

Agreed-upon procedures report

Floresteca S.A.

Period from January 1, 2022 to December 31, 2022

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Contents

Floresteca S.A - Executive Summary	1
Agreed-upon procedures report	2
Appendix I – Harvest Report results until December 31, 2021	6
Appendix II – Harvest Report results January 1st to December 31, 2022.....	7
Appendix III – Harvest Report accumulated until December 31, 2022.....	8



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Floresteca S.A - Executive Summary

Floresteca S.A. was incorporated on January 12, 1994 and is headquartered in the Municipality of Jangada, State of Mato Grosso - MT, Brazil. The main operations of Floresteca S.A. are carried out in various municipalities of the State of Mato Grosso - MT and its main activities comprise the forestation, planting, felling and clearing of *Tectona Grandis* (Teak) forests owned by third parties and proprietary forests.

Objectives

Harvest Report were prepared for the purpose of demonstrating to the investors who hold an interest in the volumes, gross sales revenues, taxes on sales revenues, direct selling expenses and net revenue in Real and Dollar for the year ended December 31, 2022.

Sales revenues

Revenues from the sale of the thinning and final cut are recorded on the accrual basis of accounting, as of the date on which the rough wood is delivered to customers and the Company is entitled to invoice them.

Translation of Brazilian Reais to US dollars

The net sales revenue amounts presented in U.S. dollars in Harvest Report were determined by the conversion from the real to the dollar in a daily basis, in accordance with the official rates from BACEN. These translations are being presented for the convenience of the reader only.



Agreed-upon procedures report

To the Directors of
Floresteca S.A.
Jangada, MT

Period from January 1, 2022 to December 31, 2022

We have performed the procedures agreed with you and enumerated below with respect Final Cut Results and the Thinning Results for the year ended December 31, 2022 to Floresteca S.A. "Company", set forth in the accompanying schedule, Appendix I – Harvest Report results 2021, Appendix II – Harvest Report results 2022 and Appendix III – Harvest Report accumulated until 2022. Our engagement was undertaken in accordance with the International Standard on Related Services ISRS 4400, issued by International Federation of Accountants ("IFAC") applicable to agreed-upon procedures engagements. The agreed-upon procedures, performed on the Harvest Report prepared by the Company, for the period from January 1, 2022 to December 31, 2022, are as follows:

1. We obtained and compared the accumulated amount presented in the Harvest Report on December 31, 2021 to the initial amount in the Harvest Report from 2022.

YEAR PLANT	PROJECT	AREA (HA)	PRE-TAX RESULT On December 31, 2021	PRE-TAX RESULT Initial amount in 2022	Divergence in USD
1994	BUR	592,29	(2.832.903)	(2.832.903)	-
1995	K_8	331,91	2.935.565	2.935.565	-
1995	SIL	582,80	6.809.279	6.809.279	-
1996	COC	374,88	(1.981.908)	(1.981.908)	-
1996	PIM	693,42	6.105.168	6.105.168	-
1996	TEN	191,42	(755.711)	(755.711)	-
1997	PAI	297,92	(1.871.753)	(1.871.753)	-
1997	PAR	555,05	(3.386.077)	(3.386.077)	-
1998	BOC	431,65	5.310.608	5.310.608	-
1998	CAN	44,62	79.032	79.032	-
1998	COC	133,84	1.025.378	1.025.378	-
1998	PAI	93,95	(437.541)	(437.541)	-
1998	SIL	24,41	19.151	19.151	-
1998	SJT	26,76	335.658	335.658	-
1998	VDO	351,68	2.307.103	2.307.103	-
1999	ARA	98,88	20.680	20.680	-
1999	BAM	549,07	(3.457.890)	(3.457.890)	-
1999	BOC	108,18	1.297.340	1.297.340	-
1999	CAS	88,49	233.615	233.615	-
1999	CPB	507,87	2.244.995	2.244.995	-

