



Floresteca S.A.

1Q 2022 Results Summary

March 2022



Agenda

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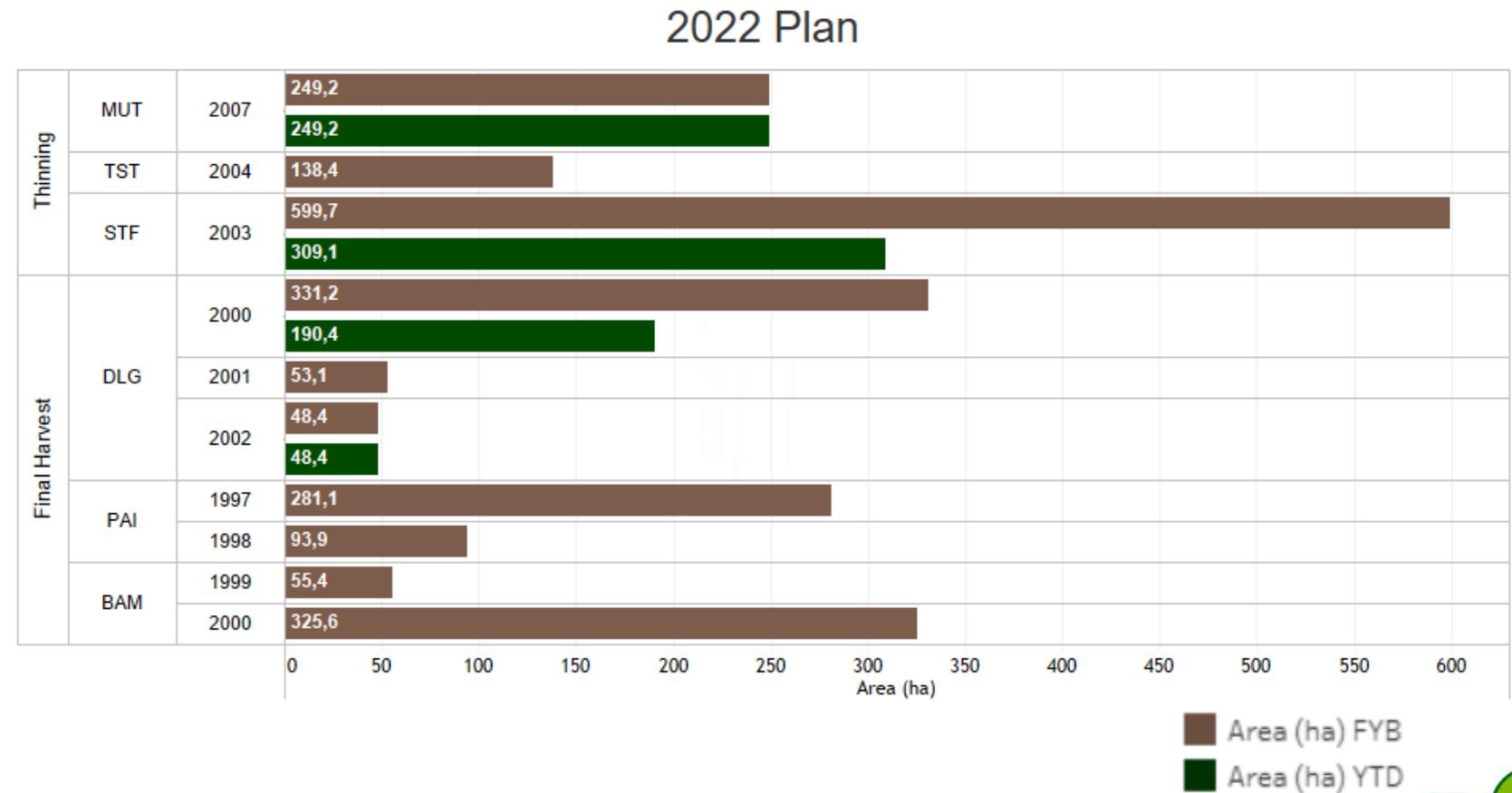
Harvest Operations by Farm

Table: Area Changes - YTD

Project	Planting Year	Initial Area (ha) - End of 4Q 2021	Harvested Area (ha)	Current Area (ha) - End of 1Q 2022
Paiolandia	1997	281.17		281.17
Paiolandia	1998	93.89		93.89
Bambu	1999	549.07		549.07
Bambu	2000	513.83		513.83
Duas Lagoas	2000	1,110.27		1,110.27
Duas Lagoas	2001	1,643.47		1,643.47
São Miguel	2001	97.52		97.52
Barranquinho	2002	960.13		960.13
Cacimba	2002	565.75		565.75
Duas Lagoas	2002	48.41		48.41
São Miguel	2002	5.71		5.71
Santa Maria do Jauru	2002	1,059.97		1,059.97
Barranquinho	2003	12.78		12.78
Cacimba	2003	10.19		10.19
Santa Maria do Jauru	2003	206.72		206.72
Santa Fé	2003	2,550.47		2,550.47
Barranquinho	2004	1,002.89		1,002.89
Terra Santa	2004	1,127.44		1,127.44
Duas Lagoas	2005	202.93		202.93
Duas Lagoas	2006	215.84		215.84
Mutum	2007	511.32		511.32
São José	2007	301.22		301.22
Santa Maria do Jauru II	2008	94.42		94.42
Total		13,165.41		13,165.41

The table on the left presents FSA projects initial area (ha), based on the end of 2021, the harvested area at the 1Q 2022, and the currently standing area. The final harvest stopped at the 1Q and no areas have been finalized.

The graphic below shows the 2022 budgeted areas (brown color) and areas where harvest operations have already started (green color). Here, operations may still be ongoing.



