

FORESTAL TREGUALEMU SpA.

Financial statements

December 31, 2024

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\$/CLP - Chilean pesos

Th\$ - Thousands of Chilean pesos

UF - A Chilean government inflation-indexed peso-denominated monetary unit set
daily in advance based on the previous month's inflation rate

ThUS\$ - Thousand of US dollars





INDEPENDENT AUDITOR'S REPORT

Concepción, March 14, 2025

To the Shareholder
Forestal Tregualemu SpA.

Opinion

We have audited the financial statements of Forestal Tregualemu SpA., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Forestal Tregualemu SpA., as of December 31, 2024 and 2023, the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Forestal Tregualemu SpA.'s, ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period.

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Concepción, March 14, 2025
Forestal Tregualemu SpA.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with **Generally Accepted Auditing Standards** in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with **Generally Accepted Auditing Standards** in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Forestal Tregualemu SpA.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Forestal Tregualemu SpA.'s ability to continue as a going concern for a reasonable period of time.



Concepción, March 14, 2025
Forestal Tregualemu SpA.
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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and any internal control significant deficiency and material weakness that we identified during the audit.

DocuSigned by:

C5A625081D20445...
Roberto Ortiz G.
RUT: 14.025.362-6

PricewaterhouseCoopers

FORESTAL TREGUALEMU SPA

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Statements of Financial Position

As of December 31, 2024 and 2023

(expressed in thousands of US dollars)

ASSETS	Note	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Current assets			
Cash and cash equivalents	(5)	2,082	4,631
Trade and other receivables	(6)	4,264	3,416
Accounts receivable with related parties	(10)	-	1,457
Inventories		782	726
Biological assets, current	(7)	28,739	47,279
Other non-financial assets, current		22	21
Total current assets		<u>35,889</u>	<u>57,530</u>
Non-current assets			
Biological assets, non-current	(7)	281,519	303,498
Property, plant and equipment	(8)	146,663	146,687
Other assets, non-current		114	114
Total non-current assets		<u>428,296</u>	<u>450,299</u>
Total assets		<u>464,185</u>	<u>507,829</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.

FORESTAL TREGUALEMU SPA

Statements of Financial Position

As of December 31, 2024 and 2023

(expressed in thousands of US dollars)

LIABILITIES AND EQUITY	Note	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Current liabilities			
Trade and other payables	(9)	2,359	2,505
Other non-financial liabilities currents	(9)	<u>6,365</u>	<u>-</u>
Total current liabilities		<u>8,724</u>	<u>2,505</u>
Non-Current liabilities			
Accounts payable to related parties	(10)	214,109	242,954
Deferred tax liability	(11)	<u>16,292</u>	<u>18,919</u>
Total non-current liabilities		<u>230,401</u>	<u>261,873</u>
Equity			
Issued capital	(12)	139,640	139,640
Retained earnings		<u>85,420</u>	<u>103,811</u>
Total equity		<u>225,060</u>	<u>243,451</u>
Total Liabilities and Equity		<u>464,185</u>	<u>507,829</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.

FORESTAL TREGUALUMU SPA

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(expressed in thousands of US dollars)

	Note	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Sales	(13)	57,364	20,008
Cost of sales	(13)	(41,967)	(12,825)
Gross profit		<u>15,397</u>	<u>7,183</u>
Administrative expenses	(13)	(5,540)	(5,605)
Other income	(13)	507	21,352
Other losses	(13)	(10,832)	(31,818)
Finance income		286	122
Finance costs	(14)	(10,494)	(11,126)
Net foreign exchange differences		(205)	(5)
Net profit (loss) before income tax expense		<u>(10,881)</u>	<u>(19,897)</u>
Income tax expense	(11)	<u>2,627</u>	<u>5,007</u>
Net profit (loss) for the year		<u>(8,254)</u>	<u>(14,890)</u>
Comprehensive Income (Loss)			
Net profit (loss) for the year		(8,254)	(14,890)
Other comprehensive income		-	-
Total comprehensive loss for the year, net of tax		<u>(8,254)</u>	<u>(14,890)</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.