YEAR PLANT	PROJECT	AREA (HA)	PRE-TAX RESULT On December 31, 2021	PRE-TAX RESULT Initial amount in 2022	Divergence in USD
1999	SER	105,01	(328.846)	(328.846)	-
1999	VDO	48,59	(34.403)	(34.403)	-
2000	BAM	513,83	(2.908.875)	(2.908.875)	-
2000	DLG	1.527,51	(5.373.027)	(5.373.027)	-
2001	DLG	2.136,42	(8.831.352)	(8.831.352)	-
2001	SMG	97,52	(424.371)	(424.371)	-
2002	BAR	970,20	(3.902.497)	(3.902.497)	-
2002	CMB	571,08	(1.089.714)	(1.089.714)	-
2002	DLG	48,41	(70.980)	(70.980)	-
2002	SMG	5,71	(24.478)	(24.478)	-
2002	SMJ	1.085,18	(4.061.372)	(4.061.372)	-
2003	BAR	12,95	(28.757)	(28.757)	-
2003	CMB	10,19	(20.123)	(20.123)	-
2003	SMJ	207,87	(539.754)	(539.754)	-
2003	STF	2.562,71	(8.840.684)	(8.840.684)	-
2004	BAR	1.021,00	(3.516.161)	(3.516.161)	-
2004	TST	1.143,17	(2.665.687)	(2.665.687)	-
2005	DLG	207,67	(449.758)	(449.758)	-
2006	DLG	233,88	(385.411)	(385.411)	-
2007	MUT	539,18	(930.595)	(930.595)	-
2007	SAJ	301,30	245.258	245.258	-
2008	SMJII	99,87	(217.458)	(217.458)	-
Total			(30.399.252)	(30.399.252)	-

2. According to local management the following projects 1994 – BUR, 1995 - K_8, 1995 – SIL, 1996 – COC, 1996 – PIM, 1996 – TEM, 1997 – PAR, 1998 – BOC, 1998 – CAN, 1998 – COC, 1998 – SIL, 1998 – SJT, 1998 – VDO, 1999 – ARA, 1999 – BOC, 1999 – CAS, 1999 – CPB, 1999 – SER, 1999 – VDO, 2002 – DLG, were concluded until 2022.
3. We obtained the analytical breakdown of 2022 sales with a total amount of USD 5,122,016, which is summarized in the appendix II as “2022 THINNING REVENUES” of USD 1,522,733, “2022 FINAL CUT REVENUES” of USD 3,599,283. We compared with the accounting balances in Brazilian Reais. No differences were identified. We did not perform any procedures regarding revenues conversion from real to dollar.
4. We compared the total amount of all invoices issued in 2022 included in the data base spreadsheet "DB" with the breakdown of sales with a total amount of USD 5,122,016, which is summarized in the appendix II as “2022 THINNING REVENUES” and “2022 FINAL CUT REVENUES”. No differences were identified.

5. We performed the following procedures to recalculate the information used as the basis for report calculation in the "Cockpit" spreadsheet:
 - a) The "INCENTIVE FEE" with a total amount of USD 101,158 summarized in the "appendix II" as "2022 5% INCENTIVE FEE", was calculated applying 5% on the result of "2022 FINAL CUT REVENUES" of US\$ 3,599,283 reduced by "2022 FINAL CUT COSTS" of US\$ 1,576,130 or US\$ 2,023,152 x 5%
 - b) The unit cost of "harvesting & land clearing costs" used for "2022 FINAL CUT COSTS" calculation, was recalculated taking the following steps:
 - ✓ We compared the total costs of USD 1.576 thousand related to the final cut, summarized in the "appendix II" as "2022 FINAL CUT COSTS", with the final cut costs presented in the "Cockpit" spreadsheet. These costs were summarized by type of expense and includes taxes. No audit or details test has been done to validate these costs and they were not compared to the accounting balance. No differences were identified.
 - ✓ We verified that the Exchange rate of R\$5,1578 described in the "Cockpit" spreadsheet is in accordance with BACEN website - 2022 average rate. No differences were identified.
 - ✓ We compared the total volume of cargo in m³ of the final cut sales presented in the in the database sheet ("DB") used in the calculation with the volume considered in Appendix II as "2022 FINAL CUT VOLUME (m³)" with a total volume of 46.080 m³. No differences were identified.
6. Considering the information in the database sheet ("DB"), we recalculated the "2022 SILVICULTURAL COSTS" as described below:
 - ✓ For the first 20 years plantation cycle, the amount of USD 4,500 is divided by 13 years (year 8 to year 20 after plantation) and multiplied per hectare planted "AREA (HA)".
 - ✓ In case of 21 to 25 years plantation cycle, the amount of USD 3,000 is divided by 5 years and multiplied per hectare planted "AREA (HA)", for the year.
7. "TOTAL AFTER-TAX RESULT (USD/HA)" balance was recalculated AFTER-TAX RESULT by AREA (HA). No differences were identified.
8. After inquiries local management confirmed that the methodology above mentioned was taken into consideration by Management to prepare the Harvest Report and corresponds to the Appendix II – Harvest Report results January 1st to December 31, 2022.

