputs and products, as well as the analysis of public policies that may directly influence the achievement of the stated objectives. Public policies include not only domestic policies but also those of countries with which Uruguay maintains trades relation.

Growth in the consumption of wood products is expected to exceed the projected increase in the global population, driven primarily by rising demand from low- and middle-income countries. Meeting this increased demand will require boosting productivity through sustainable forest management practices, in line with increasingly stringent environmental requirements.

Regarding the international forest products market, trade barriers—at least for the time being—remain relatively subject to predictable regulatory frameworks; therefore, no significant risks are expected. Considering the potential expansion of environmental barriers, both the country and this project in particular stand out for their environmental stewardship and related certifications.

There is substantial evidence and sound reasoning to support the long-term upward trend in land prices, driven by increasing demand for food and fiber, improvements in productivity, and the limited scope for expansion of the agricultural frontier. In parallel, the growing implementation of environmental protection measures could introduce medium-term constraints on land use.

The current geopolitical context, if not resolved in the near term, could adversely affect the forest products market. Armed conflicts may lead to disruptions in international trade, characterized by higher logistics costs, volatility in commodity prices (oil, food and fiber), and supply constraints.

Given the extended projection horizon, consistent with the nature of the project, the analysis of the environment is presented in terms of broad trends in wood and land prices.

With respect to the country's sectoral policy, there are some uncertainties regarding the possibility that the current administration may reconsider the implementation of regulatory adjustments aimed at limiting land use for forestry—an initiative proposed in Parliament in 2021 but vetoed by the president in office at the time. Such measures could have a material impact on the current development and growth of

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the forestry sector. However, to date, they have not yet been implemented by the government.

1. Economic and Market Risk

This section outlines the key aspects of the two price variables that influence the investment's returns: wood and land prices, both of which are fundamental to the Trust's business model.

A) Wood Prices

The most critical—and therefore most decisive—variable for the rating agency is wood prices, as they account for more than 78% of the investment returns.

For this specific project, the price with the greatest impact on the final outcome is that of high-quality timber (primarily eucalyptus and pine), as the production of such timber is the core objective of the Trust. Nonetheless, the expected price of pulpwood is also relevant, as a certain portion of the timber is always allocated to this use, particularly during the early years.

The Food and Agriculture Organization of the United Nations (FAO), in its report *Global Forest Sector Outlook 2050*,¹⁰ predicts that global consumption of primary processed wood products is expected to grow 37% by 2050. This increase in wood product consumption, compared to the projected 25% growth in the global population, *will be driven by higher incomes in emerging world regions, resulting in catch-up effects for consumer goods (e.g. paper, packaging, clothing and furniture) and in more construction sector activities.*

The report also states that meeting future demand for wood should be achieved through a combination of increased sustainable production in naturally regenerated temperate and boreal forests, as well as planted forests, which are increasingly located in the Global South.

Approximately 70% of Uruguay's wood production is used for short-fiber pulp production, which is largely derived from eucalyptus. Global demand for these products has been increasing, driven by urbanization and rising living standards in emerging countries.

The global pulp and paper market continues to grow, albeit at a more moderate pace, with a gradual expansion projected through the 2030s, driven by demand in packaging, tissue, and specialty paper. The dissolving pulp market (used for sustainable textile fibers and chemical applications) shows more robust growth, with expectations of reaching significantly higher levels by 2030–2034, supported by demand for sustainable fibers. Meanwhile, regenerated cellulose (used for textile fibers such as viscose and lyocell) is also experiencing accelerated growth, reflecting sustainability trends and a shift from synthetic to natural materials.

¹⁰. FAO 2022. Latest available report.

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The solid wood market, in turn, is driven by sustainable construction and urbanization. Solid wood is a key construction material, particularly in residential, commercial, and infrastructure projects. In this context, demand for wood is supported by population growth, urban expansion, and the transition toward environmentally sustainable construction practices. Innovations such as cross-laminated timber (CLT) and glued laminated timber (glulam) are further boosting demand, as these materials enable the construction of tall timber buildings while reducing the carbon footprint of the sector. Governments in many countries are promoting mass timber construction as part of their climate change mitigation strategies. Accordingly, sustained growth in demand is expected over the medium to long term.

Rising demand is facing constrained supply due to increasing measures to protect native forests, as well as regulatory controls over production forests. At the same time, policies aimed at mitigating the impacts of climate change also promote forest conservation, due to their significant role as carbon sinks. In this context, the development of a carbon market appears to be consolidating, implying that the sale of carbon credits could represent an additional source of income for forestry projects. Ongoing international negotiations continue to make progress toward securing environmental commitments to reduce emissions, suggesting that demand for carbon credits is likely to grow over the medium to long term.