Sales Summary – Year to date

	Jan	Feb	Mar	Total
BAM1999				
Budget	0	0	1.477	1.477
YEE	0	0	0	0
BAM2000				
Budget	0	0	1.189	1.189
YEE	0	0	0	0
DLG2000				
Budget	3.500	2.878	0	6.378
YEE	674	1.331	154	2.159
DLG2001				
Budget	0	0	0	0
YEE	0	21	0	21
MUT2007				
Budget	1.600	1.621	0	3.221
YEE	0	799	1.883	2.682
PAI1997				
Budget	0	122	4.000	4.122
YEE	0	0	0	0
SER1999				
Budget	0	0	0	0
YEE	488	0	0	488
STF2003				
Budget	0	0	0	0
YEE	0	0	1.313	1.313
TST2004				
Budget	0	0	0	0
YEE	90	573	0	663
VDO1999				
Budget	0	0	0	0
YEE	376	0	0	376
Total Volume				
Budget	5.100	4.621	6.666	16.387
YEE	1.629	2.724	3.350	7.703

Overall, volumes sold during the 1Q were only 47% of the budget. VTP injunction completely stopped the final cut in October, 2021, heavily decreasing field stocks in early Q1.

From January to March, 2022, production strategy focused on thinnings in DLG2000, STF2003 and MUT2007, but largely below final cut budgeted volumes.

BAM1999, BAM2000, PAI1997 and DLG 2001 final cuts were rescheduled to later in the year (PAI and DLG) or postponed to 2023 (BAM).

SER1999, TST2004 and VDO1999 were harvested in 2021, but part of their volumes sold only in Q1.

Sales Summary – Year end estimate

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
BAM1999													
Budget	0	0	1.477	0	0	0	0	0	0	0	0	0	1.477
YEE	0	0	0	0	0	0	0	0	0	0	0	0	0
BAM2000													
Budget	0	0	1.189	3.999	3.278	0	0	0	0	300	4.500	3.003	16.270
YEE	0	0	0	0	0	0	0	0	0	0	0	0	0
DLG2000													
Budget	3.500	2.878	0	653	0	0	0	546	3.576	4.500	4.000	2.104	21.757
YEE	674	1.331	154	1.470	1.321	0	0	0	2.000	2.000	2.000	2.000	12.949
DLG2001													
Budget	0	0	0	1.505	2.159	912	0	0	0	0	0	0	4.576
YEE	0	21	0	0	0	2.183	2.183	0	0	0	3.992	3.432	11.811
DLG2002													
Budget	0	0	0	0	0	1.247	2.528	2.088	0	0	0	0	5.863
YEE	0	0	0	0	0	2.824	2.824	0	0	0	0	0	5.648
MUT2007													
Budget	1.600	1.621	0	0	0	0	0	0	0	0	0	0	3.221
YEE	0	799	1.883	151	0	0	0	0	0	0	0	0	2.833
PAI1997													
Budget	0	122	4.000	4.000	4.500	4.500	1.370	0	0	0	0	0	18.491
YEE	0	0	0	0	0	0	0	3.277	3.277	3.277	3.277	3.277	16.385
PAI1998													
Budget	0	0	0	0	0	0	3.631	3.520	0	0	0	0	7.151
YEE	0	0	0	0	0	0	0	1.026	1.026	1.026	1.026	1.026	5.128
SER1999													
Budget	0	0	0	0	0	0	0	0	0	0	0	0	0
YEE	488	0	0	0	0	0	0	0	0	0	0	0	488
STF2003													
Budget	0	0	0	0	0	0	0	0	0	577	1.333	3.013	4.923
YEE	0	0	1.313	3.098	3.204	0	0	0	0	0	0	0	7.615
TST2004													
Budget	0	0	0	0	0	0	0	0	478	4.047	0	0	4.525
YEE	90	573	0	1.138	0	2.302	2.302	0	0	0	0	0	6.405
VDO1999													
Budget	0	0	0	0	0	0	0	0	0	0	0	0	0
YEE	376	0	0	0	0	0	0	0	0	0	0	0	376
Total Volume													
Budget	5.100	4.621	6.666	10.158	9.937	6.659	7.528	6.154	4.054	9.423	9.833	8.120	88.253
YEE	1.629	2.724	3.350	5.856	4.526	7.308	7.308	4.303	6.302	6.302	10.295	9.734	69.638

Final harvests in BAM1999 and BAM2000 were postponed to 2023 and PAI1997 and PAI1998 were rescheduled to start in August. Better production areas in DLG were selected in their place in the 2Q to improve FSA sales revenues and cash generation.

MUT2007 thinning was finished in March, but some volumes were still sold in April. Firewood is also to be sold in the coming months when it gets drier.

TST2004 operation, a very good quality project but that is only workable in the dry season, was also brought forward early in the dry season to improve FSA sales revenues with the restart of operations.

Yields - Final Harvests

Due to VTP injunction and logistics issues, we were not able to conclude any planned stand for Final Cut at this quarter.

Yields - Thinning

Table: Log sales thinning, 2021 FY volume vs Budget FY

Project	Planting Year	Site Class	DBH (cm)	BA (m ² /ha)	AREA (ha)		VOL (m ³ /ha)		REMOVED (TPH)	
					FYB	YTD	FYB	YTD	FYB	YTD
TST	2004	S1	33,7	16,0	360,5	360,3	11,2	15,4	41	81
Total			33,7	16,0	360,5	360,3	11,2	15,4	41	81

- Table = 2021 budget stands. Total values (volume, area and trees) planned and performed until end of 1Q 2022.
- DBH and BA are the latest measured data.

Table: Log sales thinning, 2022 FY volume vs Budget FY

Project	Planting Year	Site Class	DBH (cm)	BA (m ² /ha)	AREA (ha)		VOL (m ³ /ha)		REMOVED (TPH)	
					FYB	YTD	FYB	YTD	FYB	YTD
MUT	2007	S2	21,0	8,3	37,7	37,7	5,9	12,2	189	207
		S3	22,7	9,3	18,6	18,6	7,8	11,8	243	266
Total			21,9	8,8	56,3	56,3	6,5	12,1	207	226

- Table = 2022 budget stands. Total values (volume, area and trees) planned and performed until end of 1Q 2022.
- DBH and BA are the latest measured data.