We did not perform any procedures regarding the information in "RESULTS PRE-PAID TO DATE" because, according to local management, the control about these amounts, related to payments, is kept by Floresteca B.V. Therefore, we did not perform any procedures regarding the information in "FINALIZED PROJECTS" either, since this information is directly affected by the amounts in " RESULTS PRE-PAID TO DATE ".



Attached to this report there is a Company's Executive Summary to information purposes only written by Company and not reviewed by us. We did not perform any procedures regarding the information in "Floresteca S.A. - Executive Summary".

(**) The "Cockpit", "DB", "Results", "AuxAreaColhida", "AuxRetainer" and "Products" files are base data for the Harvest Report summary calculation. The files mentioned above is not included as attachments in this report.

Because the above procedures do not constitute either an audit or a review made in accordance with International and Brazilian Standards on Auditing or International and Brazilian Standards on Review Engagements, we do not express any assurance on the Harvest Report as of December 31, 2022.

Had we performed additional procedures or had we performed an audit or review of the Harvest Report in accordance with International and Brazilian Standards on Auditing or International and Brazilian Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties, that have not assumed responsibility for the adequacy, or have not agreed to, the above procedures. This report relates only to the accounts and items specified above and does not extend to any financial statements of Floresteca S.A., taken as a whole.

Campinas, October 31, 2023

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC-SP-027623/F

A handwritten signature in blue ink, appearing to read 'Cristiane Hilario', is written over a faint, light blue circular stamp.