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Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(expressed in thousands of US dollars)

	Issued Capital	Retained Earnings	Total Equity
	ThUS\$	ThUS\$	ThUS\$
As of January 1, 2024	139,640	103,811	243,451
Loss for the year	-	(8,254)	(8,254)
Interim dividends	-	(10,137)	(10,137)
Changes in equity	-	(18,391)	(18,391)
As of December 31, 2024	139,640	85,420	225,060

	Issued Capital	Retained Earnings	Total Equity
	ThUS\$	ThUS\$	ThUS\$
As of January 1, 2023	139,640	118,701	258,341
Loss for the year	-	(14,890)	(14,890)
Changes in equity	-	(14,890)	(14,890)
As of December 31, 2023	139,640	103,811	243,451

The accompanying notes 1 to 16 form an integral part of these financial statements.

FORESTAL TREGUALEMU SPA

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(expressed in thousands of US dollars)

	Note	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Cash flows from operating activities			
Collections from customers		68,263	19,895
Payments to suppliers		(22,914)	(16,656)
Other income		507	641
Net Cash flows provided by operations		<u>45,856</u>	<u>3,880</u>
Cash flows from (used in) investing activities			
Loans to related companies	(10)	-	(440)
Purchase of property, plant and equipment		(129)	(267)
Interest received	(10)	45	-
Collections of loan to related parties	(10)	1,457	-
Net cash flows from (used in) investing activities		<u>1,373</u>	<u>(707)</u>
Cash flows (used in) from financing activities			
Financial income (expenses)		83	43
Repayments of borrowings with related parties	(10)	(432)	-
Interest Paid	(10)	(38,748)	-
Dividends Paid	(12)	(10,137)	-
Net cash flows (used in) provided by financing activities		<u>(49,234)</u>	<u>43</u>
Increase (Decrease) in cash and cash equivalents		(2,005)	3,216
Effect of exchange rate changes on cash and cash equivalents		(544)	86
Net Increase (Decrease) in cash and cash equivalents		<u>(2,549)</u>	<u>3,302</u>
Cash and cash equivalents, beginning of year		4,631	1,329
Cash and cash equivalents, end of year	(5)	<u>2,082</u>	<u>4,631</u>

The accompanying notes 1 to 16 form an integral part of these financial statements.

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 1 – CORPORATE INFORMATION

Description

By a public deed dated October 25, 2019, Forestal Tregualemu SpA Company was formed. The Company's purpose shall be the agricultural and/or forestry exploitation of its own or leased agricultural lands, or of those that the Company has in mediation, and the exploitation, sale, and commercialization of the products obtained therefrom. The company may also carry out all activities related or leading to the aforementioned objectives, other businesses that are directly related to its line of business, including the execution and performance of all kinds of acts and contracts, as well as the formation of all kinds of companies or their incorporation into existing companies.

The Capital contribution from the shareholders was made on June 24, 2020.

The registered legal address of Forestal Tregualemu SpA is Avenida Bernardo O´Higgins 940, 7th floor, Concepción, Chile.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Below, we describe the significant accounting policies used to prepare these financial statements. As required by International Financial Reporting Standards (IFRS 1), these policies have been designed under the IFRS requirements and applied consistently for the periods covered by these financial statements.

2.1) Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), which have been adopted explicitly and in full in Chile. The amounts included in these financial statements are expressed in thousands of dollars of the United States of America, as the US dollar is the functional currency of the Company.

The items included in the company's financial statements are valued using the currency of the main economic environment in which the entity operates (functional currency).

The financial statements have been prepared on a historical cost basis, except for "biological assets", which have been measured at fair value.

The Company's Board of Directors is responsible for the information contained in these financial statements and as such, the Board expresses that all IFRS principles and criteria have been expressly applied.

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements of Forestal Tregualemu SpA for the year ended 31 December 2024, were authorized for its issuance on March 14, 2025.

2.2) Periods covered

The financial statements cover the following periods:

- Statements of financial position as of December 31, 2024 and 2023.
- Statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023.

