FORESTAL TREGUALEMU SpA.

Financial statements

December 31, 2020.

CONTENTS

$/CLP	-	Chilean pesos
Th$	-	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
€/EUR	-	Euros
US$	-	US dollars

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INDEPENDENT AUDITORS´ REPORT

Concepción, March 2, 2021

To the Shareholder
Forestal Tregualemu SpA.

We have audited the accompanying financial statements of Forestal Tregualemu SpA., which comprise the statement of financial position as at December 31, 2020 and the statements of comprehensive income, changes in equity and cash flows for the period between June 24 and December 31, 2020 and notes to the financial statements.

Management's responsibility for the financial statements

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

Auditors´ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Chilean generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Consequently, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Forestal Tregualemu SpA. as of December 31, 2020, the results of its operations and its cash flows for the period between June 24 and December 31, 2020 in accordance with International Financial Reporting Standards.

PRICEWATERHOUSECOOPERS

Digitally signed by Gonzalo Antonio Mercado Trujeda RUT: 11.222.898-5. The corresponding certificate can be viewed in the electronic version of this document.

FORESTAL TREGUALEMU SpA

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Financial Statements

FORESTAL TREGUALEMU SpA

Statement of Financial Position

As of December 31, 2020

(expressed in thousands of US dollars)

ASSETS	Note	2020 ThUS$
Current assets		
Cash and cash equivalents	(5)	759
Trade and other receivables	(6)	1,007
Inventories		641
Other non-financial assets, current		811
Total current assets		3,218
Non-current assets		
Biological assets, non-current	(7)	204,769
Property, plant and equipment	(8)	146,178
Deferred tax assets	(10)	17,027
Other assets, no current		120
Total non-current assets		368,094
Total assets		371,312

The accompanying notes 1 to 14 form an integral part of these financial statements

FORESTAL TREGUALEMU SpA

Statement of Financial Position

As of December 31, 2020

(expressed in thousands of US dollars)

LIABILITIES AND EQUITY	Note	2020 ThUS$
Current liabilities		
Other financial liabilities		1,700
Trade and other payables		964
Total current liabilities		2,664
Non-Current liabilities		
Accounts payable to related parties	(9)	219,419
Total non-current liabilities		219,419
Equity		
Issued capital	(11)	139,640
Retained earnings		9,589
Total equity		149,229
Total Liabilities and Equity		371,312

The accompanying notes 1 to 14 form an integral part of these financial statements

FORESTAL TREGUALUMU SpA

Statement of Comprehensive Income

For the years ended December 31, 2020

(expressed in thousands of US dollars)

PROFIT	Note	2020 ThUS$
Sales	(12)	689
Cost of sales	(12)	(506)
Gross profit		183
Administrative expenses	(12)	(2,298)
Other income		59
Other loss		(42)
Finance costs	(9)	(5,310)
Net foreign exchange differences		(30)
Loss before tax		(7,438)
Tax expense / gain	(10)	17,027
Gross		9,589

Comprehensive Income		
Net profit (loss) for the period		9,589
Other comprehensive income		-
Total comprehensive income		9,589

The accompanying notes 1 to 14 form an integral part of these financial statements

FORESTAL TREGUALEMU SpA

Statement of Changes in Equity

For the years ended December 31, 2020

(expressed in thousands of US dollars)

	Issued Capital ThUS$	Retained Earnings ThUS$	Total Equity ThUS$
As of June 24, 2020 (Capital contribution)	139,640	-	139,640
Profit for the period	-	9,589	9,589
Changes in equity	139,640	9,589	149,229
As of December 31, 2020	139,640	9,589	149,229

The accompanying notes 1 to 14 form an integral part of these financial statements

FORESTAL TREGUALEMU SpA

Statement of Cash Flows

For the years ended December 31, 2020

(expressed in thousands of US dollars)

	Note	2020 ThUS$
Cash Flows From Operating Activities		
Collections from customers		510
Payments to suppliers		(5,189)
Income tax paid		(7)
Net cash flows used in operating activities		(4,686)
Cash Flows Used in Investing Activities		
Purchase of property, plant and equipment and plantations		(350,014)
Net cash flows used in investing activities		(350,014)
Cash Flows Used in Financing Activities		
Proceeds from borrowing		1,700
Capital contribution received		139,640
Loans from related companies		214,109
Net cash flows used in financing activities		355,449
Net (Decrease) Increase in Cash and Cash Equivalents		
Net Foreign Exchange Difference		10
Cash and Cash Equivalents, Beginning of Period		-
Cash and Cash Equivalents, End of Period	(5)	759

The accompanying notes 1 to 14 form an integral part of these financial statements

FORESTAL TREGUALEMU SpA

Notes to the Financial Statements

As of December 31, 2020

(expressed in thousands of US dollars)

NOTE 1 - CORPORATE INFORMATION

1.1) Description

By a public deed dated October 25, 2019 Forestal Tregualemu SpA 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.