Planned

In TST we were not able to finish the planned 2021 area due to a delay caused by export logistics problem and 360.3 ha were finished so far.

Our tree selection methodology for the third thinning targeting 159 tph in 3m x 3m spacing was impractical in field, so stands that were planned to 159 are being thinned to 148. Also, systematic fifth row removal is being done in stands without enough space for the harvester to operate.

These changes resulted in a higher number of removed trees and volume than forecasted (15.4 against 11.2 m³/ha) at these stands.

In 2022 thinning started in MUT, and until the 1Q, two stands were fully finished. For some stands the systematic fifth row removal is resulting in a higher number of removed trees and volume than budgeted. Also, in others stands, the high number of diseased trees are causing higher removal and volume than budgeted (12.1 against 6.5 m³/ha).

In January, thinning started in Santa Fé, but no stands were finished so far.

Log Sales & Prices

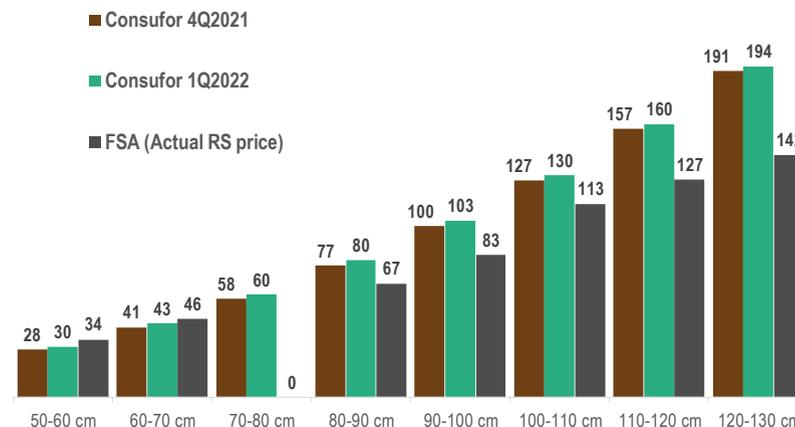
Roadside Prices Comparison 2022 YTD

Girth Class	Volume m3		Value USD		Avg RS Price (USD/m ³)		Avg Girth (cm)		Proportion	
	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD
50-60	2,273	1,535	75,757	51,582	33	34	56	60	14%	20%
60-70	3,253	2,534	145,912	115,939	45	46	66	70	20%	33%
70-80	2,483	0	147,169	0	59	0	75	0	15%	0%
80-90	0	894	0	59,527	0	67	85	88	0%	12%
90-100	5,511	1,726	474,944	143,611	86	83	94	94	34%	22%
100-110	1,580	570	200,290	64,569	127	113	105	105	10%	7%
110-120	861	327	135,172	41,650	157	127	114	114	5%	4%
120-130	353	117	67,529	16,507	191	142	125	122	2%	2%
130-140	70	0	14,943	0	213	0	135	0	0%	0%
140-150	3	0	820	0	271	0	145	0	0%	0%
150-160	0	0	0	0	0	0	155	0	0%	0%
Total Geral	16,387	7,703	1,262,535	493,384	77	64	96	88	100%	100%

FSA sells to TRC at the roadside, based on the most recent Consufor price survey at the moment of sale.

Overall, roadside prices had a slight increase in the 1Q 2022, compared to the prices from 4Q 2021 used in the preparation of this budget (~2% on average). However, prices for defective logs, such as channelling or crooked, are given a discount on their Consufor value. That is the reason why the actual averages on each girth classes are below Consufor prices in the bottom graph.

Floresteca S.A (YTD) VS Consufor roadside prices (USD/M³)



Market Update

In the 1Q 2022, Ghana, Ecuador and Brazil were again the main teak suppliers to India, with 66% of total teak wood imported. The total imported volume in India was 25% lower QoQ, and 65% lower YoY. The main reason for this considerable impact is the current maritime freight crisis and the lack of containers available impacting the global trade of materials. TRC's market share in India is estimated to be 7% among all Indian imports and 63% among the imported Brazilian teak wood.

The Covid-19 pandemic in India has been steady in the first quarter of 2022, the vaccination in the country has reached more than 989 million doses with 60.2% of the population totally vaccinated and 71.7% received at least one dose. A new and small wave of infections hit the country in late January but has proven to be weak on impacting death rates and commercial activities.

The global market is still facing strong logistical bottlenecks with shortage of containers and a significant increase in sea freight costs. It is not clear for how long the global supply chain disruption will last. Routes between Brazil and India are still strongly affected, however other Asian destinations important to Teak trade, such as China and Vietnam, are also being impacted by the current Chinese lockdown that aims to reach zero covid rate and the war between Ukraine and Russia.

India is still suffering the mingling supply as Teak producing countries and traders are facing enormous difficulties in making way with their wood there. There is an opportunity for rising prices and cover the increasing freight costs if the container availability problem can be overcome. The container availability and prices also impacted important seasonal producing countries, such as Panama and Costa Rica, in the first semester of 2022 as can be confirmed at their low level of volume delivered in India when it should be their peak of exports. TRC will keep tracking if their volume will be postponed to the 2Q2022.

TRC is seeking all logistic alternatives and strategic partners to properly deal with the current scenario. Production to India will still be limited to the capacity of the logistic channels that are made available. Non-India and local markets are playing an important role to keep the operations running.

Project Results to Date

Harvest Report Amounts Paid and Provisions (in USD):

2016 HR	7.841.879
2017 HR	5.645.549
2018 HR	1.977.316
2019 HR	6.103.896
2020 HR	81.498
2021 HR	1.908.246
Total	23.558.384
Paid	-9.571.673
Outstanding	13.986.711

Harvest Report 2020 refers only to biomass sales revenues that occurred in 2020 in SJT1998 farm, which was reported as finished in 2019.

- Note: Update 2020 HR – Includes now project CAN1998 finalized in 2020, but had been missed in the last quarterly reports, with a final value of USD 67.177.

No other projects were finalized in 2020.

Harvest report 2021 is considering the finalization of the project CPB1999.