Based on this outlook, it can be concluded that wood prices are expected to show an upward trend in the long term, at least in nominal terms. However, this trend may be affected by unfavorable circumstances that could depress demand and, consequently, prices. The effects of the COVID-19 pandemic, the repercussions of the Russia-Ukraine conflict, and the slowdown of the global economy —particularly that of China— have contributed to heightened volatility in international trade and in wood and forest product prices.

In the long term, there are no elements to suggest changes in the trends set out in the Issuance Prospectus. However, adverse conditions such as those mentioned above cannot be ruled out.

For this rating update, CARE has updated key sector information, confirming that no significant deviations from the expected trajectory are anticipated in the future.

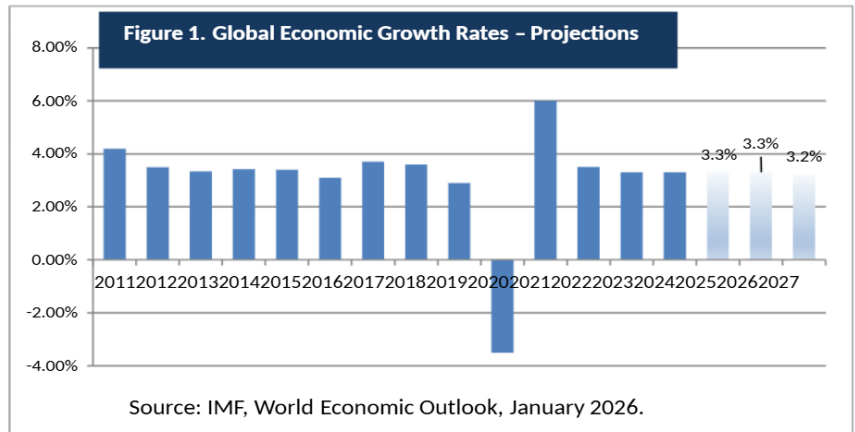
World Economic Growth Outlook

The International Monetary Fund, in its January 2026 report, projected global growth rates of 3.3% for 2025 and 2026, and 3.2% for 2027, representing a slight upward revision compared to its October 2025 report. Investment in technology, monetary and fiscal support, broadly accommodative financial conditions, and adaptability of the private

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sector are expected to offset changes in trade policies. Advanced economies are projected to grow at around 1.8% in 2026, while emerging markets and developing economies are expected to expand by 4.2%. Inflation is projected to continue declining globally, albeit with differences across countries. The growth rate remains below the historical average (2000–19) of 3.7%.

The outlook remains exposed to adverse factors, as a rebound in effective tariff rates could dampen growth, while elevated uncertainty may further weigh on activity.



Historical Price Trends

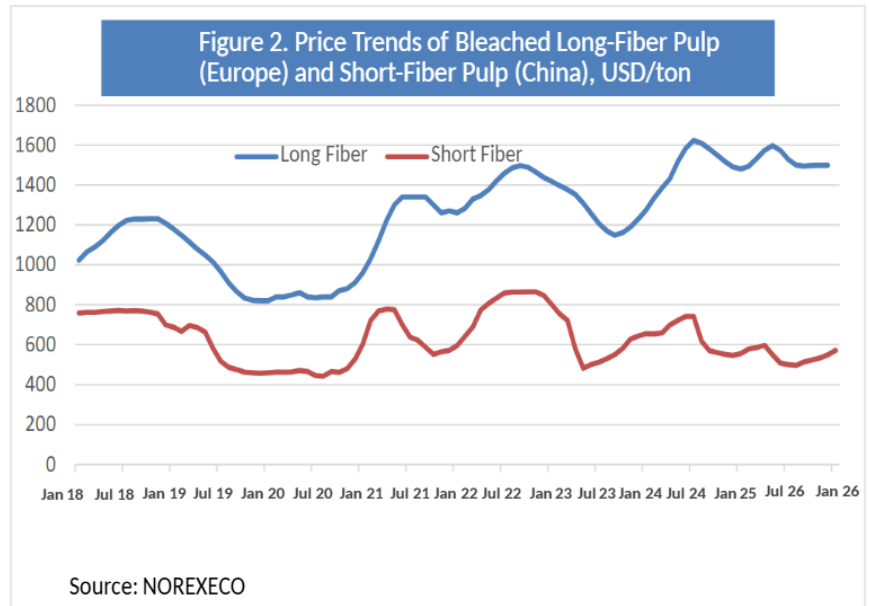
In recent years, international prices of forest products have shown high volatility, driven by a range of factors that have affected global demand, including the COVID-19 pandemic, armed conflicts, weak global economic growth, and inventory build-ups, among others.