Certain geographic areas continue to experience outbreaks of COVID-19, the disease caused by a novel coronavirus, which the World Health Organization declared a pandemic in March 2020. To date, the impact of the pandemic on the operations of Forestal Tregualemu SpA and its investments has been limited, Only in some smaller field operations did they have a slight temporary impact due to the suspension of operations as a result of quarantines imposed on some workers, which in no case had a significant impact on operation 2020, however the general economic effect of the virus has been far-reaching as governments and communities globally have taken urgent steps to contain its spread. As these efforts continue, and until the pandemic is brought under control, travel restrictions, quarantines, government mandated suspension of certain commercial activities, and other government mandated restrictions may from time to time give rise to reductions in consumer demand, supply chain disruptions, disruptions to sales/acquisition processes, foreign exchange volatility, market impacts generally, and other operational challenges. The full impact of these outcomes on the operations of Forestal Tregualemu SpA and its investments cannot be predicted at this time."

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 from the beginning of the period 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 financial statements have been prepared on a historical cost basis. The costs of biological assets and Property, plants and equipment's at December 31, 2020, are equivalent to their fair value, since correspond to assets acquired at the middle of the year. It is estimated that the purchase price that the Company paid for the mentioned assets, based on the contracts signed with Masisa S.A., are equivalent to normal market prices that the companies belonging to the industry pay for those kind of assets considering their location, quality and productivity.

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.

The financial statements of Forestal Tregualemu SpA for the year ended 31 December 2020 were authorized for it issuance on March 2, 2021.

(expressed in thousands of US dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2) Periods covered

The financial statements cover the following periods:

- Statements of financial position as of December 31, 2020.
- Statements of comprehensive income, changes in equity and cash flows for the period between June 26 and December 31, 2020

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 presentation 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 Years
Nursey	8
Machinery and Equipment's	2-3

2.7) Biological assets

IAS 41 requires that biological assets, such as standing forests, are presented in the statement of financial position at fair values. 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 valuation of new plantations that have been established or acquired in the current year is carried at cost, which it assured equals 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.

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, with a 27% rate for 2020.

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.

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 in 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 (ECLs) 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.

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) Statement 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, 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.

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 values. Forest 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.

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 twelve months or less are classified as current and those maturing in over twelve months are classified as non-current.

2.18) New Accounting Standards

a. The following standards, amendments and interpretations are mandatory for the first time for the financial year beginning at January 1, 2020:

Standard	Description	Mandatory from:
Amendment to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting policies, changes in accounting estimations and errors"	Published in October 2020. Uses a consistent definition of materiality in all IFRS and the Conceptual Framework for Financial Information; clarifies the explanation of the definition of material; and incorporate some of the guidance in IAS 1 about not material information.	01/01/2020
Amendment to IFRS 3 "Definition of a business"	Published in October 2019. It reviews the definition of a business. According to the feedback received by the IASB, the application of the current guide is often thought to be too complex, and results in too many transactions that qualify as business combinations.	01/01/2020
Amendment to IFRS 9, IAS 39 and IFRS 7 "Reform of the reference interest rate"	Published in September 2020. These amendments provide certain simplifications in relation to the reform of reference interest rates. Simplifications are related to hedge accounting and have an effect on the IBOR reform which generally should not cause hedge accounting to end. However, any inefficiency of coverage must continue to be recorded in income.	01/01/2020
Amendment to IFRS 16 "Rent Concessions"	Published in May 2020. This amendment provides to lessees an optional exemption in relation with assessing whether a COVID-19 related rental concession is a lease modification. Lessees may choose to book rent concessions in the same way as they would if they were not lease modifications. In many cases, this will lead to the accounting of the concession as a variable lease payment.	01/01/2020

The adoption of these standards, amendments and interpretations have no significant impact on the financial statements of the Company.

b. New standards, interpretations and amendments issued, but not in force for year 2020 for which has not been made the early adoption.