Legal and Compliance Update

VTP – Floresteca S/A:

03/17/2022: The COURT OF APPEALS grants the FIRST, SECOND, THIRD, FOURTH, FIFTH, SIXTH, EIGHT, NINTH, TENTH VERDICT'S INJUNCTION APPEAL. This **decision reestablishes the verdict from 05/24/2021** (provided by Judge Ramon), that **dismissed the case** and stated that the Brazilian jurisdiction is not proper to analyze and conduct the case.

03/18/2022: Based in the decision of 03/17/2022, and in the statement of Judge Ramon about the Dutch Court jurisdiction, the COURT OF APPEALS dismisses the FIRST and SECOND FINAL CUT INJUNCTION APPEAL, and the SEVENTH VERDICT'S INJUNCTION APPEAL.

03/29/2022: the judge of the claim – Mr. Yale, orders the cancellation of the lawsuit existence in the Defendants' real estate properties certificates, and the lower court registry office sends notices to the real estate registry offices, to comply with the court order.

04/07/2022: VTP files an appeal against the verdict and argues that (i) VTP has not been noticed to reply the Defendant's defense, which is against the legal procedure; (ii) the plaintiff has chosen the class action procedure, and the judge of the claim cannot change it into a regular lawsuit; (iii) the COURT OF APPEALS has already confirmed the Brazilian jurisdiction when ruled the previous appeals, which cannot be disregarded by the judge of the claim; (iii) the lawsuit should be analyzed and conducted under the Brazilian Consumer Code and the class action law (n. 7.347/1985 and 4.717/1965); (v) the Brazilian jurisdiction is the only one able to analyze the case, considering that the real states, teak trees and evidences are located in Brazil; (vi) if the COURT OF APPEALS decides to reverse the verdict, it may discharge the expert's evidences and rule the case, based in the documents and information and facts already attached in the lawsuit; (vii) according to the Brazilian Consumer Code and Class Action law, VTP shall be discharged of the payment of court costs and legal attorney fees, and (viii) if the COURT OF APPEALS does not reverse the verdict, it should reduce the legal attorney fees ("VTP'S APPEAL AGAINST THE VERDICT").

05/09/2022: TRC AGRO and others file the opposition against the VTP'S APPEAL AGAINST THE VERDICT.

Legal and Compliance Update

PARAISO, TERRA SANTA, AND BAMBU IV FARMS - OVERVIEW

The three farms have land use deals (“LUDs”, also “Usufruct Agreements”) with the same landowner, Mr. Antonio Frigieri Filho and his wife Jacqueline da Costa Marques Frigeiri. Under these LUD agreements, they own a specific part of the planted area in each farm. The precise terms and the percentage area differ in each agreement. They received some advance payments for the final harvest proceeds under the agreements that shall be deducted from the actual final proceeds. It bears stating that the likely amounts to be received by the Landowners for the 3 farms are at present less than the advance payments, or at least will largely reduce the net amounts payable to them.

- Paraiso – The judge of the claim notices FRIGIERI to pay the court costs (aprox. BRL 12,875.89) and legal attorney fees (aprox. 25,824.47), in 15 days.
- Terra Santa; FSA presented to the judge of the claim its arguments about the experts’ work, and the experts presented a complement to his report. FSA informed to the judge of the claim that the phytosanitary treatment of the stands 43, 48 and 49, should take place between May 16th and June 24th, 2022, as agreed with the expert, that will monitor the work, and inform the parties’ assistants. Experts already confirmed that they are available to monitor the job.
- Bambu IV; 02/07/2022: the judge of the claim dismisses FRIGIERI’S OBJECTION. 02/10/2022: LHS presents to the judge of the claim the updated debts spreadsheet.

Legal and Compliance Update

LUD claim on PAIOLANDIA FARM:

Overview – Rondon Empreendimentos Imobiliários Ltda (“Rondon”) is the landowner of Paiolandia Farm and entered a land use with FSA. Rondon claims for the immediate payment of the debt by FSA, related to the timber of Paiolandia Farm.

10/14/2021: the judge of the claim dismisses the main case and FSA’S OBJECTION, and sentences Rondon Company, in the person of his partner, Mr. Rondon, to pay the court cost and legal attorney fees of 10% of the value of the matter in controversy.

10/20/2021: Rondon Company files a plea for clarification and requests to the judge of the claim to confirm that (i) only Mr. Rondon de Andrade Porto has been sentenced to pay the court cost and legal attorney fees, and (ii) Rondon Company has no liability in the case.

11/03/2021: Mr. Rondon files a plea for clarification of the sentence and argues that (i) Rachel has spontaneously presented before the judge of the claim in presentation of Rondon Company, and is the sole responsible for the case dismissal; (ii) Mr. Rondon became a third party, and has not been noticed to express himself about the denial of court costs exemption; (iii) the judge of the claim has not expressed about the reunion of the case with the DIRECTOR REMOVAL LAWSUIT, that should be analyzed together, and (iv) the legal attorney fees should be reduced, regarding the low complexity of the case.

11/23/2021: the judge of the claim denies the plea for clarification filed by Rondon Company on 10/20/2021.

11/24/2021: Rondon Company files a new plea for clarification and once again requests to the judge of the claim to sentence only Mr. Rondon to pay the court cost and legal attorney fees.

12/01/2021: the judge of the claim grants the second plea for clarification filed by Rondon Company (on 11/24/2021), and rules that only Mr. Rondon shall pay the court cost and legal attorney fees.

12/09/2021: FSA files a plea for clarification of the decision from 12/01/2021, to maintain the original sentence, and reinforce that both plea for clarification filed by Rondon Company had identical arguments. Admit the second plea from clarification is contrary to the decision of the first plea for clarification.

12/13/2021: Mr. Rondon files a plea for clarification of the decision from 12/01/2021, to clarify why Mr. Rondon, a third party in the case, has been condemned without the proper legal proceeding.

01/18/2022: the judge of the claim denied Mr. Rondon plea for clarification filed on 12/12/2021.