Regarding pulp, the main end-use of the timber produced by this Trust, the decline in consumption resulting from the pandemic initially led to a sharp drop in demand and prices. Thus, after a marked sharp peak in prices in 2018, pulp prices at the international, regional, and domestic levels experienced a very significant drop of around 35-40%. The greatest fall of pulpwood prices occurred in 2019, after which prices either recovered slightly or remained at depressed levels for most of 2020. This decline was temporary, and in 2021 pulpwood prices recovered rapidly, maintaining their upward trajectory until the end of 2022. In 2023, international prices fell sharply for much of the year before beginning to recover toward year-end and throughout the first half of 2024. Since mid-2024 to date, international prices have shown a relatively stable trend, although with a clear cyclical pattern, and in the case of short-fiber pulp, they appear to show a slight downward tendency.

¹¹. Northern Bleached Softwood Kraft. Long-fiber bleached pulp.

The figure below presents data on prices per ton for two types of pulp: NBSK¹¹ (the main international benchmark price for long-fiber conifer

pulp in Europe), and BHKP¹² (short-fiber pulp in China). The trends mentioned in the previous paragraph are shown in the figure below.



In 2024, the implicit price¹³ received for Uruguay’s pulp exports was USD 610 per ton FOB, representing a 10% increase compared to the average export price in 2023, but still 13% below the levels recorded in 2022. In 2025, the average implicit price was approximately USD 531 per ton FOB, around 13% below the 2024 average.

This decline in international prices is largely explained by an imbalance between supply and demand, which put downward pressure on prices. However, according to some analysts, this situation could change over the course of this year, as a slower pace of growth in new global operating capacity is expected, and production cuts are also likely to occur in the coming months. If so, this would help rebalance supply and demand, and prices are expected to begin to recover in 2026.

The global pulp market, valued at USD 48.8 billion in 2024, is projected to reach USD 102.1 billion by 2032, driven by demand for sustainable, bio-based materials and the transition toward circular economies. Key trends include increased investment in production, growing environmental concerns favoring pulp as an alternative to synthetic polymers, and innovation in its applications, particularly in sectors such as pharmaceuticals, food and textiles. (Source: *Global Cellulose Market*).

No information is available to project the long-term outlook for international pulp prices. Over the past 10 years, the annual growth rate of international price for long-fiber pulp (NBSK) has been 3.6%. However, this figure is only indicative, as there is no certainty that future trends will follow the same pattern.

For solid wood, nominal prices have declined at an average annual rate of 0.36% in the last five years, reaching their lowest level since 2014, as a

¹². Blanched Hardwood Kraft Pulp. Short-fiber bleached pulp.

¹³. FOB export value / exported tons.

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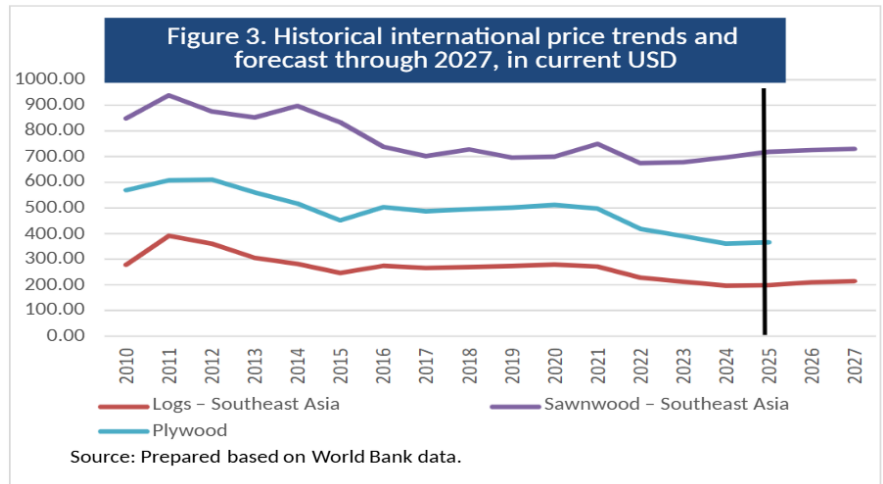
result of a temporary softening in demand. In the U.S. market, housing construction demand has been below expectations, reaching its lowest levels in the past five years due to elevated inventories and slow sales, as well as weak expectations in the construction sector. Meanwhile, in China, the pace of construction activity has declined significantly, reducing demand for solid wood and generating an oversupply that is redirected to pulp production. A potential recovery in China's construction sector is expected to help restore, at least partially, the demand volumes observed in the last three years.