2.3) Significant accounting judgments, estimates and assumptions

The estimates made in these financial statements have been calculated on the basis of the best information available as of the date of issuance of these financial statements. However, such estimates might change in future periods due to events that might occur in the future (increasing or decreasing these estimates), which would be made prospectively, recognizing the effects of the estimate changes in the relevant future financial statements.

2.4) Functional currency and presentation currency of the financial statements

The functional currency of these financial statements selected by the Company is the US dollar of United States of America.

2.5) Property, plant and equipment

The land owned by the Company is initially recognized at cost. The subsequent measurement thereof is made under IAS 16 using the cost less accumulated impairment losses, if any.

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of Property, Plant and Equipment items includes the acquisition price plus all such costs directly related to bringing the assets to the location and leaving it in an operating condition as forecasted by the management.

2.6) Depreciation

The Company depreciates Property, Plant and Equipment when they are ready for use. The items of Property, Plant and Equipment are depreciated using the straight-line method, and calculation is based on the cost of goods less the residual value, distributed according to the straight-line method over the useful lives thereof. The residual value and useful lives of the items of Property, Plant and Equipment are annually reviewed. The estimated useful lives are summarized as follows:

Assets	Range of <u>Years</u>
Nursery	8
Machinery and Equipment	<u>2-3</u>

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7) Biological assets

IAS 41 requires that biological assets, such as standing forests, are presented in the statements of financial position at their fair value. Forests must be recorded at fair value less the sales cost estimated at harvest point, considering that the fair value of these assets can be measured reliably.

The Company engaged Indufor Asia Pacific Limited to conduct an independent market valuation of the Forestal Tregualemu SpA. forest assets as of December 31, 2024 and 2023.

During 2020, the valuation of new plantations that were established or acquired during the year was carried at cost, which was assumed similar to the fair value at that date. After 12 months, these plantations are included in the valuation according to the methodology explained in the Note 2.16.

Forest plantations that are presented in current assets and are those that are estimated to be harvested and sold in the short-term.

Biological growth and changes in fair value are recognized in the income statement in the line “Gain (Losses) arising from changes in fair value of biological assets”.

2.8) Income Tax

The income tax expense includes both the income tax and deferred taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. The Chilean corporate tax rate amounts to 27%.

Deferred tax is provided, using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized for all differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits.

Under Chilean tax regulations, tax losses from prior years may be used in the future as a tax benefit without any tax limit. Normally, temporary differences become taxable or deductible when the related asset is recovered or the related liability is liquidated. A deferred tax asset or liability represents the amount of tax payable or reimbursable in future years under the present tax rates, as a result of temporary differences at the end of the current period.

Deferred tax assets and liabilities are not discounted at their present value and they are classified as non-current.

2.9) Financial assets

2.9.1) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Entity's business model for managing them. With the exception of trade/receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient, the Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2.9.2) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2.9.3) Impairment of financial assets

The Entity recognizes an allowance for expected credit losses (ECL's) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Entity applies a simplified approach in calculating ECLs.

Therefore, the Entity does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.10) Accounts receivable

These are financial assets with fixed and determinable payments not traded in an active market. Commercial accounts receivable is recognized for the amount stated in the invoice, recording the relevant adjustment if there is objective evidence of payment risk by the client.

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11) Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into the US dollar, using the exchange rate at the reporting date.

2.12) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.13) Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Company analyzes and takes into consideration all relevant facts and circumstances when applying each step of the model established by IFRS 15 to the contracts (formal and informal) with its clients:

- i. Identification of the contract,
- ii. Identify performance obligations,
- iii. Determine the price of the transaction,
- iv. Assign the price, and
- v. Recognize the income.

2.14) Statements of cash flows

For the purpose of preparing the Statement of cash flows, the Company has defined the following considerations:

- Operating activities.

Activities that constitute the main source of operating revenue for the Company, including disbursements for plantation establishment and silvicultural labors as well as other activities that may not be classified as investment or financing.

- Investing activities.

Activities relating to the acquisition transfer or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities.

Activities that produce changes in the size and structure of net equity and financial liabilities.

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15) Dividends

The Company recognizes a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws of Forestal Tregualemu SpA., a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.16) Use of estimates

The preparation of the Company's financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Biological assets

IAS 41 requires that biological assets, such as standing forests, are presented in the statement of financial position at fair value. Forests are recorded at fair value less the sale cost estimated at harvest point, considering that the fair value of these assets can be measured reliably.