Now a Rondon family lawsuit is in course, where Mr. Rondon Andrade Porto (partner of Rondon Empreendimentos Ltda) filed a case to remove the rightful Director of the company - Ms. Rebeca de Andrade Porto.

Outlook on Upcoming Quarters

With the court decision on March 17th, the injunction forbidding final harvest in FSA was fully lifted. This improves considerably FSA's ability to generate cash. TRC already started final harvesting as soon as it was possible. However, it is worth noting that sales have a 90-day payment term, so there is still a period of low cash income before FSA can rely on its production for funding its operations.

Nevertheless, logistics turmoil is still heavily affecting Indian market, the main destination for all global Teak wood production, with very high sea freight rates. Russia x Ukraine war making international fuel prices increase and port congestions around the world are the major reasons for that.

COVID-19: Restrictive measures were relaxed in Q 1 2022 Even the use of masks in public places and closed places is not mandatory from March onwards. Vaccination in Mato Grosso continues Mato Grosso State currently has 76 45 of its population vaccinated with the 1st dose and 64 29 with the 2nd dose TRC has more than 90 of its employees vaccinated with the 3rd dose.

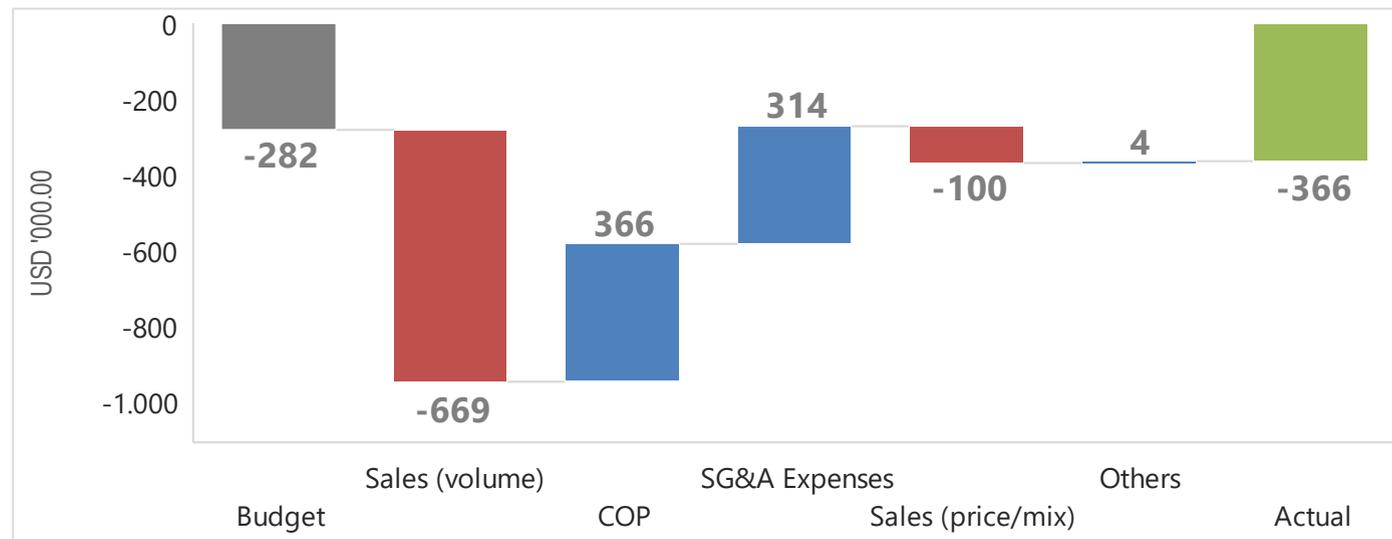
FSA Summary Financial Information

Summary P&L

FSA (USD) PROFIT & LOSS	YTD Budget	YTD Actual	Var.	%		2022 Budget	2022 FY	Var.	%
<i>Volume m³</i>	16.387	7.703	-8.684	-53%		88.253	69.638	-18.615	-21%
Sales	1.262.535	502.245	-760.290	-60%		7.254.211	6.673.863	-580.348	-8%
Log Sales	1.262.535	493.384	-769.151	-61%		7.254.211	6.665.002	-589.209	-8%
Biomass	0	8.861	8.861	0%		0	8.861	8.861	0%
(-) Sales Deductions	-32.458	-35.198	-2.740	8%		-170.637	-348.085	-177.448	104%
Net Sales	1.230.077	467.047	-763.030	-62%		7.083.574	6.325.778	-757.796	-11%
COP	-751.944	-385.500	366.445	-49%		-3.578.024	-2.761.433	816.591	-23%
Gross Profit	478.133	81.548	-396.585	-83%		3.505.550	3.564.344	58.795	2%
Operational Expenses	-759.816	-448.030	311.786	-41%		-3.219.012	-3.871.697	-652.685	20%
Forestry	-78.584	-61.017	17.567	-22%		-370.493	-352.925	17.567	-5%
Property Management	-141.126	-77.006	64.120	-45%		-530.443	-530.443	0	0%
SG&A Expenses	-540.106	-225.795	314.311	-58%		-2.040.231	-1.725.920	314.311	-15%
Land Use Deals	0	0	0	0%		-277.845	-277.845	0	0%
Other operational	0	-22.324	-22.324	0%		0	-22.324	-22.324	0%
Ex.gain/(loss) to Actual	0	-61.889	-61.889	0%		0	-962.239	-962.239	0%
EBITDA	-281.683	-366.482	-84.800	30%		286.537	-307.353	-593.890	-207%
Depreciation/Amortization	0	-3.572	-3.572	0%		0	-3.572	-3.572	0%
Depletion	-1.352.699	-360.160	992.539	-73%		-6.316.582	-3.944.108	2.372.474	-38%
Other accounting adj.	0	54.692	54.692	0%		0	54.692	54.692	0%
Financial Income	0	72.809	72.809	0%		0	72.809	72.809	0%
Financial Expenses	-12.117	-32.435	-20.318	168%		-29.826	-50.144	-20.318	68%
EBT	-1.646.499	-635.149	1.011.350	-61%		-6.059.871	-4.177.676	1.882.195	-31%
Income Tax	0	-112.122	-112.122	0%		0	-112.122	-112.122	0%
Deffered Income Tax	0	198.539	198.539	0%		0	198.539	198.539	0%
Profit & Loss	-1.646.499	-548.731	1.097.768	-67%		-6.059.871	-4.091.258	1.968.613	-32%

Summary P&L YTD

Operational Result vs Budget, Changes against Budget Amounts (USD, '000s)



The YTD Operational Result was - USD 366 K versus - USD 282 K budgeted or an unfavorable variation of USD 84 K.