In this context, demand for eucalyptus roundwood for sawmilling has exhibited volatility similar to that of pulp, although less pronounced. Following a highly uncertain start to 2020, marked by the slowdown in exports toward the end of 2019 and the outbreak of the pandemic in early 2020, the second half of the year showed signs of recovery, consolidating a trend that continued throughout 2021 and part of 2022.

In the second half of 2022, external demand for eucalyptus sawlogs declined sharply, beginning a slow recovery only in the second quarter of 2023. In 2024, exports—both in value and volume—recovered again from the second quarter, mainly driven by price improvements. In 2025, Uruguay's eucalyptus wood exports remained, in value terms, at slightly lower levels than in 2024 (-8%). China, Vietnam, India, Cambodia, and Malaysia are the main markets for Uruguayan eucalyptus sawlogs.

In the case of pine sawlogs, the international market for Uruguayan products shows no clear signs of recovery, remaining at levels well below those observed in 2021 and 2022. Both prevailing price levels and international competition have made it difficult to close transactions, with China having largely withdrawn from the market and India remaining as the main—and virtually the only—import market for Uruguayan pine. In addition, New Zealand and Australia are redirecting their pine production toward India, as China, their primary market, has significantly reduced its demand. In 2025, Uruguay's pine log exports stood at levels similar to those of 2024 (+4%).

According to the World Bank's latest commodity price outlook (October 2025), roundwood prices are expected to show slight increases over the next two years, in the range of 1% to 2% annually, although without reversing the downward trend observed since 2011.



In 2021, the World Bank presented a long-term price outlook for roundwood for sawmilling and sawn timber, showing a modest increase in nominal values towards 2035¹⁴. In the case of logs, an average annual cumulative growth rate of 0.95% was projected, while sawn timber was expected to grow at around 1.5%. These price increases—which have not materialized so far—would not be sufficient to offset the depreciation of the U.S. dollar and would therefore imply a decline in real terms. These projections are consistent with those for food commodities, which are also expected to show a slight reduction in real terms (i.e., positive nominal increases that are lower than the long-term depreciation of the dollar).

Uruguay's forest product exports reached a new record in 2024, primarily driven by the first full year of operation of its three pulp mills. The total value of forest product exports was 20% higher than in 2023. In 2024, pulp became Uruguay's leading export product for the first time, surpassing beef, due to both higher prices and increased export volumes.

This trend did not continue in 2025, and the cumulative value of forest product exports declined by 7.4% compared to the previous year, largely explained by lower pulp exports (-9%), reflecting a decrease in the price per ton (-13%). In 2025, pulp exports ranked second among Uruguay's export products, below beef. Meanwhile, exports of wood chips—the main product of this Trust—showed a strong recovery in total value compared to 2024 (+28%).

The table below presents the value of forest product exports over the past five years, showing a clear upward trend despite the decline in the most recent year.

¹⁴. World Bank Commodities Price Forecast. In subsequent reports, only two-year price projections are provided.

Table 11. Exports of Selected Forest Products (USD millions, FOB)

	2021	2022	2023	2024	2025	Variation
Pulp	1,576	1,818	2,019	2,546	2,317	-9%
Pine Logs	204	127	69	65	67	4%
Plywood Panels	105	102	80	89	78	-13%
Wood Chips (eucalyptus and pine)	74	113	109	50	64	28%
Sawn timber (coniferous and non-coniferous)	159	184	171	188	188	0%
Paper and Paperboard	26	35	30	27	26	-3%
Eucalyptus Logs	23	34	24	39	36	-8%
Other forest products	2	1	1	4	11	190%
Total	2,170	2,413	2,504	3,007	2,786	-7%

Source: CARE, based on Customs and Uruguay XXI data

Note: Exports of logs to the Free Trade Zone were not included, as pulp exports from this destination were considered.

It is worth noting the upward trend in sawn timber exports (coniferous and non-coniferous combined), which have become the second-largest forest product export after pulp.

B) Prices of Land

The outlook for international demand for land remains encouraging. In the short and medium term, its prices are expected to increase as a consequence of the difficulties for expanding the agricultural frontier and the need for a rational and sustainable use of land resources. However, this does not rule out short-term fluctuations that may deviate from this trend, as a result of changes in various variables that may affect nominal land prices, such as interest rates, currency depreciation, global inflation, or commodity prices.

In this case, land price trends in several relevant countries are updated, as their evolution may provide useful insights into potential developments in Uruguay.