In considering investors' expectations of a return on capital, one common basis for the discount rate to be applied to the expected cash flows is the Weighted Average Cost of Capital (WACC). The pre-tax discount rate estimated is 7.5% for the year 2024, the same as the year 2023.

2.17) Balances classified as current and non-current

Balances in the statement of financial position are classified according to their maturity. That is to say, balances maturing in 12 months or less are classified as current and those maturing in over twelve months are classified as non-current.

2.18) New accounting standards, amendments, and interpretations

a) The following Standards, interpretations and amendments mandatory for the first time for financial years beginning on or after January 1, 2024.

Amendment to IFRS 16 "Leases on sales and leaseback". Published in September 2022, this amendment explains how an entity should recognize the rights to use the asset and how gains or losses from the sale and leaseback should be recognized in the financial statements.

Amendment to IAS 1 "Non-current liabilities with covenants". Published in October 2022, the amendment aims to improve the information that an entity provides when the payment terms of its liabilities may be deferred depending on compliance with covenants within twelve months after the date of issue of the financial statements.

Amendments to IAS 7 "Statement of Cash Flows" and to IFRS 7 "Financial Instruments: Disclosures" on supplier financing arrangements. Published in May 2023, these amendments require disclosures to

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

improve the transparency of suppliers' financial arrangements and their effects on a company's liabilities, cash flows and liquidity risk exposure.

The adoption of the standards, amendments and interpretations described above do not have a significant impact on the [consolidated] financial statements of the Company.

b) Standards, interpretations and amendments issued, the application of which is not yet mandatory, for which early adoption has not been carried out.

Standards and interpretations	Mandatory for exercises started from
Amendments to IAS 21 – Lack of Convertibility. Published in August 2023, this amendment affects an entity that has a transaction or operation in a foreign currency that is not convertible into another currency for a specific purpose at the measurement date. A currency is convertible into another currency when there is a possibility of obtaining the other currency (with a normal administrative delay), and the transaction is carried out through a market or convertibility mechanism that creates enforceable rights and obligations. This amendment establishes the guidelines to follow to determine the exchange rate to be used in situations of lack of convertibility such as the one mentioned above. Early adoption is permitted.	01/01/2025
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments. Published in May 2024, this amendment seeks to: <ul style="list-style-type: none">• clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;• clarify and add further guidance for assessing whether a financial asset meets the payment of principal and interest only (SPPI) criterion;• add new disclosures for certain instruments with contractual terms that may change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) objectives);• make updates to the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).	01/01/2026
Annual Improvements to IFRS Standards – Volume 11. The following improvements were published in July 2024: <ul style="list-style-type: none">• IFRS 1 First-time Adoption of International Financial Reporting Standards. Some cross-references to IFRS 9 indicated in paragraphs B5-B6 regarding the exception to retrospective application in hedge accounting were improved.• IFRS 7 Financial Instruments: Disclosures. In relation to the disclosures on results from the derecognition of financial assets where there is continuing involvement, a reference to IFRS 13 is incorporated with the objective of disclosing whether there are significant unobservable inputs that impacted the fair value, and therefore, part of the result of the derecognition.• IFRS 9 Financial Instruments. A reference on the initial measurement of accounts receivable was amended by eliminating the concept of transaction price.	01/01/2026

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Notes to the Financial Statements

As of December 31, 2024 and 2023

- IFRS 10 Consolidated Financial Statements. Some improvements are incorporated in the description of the evaluation of control when there are “de facto agents”.
- IAS 7 Cash Flow Statement. A reference in paragraph 37 regarding the concept of “equity method” was amended by eliminating the reference to the “cost method”.

IFRS 18 Presentation and Disclosure in Financial Statements. Published April 2024. This is the new standard on presentation and disclosure in financial statements, with a focus on income statement updates. Key new concepts introduced in IFRS 18 relate to:

01/01/2027

- the structure of the income statement;
- disclosures required in financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (ie management-defined performance measures); and
- enhanced principles on aggregation and disaggregation that apply to the primary financial statements and the notes generally.