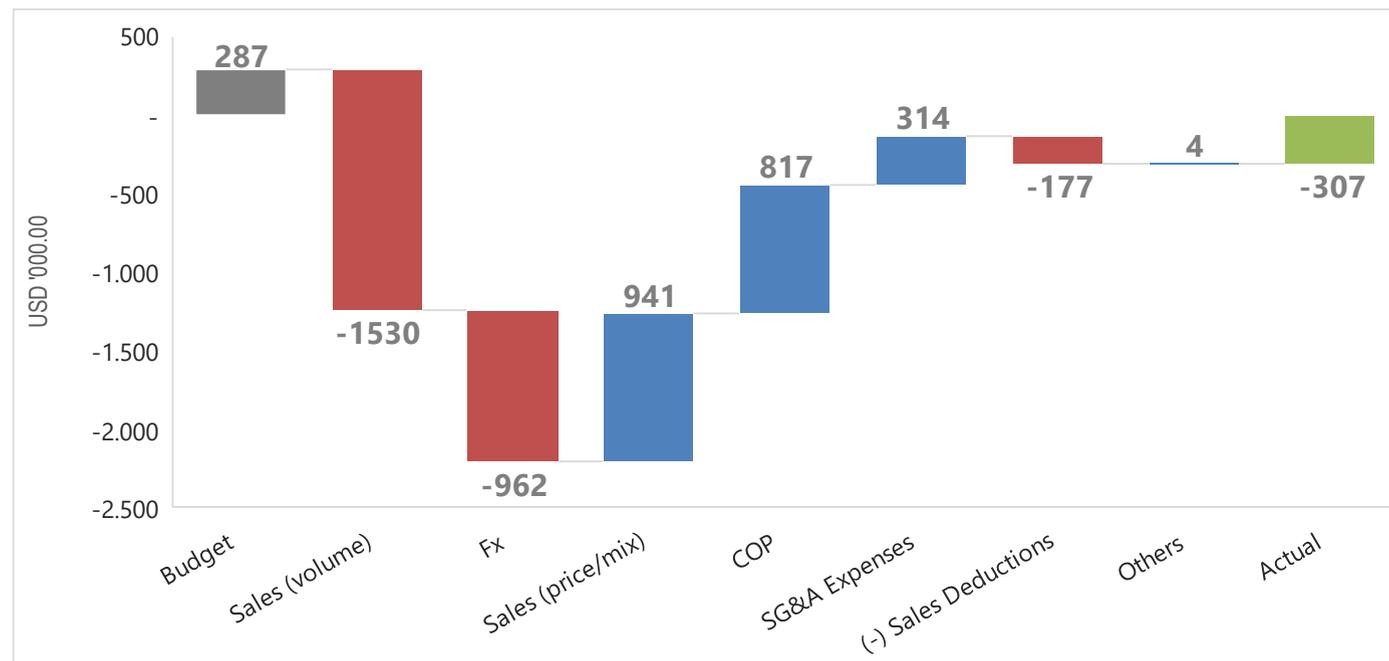
The main negative variation comes from the lower than budget volume (8,684 m³). The VTP injunction and the logistic constraints affected production in the 1Q.2022. As consequence, the COP (Harvesting costs) presented a saving by USD 366 K.

The positive variance on SG&A Expenses was related to not invoicing Flat Fee in January and February. As agreed between involved parties (TRC and FSA), this is to offset an overcharge that was done in the past because of the wrong application of the inflation index to the contracted fee.

Sales (price/mix) presented a negative variation due to some sales with defect (channelling or crooked) given a discount on their Roadside value.

Summary P&L YEE

Operational Result vs Budget, Changes against Budget Amounts (USD, '000s)



The overall FY Operational Result is - USD 307 k versus - USD 287 k budgeted or an unfavorable variation of USD 593 k.

The main source of negative variation remains on sales volume. As commented on previous slide, due to the logistic constraints and the VTP injunction, TRC is not able to achieve the volume budgeted. However, this is partially offset by the increased on the roadside prices.

The negative effect on Fx rates is due to BRL valuation in comparison of the budgets expectative. The budget fx rate was 5.50, until the end of 1Q, it was 4.74 and for forecast, TRC is considering 5.00.

Since the estimative of volume is lower than budget, COP (harvesting costs) remains as a saving for year end.

For SG&A expenses, there is no variance of the YTD saving.

Sales deductions: With the problems in export market, more wood is planned to be sold in the internal market, where taxes are higher

Cost of Production Summary - YTD

Harvesting Cost, per activity:

Type	Act. Group	Unit	Total Cost (BRL)		Quantity (un)		Unitary Cost (BRL/un)	
			Actual	Budget	Actual	Budget	Actual	Budget
Harvesting	Lot Formation	m³	200.135	400.924	7.122	16.883	28	24
	Felling	m³	573.038	825.450	11.228	29.553	51	28
	Forwarding	m³	595.879	721.358	14.409	16.518	41	44
	Loading	m³	119.123	205.118	6.762	17.106	18	12
	Operational Support	-	397.448	584.198	0	0	0	0
	Tree Selection	ha	136.637	44.967	789	249	173	180
	Taxes	Nulo	134.164	216.436			0	0
	Adjustment	Nulo	-36.178	-33.737			0	0
Total geral			2.120.247	2.964.714	40.311	80.309	53	37

Commercial Vol.	m³	7.703	16.387	-53%
Stock Volume	m³	1.567	0	0%
COP/m3	BRL	229	181	26%
BRL/USD Budget Rate		5,50	5,50	0%
COP/m3	USD	42	33	26%
Stump Removal	BRL	0	1.170.979	0%
COP/m3	USD	50	46	9%

Total costs were lower than budget, however, the lower harvested volume compromised the unitary Cost of Production (CoP). Main reasons already raised in previous sections (VTP injunction and international freight disruption).