In the 21st century, the price of land in the United States has followed a continuous upward trend, with some exceptions (2009 and 2015) when minimal reductions were verified. However, these exceptions did not change this trend. The price of land in the United States only declined in the early 1980s due to a change in its monetary policy called the “Voelker Plan” and, to a lesser extent, after the Lehman Brothers financial crisis and the COVID-19 pandemic. In all cases, price reductions were very moderate and reversed within a few years.

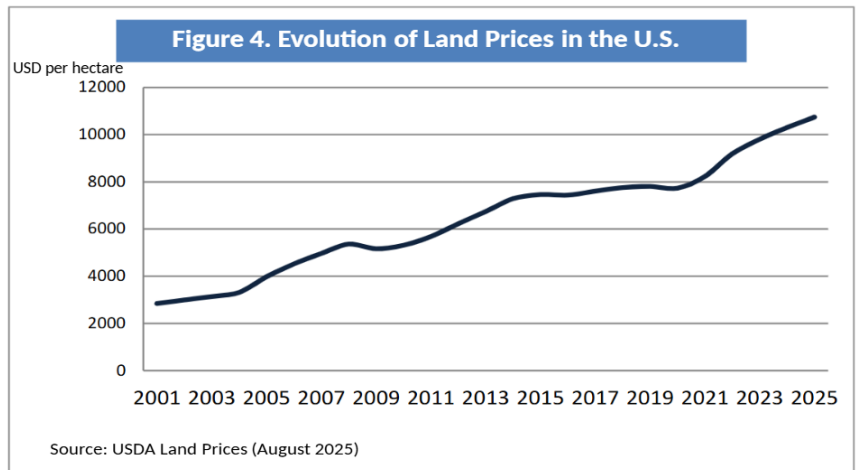
Between 2000 and 2025, the cumulative annual growth rate of land prices in the U.S., in current dollars, was 5.69%, exceeding the average inflation rate of the U.S. dollar (2.55% per year). This results in a real annual increase of 3.06% over the past 25 years.

The average land price remained relatively stable between 2017 and 2020, with only marginal increases broadly in line with U.S. dollar inflation. However, over the past five years, prices have recovered significantly, improving in real terms and keeping pace with higher

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inflation. Between 2020 and 2025, the average price per hectare recorded a cumulative increase of 39%. When analyzed separately, agricultural land prices rose by 43.5% over that period, while grazing land prices increased by 37.1%.

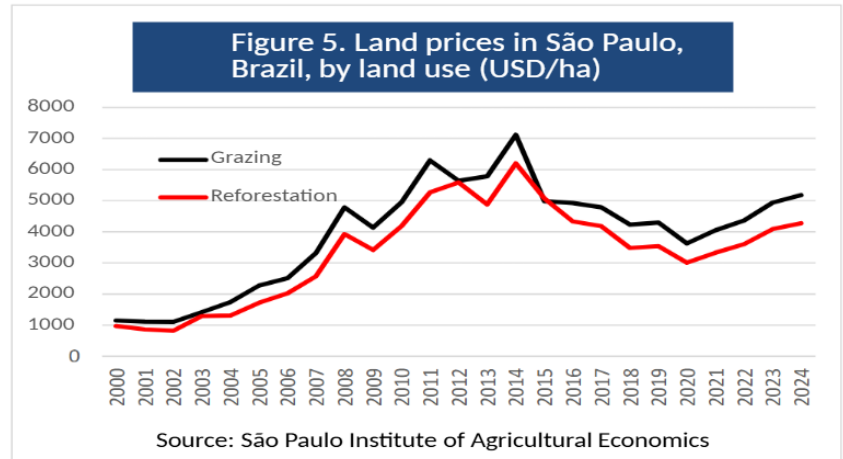
The latest USDA¹⁵ report, which provides 2025 land price data, shows a 4.3% increase in average land values compared to the previous year. Agricultural land prices rose by 4.7%, while grazing land prices increased by 4.9%.



Land prices in Brazil are generally influenced by exchange rate fluctuations, as land is valued in the local currency (Brazilian reais). Consequently, these fluctuations may either amplify or dampen changes in land prices. In U.S. dollar terms, land prices showed sustained growth until 2014, followed by a decline through 2020, mirroring the trend observed in Uruguay. Since 2020, prices have recovered significantly (12% in 2021, 8% in 2022, and 13% in 2023), although they remain well below their historical peak. In Brazilian reais, land prices have shown sustained growth over the past 25 years; by way of illustration, over the last five years (2019–2024), land prices in local currency increased by 45%.