IFRS 19 Non-Public Interest Subsidiaries: Disclosures. Published April 2024. This new standard states that an eligible subsidiary applies the requirements of other IFRS Accounting Standards except the disclosure requirements and may instead apply the reduced disclosure requirements of IFRS 19. The reduced disclosure requirements of IFRS 19 balance the information needs of users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

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- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Amendment to IFRS 9 and IFRS 7: Contracts that reference nature-dependent electricity. Published in December 2024. This amendment includes:

- Clarifying the application of the “own use” requirements;
- Allowing hedge accounting if these contracts are used as hedging instruments; and
- Disclosure requirements to enable investors to understand the effect of these contracts on an entity’s financial performance and cash flows.

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The Company’s management estimates that the adoption of the standards, interpretations and amendments described above will not have a significant impact on the Company’s financial statements in the period of their first application.

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 3 – CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During 2024, there are no changes in accounting policies in comparison to those used in 2023.

NOTE 4 – FINANCIAL RISK MANAGEMENT

The Company's principal financial assets, comprise trade and other receivables and cash and short-term deposits that arise directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

4.1) Market risk

Market risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks:

Market risk refers to the potential loss the Company would have to recognize in the presence of adverse variations in market variables, such as:

- Commodity price risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the products. The Company's policy is to manage these risks through the use of contract-based prices with customers.

- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates, because the Company's policy is to not request bank loans.

- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has transactional currency exposures that arise from sales or purchases in currencies other than the respective functional currencies. The Company manages this risk by monitoring movements in exchange rates.

4.2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

4.3) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company trades only with recognized creditworthy third parties.

The existence for an impairment is analyzed at each reporting date on an individual basis for major clients.

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Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 5 – CASH AND CASH EQUIVALENTS

- a) Cash and cash equivalent balances in the Statement of Financial Position are the same as those in the Statement of Cash Flows. This category is detailed as follows:

	2024 ThUS\$	2023 ThUS\$
Cash at banks accounts in Chilean pesos	93	177
Mutual fund (b)	<u>1,989</u>	<u>4,454</u>
Total	<u><u>2,082</u></u>	<u><u>4,631</u></u>

The bank account balances presented in the financial statements correspond to bank accounts at BICE and Banco de Chile, which are denominated in Chilean pesos and are not subject to any restrictions.

- b) The temporary cash surplus has been invested in a highly liquid instrument. This category is detailed as follows:

Entity	Instrument	2024 ThUS\$	2023 ThUS\$
Banco Bice	Mutual fund	1,989	4,454
Total		<u><u>1,989</u></u>	<u><u>4,454</u></u>

As of December 31, 2024, there are no cash accounts with usage restrictions.

NOTE 6 – TRADE AND OTHER RECEIVABLES

Trade and other receivables as of December 31, 2024 and 2023, are detailed as follows:

	2024 ThUS\$	2023 ThUS\$
Taxes receivable	314	312
Sundry debtors	245	286
Sale debtors	<u>3,705</u>	<u>2,818</u>
Total	<u><u>4,264</u></u>	<u><u>3,416</u></u>

Sales debtors are non-interest bearing and are generally on terms of 30 to 90 days.

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Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 7 – BIOLOGICAL ASSETS

The collective net stocked area of Forestal Tregualemu SpA is 48,233.6 hectares (ha) as of December 31, 2024 (49,457.6 ha in 2023). A further 5,780.8 (4,464.6 ha in 2023) are awaiting re-stocking, totaling 54,014.4 ha of plantable area (53,922.2 ha in 2023). The predominant species is “radiata pine”, which occupies 99% of the total planted area and it is located in the central – south zone of the country, in the Maule, Ñuble, Bio Bío and Araucania regions. All of these resources are within a radius no higher than 240 km from Concepcion city.