Cristiane Cléria S. Hilário
Accountant CRC 1SP243766/O-8

Appendix I – Harvest Report accumulated results until December 31, 2021

YEAR PLANT	PROJECT	AREA (HA)	ACCUMULATED RESULTS UNTIL 2021 (USD)						
			TO DATE THINNING VOLUME (m³)	TO DATE FINAL CUT VOLUME (m³)	TO DATE THINNING REVENUES	TO DATE FINAL CUT REVENUES	TO DATE SILVICULTURAL COSTS	TO DATE FINAL CUT COSTS	TO DATE 5% INCENTIVE FEE
1994	BUR	592,29	32.005	20.530	815.535	1.499.594	(4.442.175)	(664.081)	(41.776)
1995	K_8	331,91	26.708	23.658	1.250.302	3.880.996	(1.493.595)	(534.829)	(167.308)
1995	SIL	582,80	60.568	40.059	4.503.524	6.195.666	(2.622.600)	(1.007.923)	(259.387)
1996	COC	374,88	1.446	4.897	32.221	259.638	(2.136.816)	(130.493)	(6.457)
1996	PIM	693,42	78.015	43.108	4.430.165	6.820.431	(3.536.442)	(1.334.699)	(274.287)
1996	TEN	191,42	3.372	6.158	85.830	426.777	(1.091.094)	(164.089)	(13.134)
1997	PAI	297,92	18.721	0	362.647	-	(2.234.400)	-	-
1997	PAR	555,05	7.917	22.481	260.152	798.397	(3.946.689)	(482.123)	(15.814)
1998	BOC	431,65	33.463	38.400	3.144.009	5.795.216	(2.201.415)	(1.197.306)	(229.895)
1998	CAN	44,62	1.709	4.208	58.287	413.272	(244.410)	(134.162)	(13.956)
1998	COC	133,84	6.926	9.804	375.280	1.632.999	(602.280)	(314.707)	(65.915)
1998	PAI	93,95	10.012	0	210.714	-	(648.255)	-	-
1998	SIL	24,41	1.352	1.343	43.553	125.735	(109.845)	(35.795)	(4.497)
1998	SJT	26,76	5.455	3.125	232.004	368.533	(136.476)	(115.764)	(12.638)
1998	VDO	351,68	16.836	27.468	767.852	4.018.629	(1.582.560)	(732.511)	(164.306)
1999	ARA	98,88	7.133	5.608	150.943	540.611	(444.960)	(209.351)	(16.563)
1999	BAM	549,07	242	0	1.251	-	(3.459.141)	-	-
1999	BOC	108,18	8.421	8.527	821.023	1.332.144	(486.810)	(318.326)	(50.691)
1999	CAS	88,49	6.928	6.135	192.399	691.567	(398.205)	(229.019)	(23.127)
1999	CPB	507,87	46.517	33.509	1.866.942	4.331.708	(2.876.997)	(905.340)	(171.318)
1999	SER	105,01	2.427	7.199	64.538	493.611	(661.563)	(211.317)	(14.115)
1999	VDO	48,59	1.859	2.919	92.712	269.640	(304.899)	(82.499)	(9.357)
2000	BAM	513,83	3.681	0	19.956	-	(2.928.831)	-	-
2000	DLG	1.527,51	74.590	29.599	1.187.886	3.075.578	(8.666.757)	(858.900)	(110.834)
2001	DLG	2.136,42	50.238	29.734	1.198.017	526.116	(10.414.900)	(120.294)	(20.291)
2001	SMG	97,52	3.888	0	72.981	-	(497.352)	-	-
2002	BAR	970,20	26.364	0	463.403	-	(4.365.900)	-	-
2002	CMB	571,08	51.349	0	1.480.146	-	(2.569.860)	-	-
2002	DLG	48,41	4.110	0	146.865	-	(217.845)	-	-
2002	SMG	5,71	61	0	1.217	-	(25.695)	-	-
2002	SMJ	1.085,18	45.456	0	821.938	-	(4.883.310)	-	-
2003	BAR	12,95	878	0	25.035	-	(53.792)	-	-
2003	CMB	10,19	924	0	22.204	-	(42.328)	-	-
2003	SMJ	207,87	13.728	0	323.706	-	(863.460)	-	-
2003	STF	2.562,71	89.121	0	1.804.419	-	(10.645.103)	-	-
2004	BAR	1.021,00	22.015	0	371.493	-	(3.887.654)	-	-
2004	TST	1.143,17	57.649	0	1.687.152	-	(4.352.840)	-	-
2005	DLG	207,67	10.517	0	269.100	-	(718.858)	-	-
2006	DLG	233,88	9.299	0	343.215	-	(728.626)	-	-
2007	MUT	539,18	27.781	0	562.519	-	(1.493.114)	-	-
2007	SAJ	301,30	25.266	0	1.079.628	-	(834.369)	-	-
2008	SMJII	99,87	1.064	0	24.535	-	(241.993)	-	-
		19.528,34	896.011	368.469	31.667.298	43.496.858	(94.094.214)	(9.783.528)	(1.685.666)