In 2024, the São Paulo Institute of Agricultural Economics reported a 9% increase in land prices in Brazilian reais. However, it is important to note that during the last months of 2024, the Brazilian currency depreciated sharply against the U.S. dollar, which likely resulted in end-of-year land values, in U.S. dollar terms, being below those of the previous year (2023). The figure below considers the average annual land prices and the average exchange rate; therefore, 2024 still shows a slight increase (approximately 5% in U.S. dollar terms).

¹⁵. USDA Land Prices, August 2025.



Argentina’s recent economic history has made it difficult to obtain a reliable and up-to-date series of land prices. High policy volatility, heavy export taxes on agricultural production, macroeconomic imbalances, and foreign exchange restrictions have caused distortions in land values that bear little relation to the trends that land prices would otherwise be expected to follow. The changes currently being implemented in economic policy will likely allow for the restoration of reliable price series in the medium term.

Based on technical studies consulted by CARE, over a 55-year period (1956–2011), the price of high-quality agricultural land in Argentina increased at an average compound annual growth rate of 3.5% in real terms. Following a peak in 2012, agricultural land prices declined until the 2021–2022 period, with a modest recovery over the past three years (*Source: Argentine Chamber of Rural Real Estate*) and are currently at levels similar to those observed in 2012.

According to data reported by *La Nación* (Argentine newspaper, July 2025), average land prices in Argentina’s core agricultural region (southern Santa Fe and northern Buenos Aires)—characterized by high productivity, infrastructure availability, and crop rotation—reached a peak of USD 17,500 per hectare in 2012, declined to around USD 14,000–15,000 per hectare in 2021–2022, and are currently estimated at approximately USD 17,000 per hectare.

The Argentine Chamber of Rural Real Estate [CAIR, for its acronym in Spanish], an institution that analyzes the evolution of this market, reported that market activity (referring to transactions rather than prices) has been recovering steadily since 2024, as a direct result of the change in administration. The activity index estimated by the Chamber¹⁶ stood at 45.5 points in December 2025, compared to 21.5 points in December 2023.

The land market in Argentina remains attractive, supported by strong demand, diversified investor interests, and a macroeconomic environment that—if it consolidates—could further strengthen the

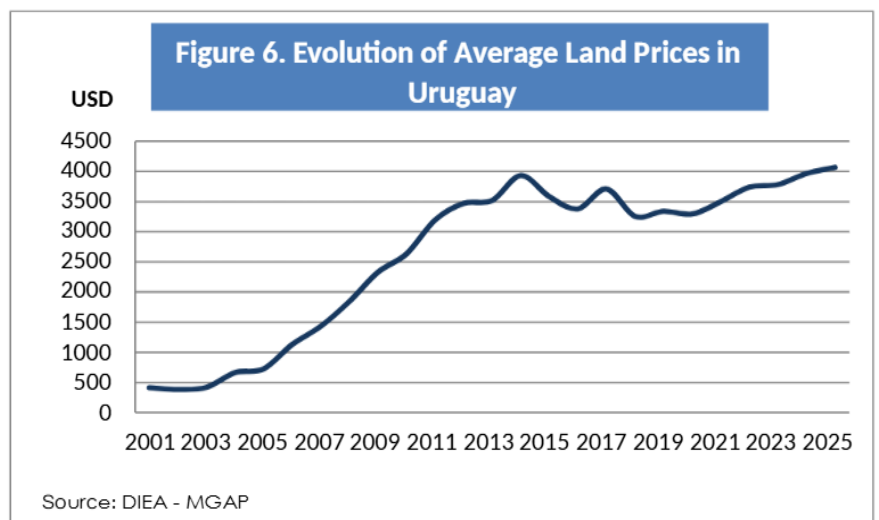
¹⁶ The Rural Real Estate Market Activity Index (InCAIR) is a monthly indicator that reflects level of activity in the rural real estate market. The index uses 100 points as its maximum benchmark, corresponding to the highest level of activity ever recorded. It does not track prices or values—only market activity. The index has been compiled since November 2013.

importance of rural assets. The key appears to lie in ensuring legal predictability and economic stability to sustain this process over time. According to the Chamber, some areas are already showing signs of a slow but steady process of gradual appreciation. This trend is closely linked to the current administration's economic and political outlook, and its scope and duration will depend on how these factors evolve.

In the case of Uruguay, data reported by the DIEA-MGAP, on average, land transactions show a very strong appreciation in land values between 2004 and 2014. Since 2015, prices have undergone a downward adjustment, although with somewhat erratic behavior, probably as a consequence of the low number of transactions, where both the quality and location of the land traded have a significant impact on average value.