In Brazil, BRL valuation and inflation in basic inputs like fuel, lubricants, machine parts and food are playing a negative role in overall prices. Only diesel price in Brazil increased 23% from January to March.

Adjustment: is the difference between the actual expenditures incurred in the period to the estimated costs of the resources used registered by our operational controls (standard cost)

Silvicultural Operations Summary - YTD

Forestry Operations YTD

Type	Act. Group	Unit	Total Cost (BRL)		Quantity (un)		Unitary Cost (BRL/un)	
			Actual	Budget	Actual	Budget	Actual	Budget
Silviculture	Sprout Control	ha	65.233	68.277	72	96	902	712
	Firebreak	ha	28.604		90		318	
	Inventory	parc	81.952	44.508	578	274	142	162
	Roads	km	22.743	117.040	26	31	881	3.800
	Weed Control	ha	53.376	119.499	156	329	341	364
	Taxes	Nulo	22.843	69.797			0	0
	Adjustment	Nulo	60.842	13.093			0	0
Total geral			335.593	432.214	922	729	364	593

Forestry costs were under budget for Q1. Main differences were:

- Inventory: over budget because inventory started earlier than planned to cover 100% of FSA's planted areas.
- Roads: under budget because VTP injunction delayed the final cut and TRC postponed the maintenances until the injunction was lifted.
- Weed control: under budget because VTP injunction delayed the final cut and TRC postponed the pre-harvesting cleanings.

Adjustment: is the difference between the actual expenditures incurred in the period to the estimated costs of the resources used registered by our operational controls (standard cost).

General & Administrative Expenses

G&A / Overhead Summary YTD

FSA (USD)	YTD Budget	YTD Actual	Var.	%
TOTAL OVERHEAD COSTS				
SG&A Expenses	-540,106	-225,795	314,311	-58%
Property Management	-141,126	-77,006	64,120	-45%
Total	-681,232	-302,801	378,431	-56%

G&A / Overhead Summary YEE

FSA (USD)	2022 Budget	2022 FY	Var.	%
TOTAL OVERHEAD COSTS				
SG&A Expenses	-2,040,231	-1,725,920	314,311	-15%
Property Management	-530,443	-530,443	0	0%
Total	-2,570,674	-2,256,363	314,311	-12%

G&A costs include the management services agreement between FSA and TRC, as well as other direct FSA costs, such as the remuneration of the administrators and financial statements audit, among others.

The positive variance on SG&A Expenses was related to not invoicing Flat Fee in January and February. As agreed between involved parties (TRC and FSA), this is to offset an overcharge that was done in the past because of the wrong application of the inflation index to the contracted fee.

Cash Summary - YEE

Actual and Budget Cash Flow

FSA - Cash Flow (In USD 0,00)	1Q2022	1Q2022	2Q2022	2Q2022	3Q2022	3Q2022	4Q2022	4Q2022	2022	2022	Var.
	Budget	Actual	Budget	Forecast	Budget	Forecast	Budget	Forecast	Budget	FY	
Fx Rate	5.50	4.74	5.50	5.00	5.50	5.00	5.50	5.00			
Initial Balance	79,850	522,130	374,074	709,372	628,233	-3,831,932	453,010	-4,303,896	79,850	522,130	442,280
Gross Revenues	1,536,155	980,899	1,997,777	626,359	1,504,416	1,461,630	1,707,807	1,558,520	6,746,155	4,627,408	-2,118,747
Gross Revenues	1,127,155	685,172	1,997,777	605,404	1,504,416	1,461,630	1,707,807	1,558,520	6,337,155	4,310,727	-2,026,428
Other Sales	409,000	295,726	0	20,955	0	0	0	0	409,000	316,681	-92,319
(-) Sales Deductions	-32,458	-8,519	-42,106	-35,434	-42,352	-96,677	-53,721	-165,230	-170,637	-305,859	-135,222
Net Revenues	1,503,697	972,380	1,955,671	590,925	1,462,064	1,364,953	1,654,086	1,393,290	6,575,518	4,321,549	-2,253,969
Harvesting	-539,589	-236,707	-722,961	-665,157	-618,379	-749,720	-847,676	-1,010,263	-2,728,604	-2,661,847	66,757
Other operational expenses	0	0	-92,606	-144,411	-92,606	-96,616	-92,606	-96,616	-277,818	-337,644	-59,825
Management Services Cost	0	0	-272,797	-272,797	-428,473	-428,473	-433,608	-433,608	-1,134,878	-1,134,878	0
G&A own expenses	-42,174	-175,453	-39,194	-43,800	-31,571	-31,571	-41,606	-41,606	-154,545	-292,430	-137,885
Property costs	-141,126	-60,472	-117,342	-134,025	-131,238	-152,611	-140,687	-162,112	-530,392	-509,219	21,173
Forestry Costs	-78,584	-83,011	-137,774	-98,746	-87,202	-87,202	-66,932	-66,932	-370,493	-335,892	34,601
Operational expenses	-801,473	-555,644	-1,382,672	-1,358,935	-1,389,470	-1,546,194	-1,623,115	-1,811,137	-5,196,731	-5,271,910	-75,180
Operational Cash Generation	702,223	416,737	572,998	-768,010	72,594	-181,241	30,971	-417,847	1,378,787	-950,361	-2,329,149
Legal Expenses	-79,545	-47,280	-79,545	-167,932	-11,364	-11,364	-11,364	-11,364	-181,818	-237,940	-56,122
Financial expenses	-12,117	-12,098	-9,389	-7,172	-5,594	-5,594	-2,726	-2,726	-29,826	-27,590	2,236
Loan	-138,768	-150,885	-144,337	-147,514	-145,291	-145,291	-150,896	-150,896	-579,292	-594,586	-15,294
Transfers to FBV	-85,569	-58,217	-85,569	-57,046	-85,569	-85,569	-85,569	-85,569	-342,274	-286,400	55,874
Transfers to SATT	-92,000	-45,782	0	-37,876	0	0	0	0	-92,000	-83,658	8,342
Cash Generation	294,224	102,474	254,158	-1,185,550	-175,223	-429,058	-219,583	-668,401	153,577	-2,180,535	-2,334,112
VTP Costs	0	0	0	-2,909,091	0	0	0	-1,890,909	0	-4,800,000	-4,800,000
Fx gain/Loss	0	84,769	0	-446,664	0	-42,906	0	-255,931	0	-660,732	-660,732
Closing Balance	374,074	709,372	628,233	-3,831,932	453,010	-4,303,896	233,427	-7,119,137	233,427	-7,119,137	-7,352,564