IFRS 17 "Insurance Contracts"	Published in May 2017, it replaces the current IFRS 4. IFRS 17 will mainly change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard applies to annual periods beginning on or after January 1, 2023, allowing early application as long as IFRS 15, "Income from contracts with customers" and IFRS 9, "Financial instruments" are applied.	01/01/2023
Amendment to IAS 1 "Presentation of financial statements" on classification of liabilities "	These amendments of limited scope to IAS 1, "Presentation of financial statements", clarify that liabilities will be classified as current or non-current depending on the rights that exist at the end of the reporting period. The classification is not affected by the expectations of the entity or the events after the date of the report. The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. The amendment shall be applied retrospectively in accordance with IAS 8. In May 2020, the IASB issued an "Exposure Draft" proposing to defer the effective date of application to January 1, 2023.	01/01/2022
Reference to the Conceptual Framework - Amendments to IFRS 3	Minor amendments were made to IFRS 3 "Business Combinations" to update the references to the Conceptual Framework for financial reporting and add an exception for the recognition of contingent liabilities and liabilities within the scope of IAS 37 "Provisions, contingent liabilities and contingents assets" and Interpretation 21 "Levies". The amendments also confirm that contingent assets should not be recognized on the acquisition date.	01/01/2022
Amendment to IAS 16, "Property, plant and equipment"	It prohibits companies from deducting from the cost of property, plant and equipment the income received from the sale of items produced while the company is preparing the asset for its intended use. The company must recognize such sales income and related costs in profit or loss for the year.	01/01/2022
Amendment to IAS 37, "Provisions, contingent liabilities and contingent assets"	It clarifies for onerous contracts what unavoidable costs a company must include to assess whether a contract will generate losses.	01/01/2022

Annual improvements to IFRS standards 2018–2020.	The following improvements were completed in May 2020: • - IFRS 9 Financial Instruments: clarifies what fees should be included in the 10% test for derecognition of financial liabilities. • - IFRS 16 Leases: modification of illustrative example number 13 to eliminate the illustration of the lessor's payments in relation to lease improvements, avoiding any confusion about the treatment of lease incentives. • IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the book values recorded in the books of their parent to also measure the accumulated translation differences using the amounts reported by parent company. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. • IAS 41 Agriculture: eliminates the requirement for entities to exclude cash flows for tax when measuring fair value under IAS 41. This amendment is intended to align with the standard's requirement to discount cash flows after tax.	01/01/2022
Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in associates and joint ventures”.	Published in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and those of IAS 28 in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a complete gain or loss is recognized when the transaction involves a business (whether in a subsidiary or not) and a partial gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary.	Undetermined

The Company estimates that the adoption of the new standards, reviews and amendments will not have a significant impact on the financial statements in the period of its first application.

NOTE 3 - CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Due to the period covered by these financial statements there are no changes in accounting policies to disclose.

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 risk:

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.

NOTE 5 - CASH AND CASH EQUIVALENTS

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:

	2020 ThUS$
Cash at banks	759
Total	759

NOTE 6 - TRADE AND OTHER RECEIVABLES

Trade and other receivables as of December 31, 2020 are detailed as follows:

	2020 ThUS$
Taxes receivable	909
Sundry debtors	23
Sale debtors	75
Total	1,007

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

NOTE 7 - BIOLOGICAL ASSETS

The collective net stocked area of Forestal Tregualemu SpA is projected to be 50,096.2 hectares (ha) as of December 31, 2020. A further 5,107.7 ha are awaiting re-stocking, totaling 55,203.9 ha of plantable area. The predominant species is “pine radiata”, which occupies 99% of the total and it is located in the central – south zone of the country, in the regions of Maule, Ñuble, Bio Bío and Araucania. All of these resources are within a radius no higher than 240 km from Concepcion city.

a) As of December 31, 2020, the biological assets that include forest plantations and forest cover are detailed as follows:

	2020 ThUS$
Current	-
Non – current	204,769
Total	204,769

b) Movements biological assets:

	2020 ThUS$
Initial balance (purchase to Masisa S.A.)	202,919
Additions	1,893
Harvest decrease	(32)
Other	(11)
Final balance	204,769