The main cause of the adjustment in the fair value for the 2023 period is a very light decrease to the current crop value. The current crop value is influenced mainly by an increase in log prices signaled by the market and a revised version of woodflows for the asset, completely offset by the area lost in the 2023 fires and 2023 rains, higher silviculture costs and higher operation costs in the Araucania region. As it relates to 2024 period, the main cause of the adjustment in the fair value is a decrease to the current crop value. This change is due to sold volumes as standing timber and pay as cut, which are reflected in the depletion figure, damaged area from windstorms, and an increase in overhead costs, slightly offset by committed log pries at a premium price compared to market value in 2025

- a) As of December 31, 2024 and 2023, the biological assets that include forest plantations and forest cover are detailed as follows:

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Current (a)	28,739	47,279
Non – current	<u>281,519</u>	<u>303,498</u>
Total	<u>310,258</u>	<u>350,777</u>

- (a) Budgeted cost of wood for the year 2024

- b) Biological assets movement schedule:

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Initial balance	350,777	363,770
Additions (a)	10,421	8,973
Net profit from fair value adjustment	(2,216)	20,423
Depletion (b)	(40,108)	(10,571)
Fire Losses and damage (b)	(8,616)	(31,818)
Final balance	<u>310,258</u>	<u>350,777</u>

- (a) The additions correspond to establishment of new plantations and capitalized forestry expenses

- (b) Detail in note 13.4

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Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

8.1) The items of property, plant and equipment (PPE) as of December 31, 2024 and 2023, and the appropriate accumulative depreciation thereof are detailed as follows:

	2024			
	Items of Property, Plant and Equipment			
	Lands	Construct and Infrastructure	Machinery and Equipment	PPE Net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Property, Plant and Equipment, Gross	146,024	302	640	146,966
Accumulative Depreciation	-	(115)	(188)	(303)
Property, Plant and Equipment, Net	146,024	187	452	146,663

	2023			
	Items of Property, Plant and Equipment			
	Lands	Construct and Infrastructure	Machinery and Equipment	PPE Net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Property, Plant and Equipment, Gross	146,024	267	576	146,867
Accumulative Depreciation	-	(76)	(104)	(180)
Property, Plant and Equipment, Net	146,024	191	472	146,687

8.2) The movements during the period 2024 and 2023 of the items included in property, plant and equipment are detailed as follows:

Movements	2024			
	Lands	Construct. and Infrastruct.	Machinery and Equipment	PPE Net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Initial balance as of January 1, 2024	146,024	190	473	146,687
Additions	-	35	64	99 (a)
Depreciation charge for the year	-	(39)	(84)	(123)
Net balance as of December 31, 2024	146,024	187	452	146,663

(a) During 2024, ThUS\$ 129 were paid for additions, which correspond to the total for 2024 and the balance payable for additions as of December 31, 2023.

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Notes to the Financial Statements

As of December 31, 2024 and 2023

Movements	2023			
	Lands ThUS\$	Construct. and Infrastruct. ThUS\$	Machinery and Equipment ThUS\$	PPE Net ThUS\$
Initial balance as of January 1, 2023	146,024	106	295	146,425
Additions	-	112	232	344 (a)
Depreciation charge for the year	-	(28)	(54)	(82)
Net balance as of December 31, 2023	146,024	190	473	146,687

(a) As of December 31, of 2023, ThUS \$267 has been paid of the total of purchases of Property, plant and equipment.

NOTE 9 – TRADE AND OTHER PAYABLES - OTHER NON-FINANCIAL LIABILITIES

a) The trade and other payables (current) balance in the statement of financial position is detailed as follows:

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Trade and other payables	2,065	2,132
Insurance payable	17	17
Other accounts payable	277	356
Total	<u>2,359</u>	<u>2,505</u>

b) The other non-financial liabilities (current) balance in the statement of financial position is detailed as follows:

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Customers advance payments (1)	6,365	-
Total	<u>6,365</u>	<u>-</u>

(1) During 2024, an advance payment was received from the client Forestal Tres Eme S.A. for ThUS\$ 7.000.

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Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 10 – RELATED PARTY DISCLOSURES

10.1) For balances in current accounts with related parties derived from commercial current transactions, no interest is paid and/ or charged and no collateral is required for such operations. For balances arising out of financing operations, agreed upon interest of 4,71% per annum.