YTD Notes:

We began the year with a higher cash balance of USD 522 K vs USD 79 K budgeted, a favorable variance of USD 442 K.

VTP injunction affected production in the 4Q2021 and 1Q 2022, and consequently the 1Q and 2Q receivables (90-day payment term).

Operational expenses presented a saving due to the not invoicing the TRC services relative to February and March. A delayed tax payment coming from the incorporation of Buriti by FSA caused the SGA expenses in the 1Q to come above budget. But together with the revenues that came in December, this operation was positive for FSA.

The bridge loan contracted was amortized in monthly installments of BRL 276 k from March 2021 until December of 2022. The collateral for this transaction is the collection of FSA receivables for log sales.

Full Year Notes:

The expected cash generation for 2022 is USD – 2.1 M versus USD 153 k.

The main driver for FY result is a lower projection of revenues, due to VTP injunction and logistic constraints in container shipping between Brazil and India.

The decision in FSA's favor in the VTP case triggered significant success fees for lawyers to be paid in June. Together with anticipated legal costs arising from the probable fact of VTP appealing to the second instance against this decision, these costs add up to USD 2.9 M.

To facilitate comparisons, all values in BRL were converted to the USD using the budget fx rate of BRL 5.50/ USD. As the by the end of 1Q, it registered BRL 4.74/ USD, and for forecast, TRC considering BRL 5.00/ USD, overall results were negatively impacted by this adjustment.

Appendix - Financial Tables

Cash Summary - YEE

YEE and Budget Cash Flow BRL

1Q2022	1Q2022	2Q2022	2Q2022	3Q2022	3Q2022	4Q2022	4Q2022	2022	2022	Var.
Budget	Actual	Budget	Forecast	Budget	Forecast	Budget	Forecast	Budget	FY	
439,175	2,797,258	2,057,409	3,360,863	3,455,279	-19,159,662	2,491,553	-21,519,481	439,175	2,797,258	2,358,083
8,448,852	5,394,943	10,987,772	3,444,974	8,274,290	8,038,967	9,392,938	8,571,860	37,103,852	25,450,744	-11,653,108
6,199,352	3,768,448	10,987,772	3,329,722	8,274,290	8,038,967	9,392,938	8,571,860	34,854,352	23,708,997	-11,145,355
2,249,500	1,626,495	0	115,252	0	0	0	0	2,249,500	1,741,748	-507,752
-178,520	-46,852	-231,582	-194,885	-232,938	-531,724	-295,463	-908,764	-938,503	-1,682,225	-743,722
8,270,332	5,348,092	10,756,190	3,250,089	8,041,352	7,507,243	9,097,475	7,663,096	36,165,349	23,768,519	-12,396,830
-2,967,740	-1,301,890	-3,976,283	-3,658,365	-3,401,085	-4,123,458	-4,662,217	-5,556,448	-15,007,324	-14,640,161	367,163
0	0	-509,333	-794,260	-509,333	-531,390	-509,333	-531,390	-1,528,000	-1,857,040	-329,040
0	0	-1,500,381	-1,500,381	-2,356,603	-2,356,603	-2,384,842	-2,384,842	-6,241,827	-6,241,827	0
-231,957	-964,994	-215,567	-240,898	-173,643	-173,643	-228,833	-228,833	-850,000	-1,608,367	-758,367
-776,192	-332,594	-645,378	-737,138	-721,807	-839,360	-773,781	-891,614	-2,917,158	-2,800,706	116,452
-432,214	-456,562	-757,756	-543,104	-479,612	-479,612	-368,128	-368,128	-2,037,711	-1,847,406	190,304
-4,408,103	-3,056,041	-7,604,699	-7,474,145	-7,642,083	-8,504,066	-8,927,134	-9,961,255	-28,582,019	-28,995,507	-413,487
3,862,229	2,292,051	3,151,491	-4,224,056	399,269	-996,823	170,340	-2,298,159	7,583,329	-5,226,988	-12,810,317
-437,500	-260,042	-437,500	-923,628	-62,500	-62,500	-62,500	-62,500	-1,000,000	-1,308,670	-308,670
-66,642	-66,541	-51,639	-39,443	-30,769	-30,769	-14,994	-14,994	-164,044	-151,747	12,297
-763,227	-829,869	-793,854	-811,327	-799,100	-799,100	-829,926	-829,926	-3,186,107	-3,270,221	-84,114
-470,627	-320,195	-470,627	-313,751	-470,627	-470,627	-470,627	-470,627	-1,882,507	-1,575,200	307,307
-506,000	-251,800	0	-208,320	0	0	0	0	-506,000	-460,120	45,880
1,618,234	563,605	1,397,871	-6,520,526	-963,727	-2,359,819	-1,207,706	-3,676,205	844,672	-11,992,945	-12,837,616
0	0	0	-16,000,000	0	0	0	-10,400,000	0	-26,400,000	-26,400,000
2,057,409	3,360,863	3,455,279	-19,159,662	2,491,553	-21,519,481	1,283,847	-35,595,686	1,283,847	-35,595,686	-36,879,533



Thank You!