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

a) The items of property, plant and equipment (PPE) as of December 31, 2020, and the appropriate accumulative depreciation thereof are detailed as follows:

	2020			
	Items of Property, Plant and Equipment			
	Lands	Construct. and Infraestructure.	Machinery and Equipment	PPE Net
	ThUS$	ThUS$	ThUS$	ThUS$
Property, Plant and Equipment, Gross	146,024	151	15	146,190
Accumulative Depreciation	-	(10)	(2)	(12)
Property, Plant and Equipment, Net	146,024	141	13	146,178

NOTE 9 - RELATED PARTY DISCLOSURES

9.1) The Accounts Receivable from and Accounts Payable to, as well as Transactions with, related parties, are defined in IAS 24.9

For balances in current accounts with related companies 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 equivalent to average bank interest is paid.

9.2) Accounts payable to related parties

Entity	Country of Origin	2020 ThUS$
PSP Finco Latam Inc.	CANADA	217,665
Global Forest Partners	USA	1,754
Total		219,419

9.3) Transactions

The most relevant transactions with related parties carried out within the period ended December 2020 detailed as follows:

Entity	Transaction	Amount		Effect on Income (Charge) Credit	
		2020 ThUS$		2020 ThUS$	
PSP Finco Latam Inc	Loan	212,398	-	-	-
PSP Finco Latam Inc	Interest	5,267	-	(5,267)	-
Global Forest Partners	Loan	1,712	-	-	-
Global Forest Partners	Interest	43	-	(43)	-

NOTE 10 - INCOME TAX

10.1) General information

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

10.2) 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, 2020, the new tax rates prevailing in Chile have been applied.

Deferred tax is detailed as follows:

	2020 ThUS$
Property, plant and equipment	6,335
Biological assets	8,814
Tax loss	302
Intercompany loans	1,576
Total	17,027

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

	Assets (Liabilities) 2020 ThUS$
Deferred tax assets	17,027
Deferred tax liabilities:	-
Net deferred tax assets (liabilities)	17,027

10.3) Income tax expense

The major components of income tax expense for the years ended December 31, 2020, are detailed as follows:

	2020 ThUS$
Effect of deferred taxes	17,027
Income tax expense recognized in profit	17,027

10.4) Reconciliation

A reconciliation between the tax expense and the accounting profit, multiplied by the Company´s domestic tax rate for the period ended December 31, 2020, is detailed as follows:

	2020 ThUS$
Accounting profit before income tax	(7,438)
At the Company´s statutory income tax rate of 27%	2,008
Permanent differences	9,347
Differences due to currency translation	5,672
At the effective income tax rate of 43%	17,027

NOTE 11 - EQUITY

11.1) The Company's shareholders as of December 31, 2020, are detailed as follows:

Entity	N° of Shares	Participation %
GFP CHILE TIMBERLAND HOLDINGS FONDO DE INVERSIÓN	1.000.000	100
Total	1.000.000	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 Timberlad Holdings Fondo de Inversion, a Chilean public investment fund (the "PIF"). On December 30, GFP CT Partners 1 LLC via the Company, also contributed its pro-rata interest in Forestal Tregualemu SpA to the PIF.

11.2) 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.

NOTE 12 - REVENUE AND EXPENSES

12.1) Revenue

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

	2020 ThUS$
Nursery	655
Domestic	34
Total	689

12.2) Cost of sales

	2020 ThUS$
Nursery	505
Harvest	1
Total	506

12.3) Administrative expenses

	2020 ThUS$
Administrative expenses (Note 13)	860
Forestry indirect	507
Management fee (Note 13)	931
Total	2,298

NOTE 13 - 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, 2020, the entity paid to Cambium S.A. ThUS$ 931 for forestry management services.

On June 26, 2020, Forestal Tregualemu SpA and Masisa S.A. signed a Forest administration services Agreement, for a transitional period of 6 months, under the specific conditions established in the agreement. During the year ended December 31, 2020, the entity paid to Masisa S.A ThUS$ 836 for forestry management services.

NOTE 14 - SUBSEQUENT EVENTS

During 2021, fires affect with a total de 99 hectares of plantations, with an appraised value of the biological asset of ThUS$ 450.

Between December 31, 2020 and March 2, 2021 there are no other facts that significantly affect the interpretation of these financial statements.