10.2) Accounts receivable with related parties

Entity	Country of Origin	2024 ThUS\$	2023 ThUS\$
GFP Chile THFI	Chile	-	1,457
Total		-	1,457

10.3) Accounts payable with related parties

Entity	Country of Origin	2024 ThUS\$	2023 ThUS\$
PSP Finco Latam Inc.	Canada	210,898	239,310
GFP CT Partners LLC	USA	3,211	3,644
Total		214,109	242,954

Corresponds to loans received that accrue interest of 4,71% per annum.

During 2023, the total balance of the loan granted by PSP Finco Latam Inc. to Forestal Tregualemu SpA for an amount of ThUS\$ 1,500 was transferred to GFP CT Partners 1 LLC along with all rights, in accordance with the loan assignment agreement signed in July 2022.

10.4) Transactions

The most relevant transactions with related parties carried out within the period ended December 2024 and 2023 is detailed as follows:

Entity	Transaction	Amount		Effect on Income (Charge) Credit	
		2024 ThUS\$	2023 ThUS\$	2024 ThUS\$	2023 ThUS\$
GFP Chile THFI	Loan borrowed	-	(440)	-	-
GFP Chile THFI	Collections of loans	1,457	-	-	-
GFP Chile THFI	Accrued interests	45	45	45	45
GFP Chile THFI	Dividends paid	(10,137)	-	-	-
PSP Finco Latam Inc	Payment of interests	(38,748)	-	-	-
PSP Finco Latam Inc	Accrued interests	(10,336)	(9,324)	(10,336)	(9,324)
GFP CT Partners LLC	Payment of loan	(432)	-	-	-
GFP CT Partners LLC	Accrued interests	(158)	(1,790)	(158)	(1,790)

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 11 – INCOME TAX

11.1) General information

The Company presents tax losses and, therefore, has not established a provision for income tax.

11.2) Deferred taxes

IAS 12 – Income Taxes, of the IFRS, requires that deferred tax assets and liabilities are measured, using the tax rates expected to apply in the periods in which they will reverse the related temporary differences. As of December 31, 2024 and 2023, the corporate tax rate prevailing in Chile has been applied, equivalent to 27%.

Deferred tax is detailed as follows:

	<u>2024</u>	<u>2023</u>
	ThUS\$	ThUS\$
Property, Plant and Equipment	6,313	6,313
Biological assets	(32,883)	(39,164)
Tax loss	8,427	5,985
Prepayment incomes	1,709	17
Intercompany loans	<u>142</u>	<u>7,930</u>
Total	<u>(16,292)</u>	<u>(18,919)</u>

In the statement of financial position, this item is detailed as follows:

	<u>Assets (Liabilities)</u>	
	<u>2024</u>	<u>2023</u>
	ThUS\$	ThUS\$
Deferred tax assets	16,591	20,245
Deferred tax liabilities:	<u>(32,883)</u>	<u>(39,164)</u>
Net deferred tax assets (liabilities)	<u>(16,292)</u>	<u>(18,919)</u>

11.3) Income tax expense

The components of income tax expense for the years ended December 31, 2024 and 2023, are detailed as follows:

	<u>2024</u>	<u>2023</u>
	ThUS\$	ThUS\$
Effect of deferred taxes	<u>2,627</u>	<u>5,007</u>
Income tax expense recognized in profit (loss)	<u>2,627</u>	<u>5,007</u>

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

11.4) Reconciliation

A reconciliation between the net profit (loss) and the income tax expense, multiplied by the Company's prevailing tax rate for the period ended December 31, 2024 and 2023, is detailed as follows:

	<u>2024</u>	<u>2023</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Profit before income tax expense	<u>(10,881)</u>	<u>(19,897)</u>
At the Company's statutory income tax rate of 27%	2,938	5,372
Permanent differences	<u>(311)</u>	<u>(365)</u>
At the effective income tax rate of 24,1 % (25,2 % in 2023)	<u>2,627</u>	<u>5,007</u>

NOTE 12 – EQUITY

12.1) The Company's shareholders as of December 31, 2024 and 2023, are detailed as follows:

Entity	2024			2023		
	N° of Shares	ThUS\$	%	N° of Shares	ThUS\$	%
GFP Chile THFI	1,000,000	139,640	100	1,000,000	139,640	100
Total	1,000,000	139,640	100	1,000,000	139,640	100

On June 24, 2020, GFP Chile Timberland Holdings contributed ThUS\$ 139,640 to Forestal Tregualemu SpA in equity.