Since 2021, land prices in Uruguay seem to have resumed their historical upward trend, increasing by 6.2% in that year and by 6.9% in 2022. These figures were likely influenced by the rebound in international prices, the appreciation of the Uruguayan peso against the U.S. dollar—the currency in which land transactions are conducted—as well as by elevated global inflation.

In 2023, land prices increased by 1.1%, according to DIEA-MGAP, and rose again by 4.9% in 2024. In March 2026, the report on land transactions for 2025 was published, which shows a further upward adjustment in prices. The average value for the year indicates an increase of approximately 5.3% compared to the 2024 average. Notably, in nominal terms, land prices in 2025 exceeded the 2014 peak by 6.2%.



Other sources of information produced by consulting firms and market operators¹⁷, using different valuation methodologies, estimated land values for properties with similar characteristics, considering their respective productive uses. The most commonly used methodologies are the comparison of actual sales of comparable properties and

¹⁷. SERAGRO, Agroclaro, Consur and private operators.

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valuation based on expected rental income. In general, market value is determined by combining both approaches. Based on the review of several land appraisals accessed by CARE, the resulting estimates are consistent with the data provided by the DIEA.

The land market report for the first half of 2025, prepared by the consulting firm Agroclaro and published by *El País* newspaper, indicates that 62 land transactions were completed, totaling 66,500 hectares, including agricultural, grazing, and timberland properties. According to the report, land values show a certain degree of stability, although demand is stronger for land with high agricultural potential and good locations in western and southwestern Uruguay. In contrast, grazing properties face lower demand pressure and, overall, their values have remained stable over the past year. Timberland properties continue to show strong demand and are traded quickly.

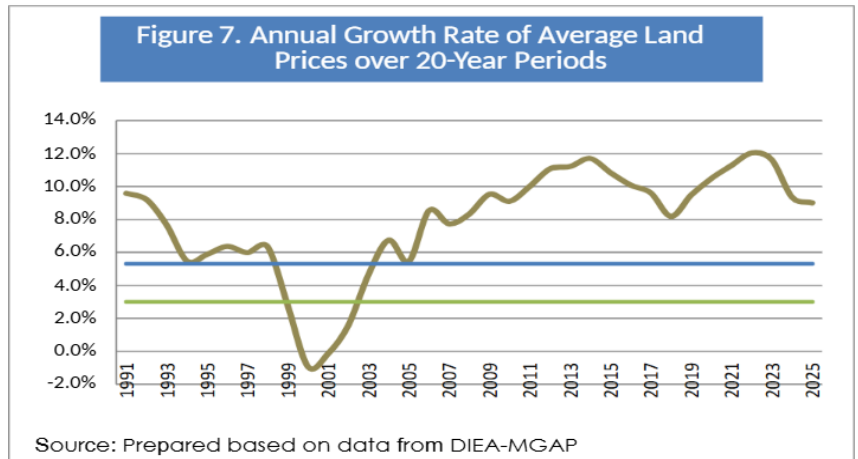
Land price appreciation is a relatively important component of the Trust's final return (20%). As such, its performance will make a substantial contribution to the overall return on investment. The latest update to the financial model, under the scenario considered by the rating agency, assumes an annual compound appreciation of 3% between 2025 and 2031. It is therefore important to analyze past trends as a way of providing a reasonable indication of potential future behavior.

For this purpose, CARE analyzed annual variations in land prices (in current U.S. dollars) using a dataset spanning more than 50 years (1970–2025), based on 20-year rolling periods. The analysis revealed the following:

- On average, the annual growth rate of land prices over 20-year periods was 7.9%.
- The annual growth rate fell below 3% only for properties sold between 1999 and 2002, that is, those acquired in 1979 and 1982.
- For all other periods, the annual growth rate of land prices consistently exceeded 3%.

If the same analysis is conducted for 30-year periods, the annual growth rate falls slightly (7.4%), with a minimum annual growth rate of 5%. Accordingly, in no period does the growth rate fall below the benchmark.

The annual trend of this indicator (based on 20-year intervals) shows an upward trajectory until 2014, after which it begins to decline; however, it remains well above 3%, averaging around 9% annual growth.



CARE considers that, while sustained increases in land prices are expected in the medium and long term, they are unlikely to reach the magnitude observed in the past. Price increases will probably keep pace with long-term U.S. inflation rates, with an additional modest component driven by improvements in land productivity, resulting in annual growth rates of approximately 2% to 4%. This does not rule out periods of higher or lower annual growth rates.

2. Public Policy and Political Risk

Public policy risk refers to the possibility of government actions affecting the ownership and operating structures proposed by the Trust.

The National Forestry Policy is based on Forestry Law No. 15,939, dated December 28, 1987, and its regulatory decrees. It is also strongly governed by the Environmental Impact Assessment Law (No. 16,466), the Land Use Planning and Sustainable Development Law (No. 18,306), and the Environmental Protection Law (No. 17,283), as well as their amendments and regulatory decrees. In general, successive amendments to these regulations have introduced new requirements and restrictions on expansion, through Environmental Prior Authorizations and the specific regulations applicable to forest plantations established under the decree issued in December 2021.

The legal framework for the forestry sector has two main objectives: the conservation of native forests and the expansion of the country's forest resource base to support future industrial development.

The Forestry Law provides that the protection, improvement, and expansion of forest resources—and, more broadly, the development of the forestry sector—are matters of national interest. Its implementation is entrusted to the Ministry of Livestock, Agriculture and Fisheries through the General Directorate of Forestry. The Law promotes sustainable forest management through various incentive mechanisms. To access the benefits granted under the Law, forestry plantations must have a project approved by the General Directorate of Forestry in

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accordance with the established technical guidelines. Currently, these benefits have been significantly reduced and remain available only for timber production for sawmilling and wood panel industries, as well as for protective forests.

In December 2021, after the Senate approved a bill—already passed by the House of Representatives—to regulate the forestry sector, the Executive Branch vetoed the proposed law. As a result, no legislative changes were implemented at that time. The bill proposed limiting the establishment of forest plantations to priority forestry soils, as well as capping the total forested area at 10% of the country's agricultural land. Although this bill would not have directly affected this project, its approval could have introduced future regulatory constraints for the forestry sector.

Also, in December 2021, the Executive Branch issued Decree No. 405/021, introducing certain changes to the regulation of forestry activities, probably in response to some of the concerns raised by the vetoed bill. This decree reduced the minimum threshold for requiring a Prior Environmental Authorization from the National Directorate for Environmental Quality and Assessment [DINACEA, for its acronym in Spanish] from 100 to 40 hectares. It also established that reforestation activities that had not originally required such authorization—because they were carried out prior to the introduction of this requirement—must now obtain it. This decree also revised certain soil classifications and adjusted the criteria for conducting environmental impact assessments.

On January 13, 2025, shortly before the end of its term, the outgoing administration issued Decree No. 3/025, amending Decree No. 405/021 with the aim, among others, of streamlining the permitting process for reforestation projects. The Prior Environmental Authorization was replaced by a Special Environmental Authorization, facilitating the continuity of land use for subsequent plantings. This change simplifies and accelerates procedures, as producers are no longer required to wait for formal approval from the Ministry of Environment. Instead, they may begin planting once the authorization is in process, provided they notify DINACEA at least 30 days in advance.

The current administration has expressed some reservations about the most recent decree issued by the previous government and has indicated its intention to review the current regulatory framework governing forestry activities. It has not ruled out the possibility of introducing changes similar to those set forth in the 2021 bill, which was vetoed by the Executive Branch. This situation creates a degree of short-term uncertainty; however, should changes to the regulatory framework materialize, they would likely affect future projects rather than those

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already in operation. Despite these statements, no regulatory changes have been implemented or formally proposed to date.

Environmental and Regulatory Risk: *In conclusion, environmental risk, both in terms of markets and public policy, is considered low. Low risk.*

VI. RISK RATING

Based on the analysis of the main risks identified in each section, and considering the various legal, qualitative, and quantitative approaches presented by both the Trustee and the Manager, as well as CARE's own assessment and the publicly available information, CARE's Rating Committee concludes that the securities are rated BBB+.uy¹⁸ under CARE's rating methodology. It is an investment grade rating.

Rating Committee



Julio Preve, Engineer



Martín Durán Martínez, CA

¹⁸. **BBB+.uy**. These instruments present a low-to-moderate investment risk, as they demonstrate acceptable performance and sufficient payment capacity under the agreed terms. The characteristics of the securities themselves, the condition of the Manager and the companies involved, the quality of the assets, their capacity to generate resources and the investment policy, together with the characteristics of the environment, provide an overall moderate degree of satisfaction under the analyses performed, notwithstanding certain weaknesses in any of the four risk areas.

The risk associated with the instruments could increase in the event of foreseeable changes in the assets or their cash flows, in the economic sectors involved, or in the economy as a whole. The probability of foreseeable adverse changes in the environment ranges from low to low-moderate and is considered compatible with the Manager's ability to operate them, although implying a somewhat higher level of risk than in the higher rating categories.

The "+" sign indicates that the rating is closer to the higher category according to the assigned score. Minimum investment grade.



Adrián Tamber, Agr. Eng.