On December 30, 2020, Public Sector Pension Investment Board redeemed its Member's Equity in the Company in the form of its pro-rata interest in Forestal Tregualemu SpA and contribute it to GFP Chile Timberland Holdings Fondo de Inversion, a Chilean public investment fund (the "PIF"). On December 30, 2020, GFP CT Partners 1 LLC, also contributed its pro-rata interest in Forestal Tregualemu SpA to the PIF.

12.2) Capital Management

The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to not request bank loans. The Company includes within net debt, interest bearing loans of entity related trade, and other payables, less cash and short-term deposits.

12.3) Dividends

During 2024, the Board of Directors of the Company agreed to distribute dividends for ThUS\$ 10,137 which was paid on December 23, 2024 to the PIF.

FORESTAL TREGUALEMU SPA

Notes to the Financial Statements

As of December 31, 2024 and 2023

NOTE 13 – REVENUE AND EXPENSES

13.1) Revenue

Sales revenue as of the period listed below is detailed as follows:

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Tree nursery	614	818
Domestic (*)	<u>56,750</u>	<u>19,190</u>
Total	<u><u>57,364</u></u>	<u><u>20,008</u></u>

(*) This corresponds to sales transactions in which the trees were harvested, measured, and removed from the property using dispatch guides (tax - legal documentation).

13.2) Cost of sales

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Depletion	(40,108)	(10,571)
Roads	(89)	(150)
Harvest	(857)	(1,047)
Transport and loading	(476)	(445)
Nursery	(385)	(575)
Safety	<u>(52)</u>	<u>(37)</u>
Total	<u><u>(41,967)</u></u>	<u><u>(12,825)</u></u>

13.3) Administrative expenses

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Administrative expenses	(1,681)	(2,004)
Forestry indirect	(763)	(564)
Management fee (Note 15)	<u>(3,096)</u>	<u>(3,037)</u>
Total	<u><u>(5,540)</u></u>	<u><u>(5,605)</u></u>

13.4) Other income and losses

	<u>2024</u> ThUS\$	<u>2023</u> ThUS\$
Fair Value adjustment Biological assets	-	20,426
Other Income	<u>507</u>	<u>929</u>
Total Other income	<u><u>507</u></u>	<u><u>21,352</u></u>

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Notes to the Financial Statements

As of December 31, 2024 and 2023

	2024 ThUS\$	2023 ThUS\$
Fires and wind damages (Note 7.b)	(8,616)	(31,818)
Fair value adjustment biological assets	<u>(2,216)</u>	<u>-</u>
Total other losses	<u>(10,832)</u>	<u>(31,818)</u>

During 2024, a total of 1,106 hectares of plantations was mainly affected by windstorms but also other causes (fires and rabbits, etc.), with an appraised value of the biological asset of ThUS\$ (8,616). During 2023, the Company was mainly affected by fires that damage 6,009 ha with an appraised value of THUS\$ (31,818).

NOTE 14 – FINANCE COSTS

	2024 ThUS\$	2023 ThUS\$
Interest on loans with related parties	(10,494)	(11,114)
Other	<u>-</u>	<u>(12)</u>
Total	<u>(10,494)</u>	<u>(11,126)</u>

NOTE 15 - FORESTRY MANAGEMENT AGREEMENT

On May 16, 2020, Forestal Tregualemu SpA and Cambium S.A. signed a Forestry Management Agreement by which Forestal Tregualemu SpA contracted management services from Cambium S.A., under the specific conditions established in the agreement. During the year ended December 31, 2024, the entity paid to Cambium S.A. ThUS\$ 3,096 (ThUS\$ 3,037 in 2023) for forestry management services.

NOTE 16 - SUBSEQUENT EVENTS

Between December 31, 2024 and March 14, 2025, there are no facts or issues that significantly affect the interpretation and situation expressed in these financial statements.