Appendix II – Harvest Report results from January 1st to December 31, 2022

YEAR PLANT	PROJECT	AREA (HA)	2022 RESULTS (USD)						
			2022 THINNING VOLUME (m³)	2022 FINAL CUT VOLUME (m³)	2022 THINNING REVENUE \$	2022 FINAL CUT REVENUE \$	2022 SILVICULTURAL COSTS	2022 FINAL CUT COSTS	2022 5% INCENTIVE FEE
1994	BUR	592,29	-	-	-	-	-	-	-
1995	K_8	331,91	-	-	-	-	-	-	-
1995	SIL	582,80	-	-	-	-	-	-	-
1996	COC	374,88	-	-	-	-	-	-	-
1996	PIM	693,42	-	-	-	-	-	-	-
1996	TEN	191,42	-	-	-	-	-	-	-
1997	PAI	297,92	-	16.500	-	1.344.954	-	(572.654)	(38.615)
1997	PAR	555,05	-	-	-	-	-	-	-
1998	BOC	431,65	-	-	-	-	-	-	-
1998	CAN	44,62	-	-	-	-	-	-	-
1998	COC	133,84	-	-	-	-	-	-	-
1998	PAI	93,95	-	641	-	26.873	(56.370)	(22.253)	(231)
1998	SIL	24,41	-	-	-	-	-	-	-
1998	SJT	26,76	-	-	-	-	-	-	-
1998	VDO	351,68	-	-	-	-	-	-	-
1999	ARA	98,88	-	-	-	-	-	-	-
1999	BAM	549,07	-	-	-	-	(329.442)	-	-
1999	BOC	108,18	-	-	-	-	-	-	-
1999	CAS	88,49	-	-	-	-	-	-	-
1999	CPB	507,87	-	-	-	-	-	-	-
1999	SER	105,01	-	488	-	27.503	-	(16.944)	(528)
1999	VDO	48,59	-	376	-	17.523	-	(13.063)	(223)
2000	BAM	513,83	-	-	-	-	(308.298)	-	-
2000	DLG	1.527,51	-	19.522	-	1.390.343	(666.162)	(677.543)	(35.640)
2001	DLG	2.136,42	-	3.395	-	342.801	(986.082)	(117.818)	(11.249)
2001	SMG	97,52	-	-	-	-	(58.512)	-	-
2002	BAR	970,20	-	-	-	-	(582.120)	-	-
2002	CMB	571,08	-	-	-	-	(342.648)	-	-
2002	DLG	48,41	-	5.157	-	449.285	(29.046)	(155.855)	(14.671)
2002	SMG	5,71	-	-	-	-	(3.426)	-	-
2002	SMJ	1.085,18	-	-	-	-	(651.108)	-	-
2003	BAR	12,95	-	-	-	-	(4.483)	-	-
2003	CMB	10,19	-	-	-	-	(3.527)	-	-
2003	SMJ	207,87	-	-	-	-	(71.955)	-	-
2003	STF	2.562,71	10.945	-	786.059	-	(887.092)	-	-
2004	BAR	1.021,00	-	-	-	-	(353.423)	-	-
2004	TST	1.143,17	7.319	-	423.553	-	(395.713)	-	-
2005	DLG	207,67	-	-	-	-	(71.886)	-	-
2006	DLG	233,88	-	-	-	-	(80.958)	-	-
2007	MUT	539,18	20.074	-	306.001	-	(186.639)	-	-
2007	SAJ	301,30	2.410	-	7.120	-	(104.296)	-	-
2008	SMJII	99,87	-	-	-	-	(34.570)	-	-
		19.528,34	40.748	46.079	1.522.733	3.599.282	(6.207.756)	(1.576.130)	(101.157)

Appendix III – Harvest Report accumulated until December 31, 2022

YEAR PLANT	PROJECT	AREA (HA)	2022 RESULTS (USD)					
			PRE-TAX RESULT	TAX PROVISION (15%)	TOTAL AFTER-TAX RESULT	RESULTS PRE-PAID TO DATE	FINALIZED PROJECTS TO BE PAID	TOTAL AFTER-TAX RESULT (USD/HA)
1994	BUR	592,29	(2.832.903)	-	(2.832.903)	(1.575.371)	-	(4.783)
1995	K_8	331,91	2.935.565	(440.335)	2.495.231	(7.316)	2.487.915	7.518
1995	SIL	582,80	6.809.279	(1.021.392)	5.787.887	(433.923)	5.353.964	9.931
1996	COC	374,88	(1.981.908)	-	(1.981.908)	-	-	(5.287)
1996	PIM	693,42	6.105.168	(915.775)	5.189.393	(415.416)	4.773.977	7.484
1996	TEN	191,42	(755.711)	-	(755.711)	-	-	(3.948)
1997	PAI	297,92	(1.138.067)	-	(1.138.067)	-	-	-
1997	PAR	555,05	(3.386.077)	-	(3.386.077)	-	-	(6.100)
1998	BOC	431,65	5.310.608	(796.591)	4.514.017	-	4.514.017	10.458
1998	CAN	44,62	79.032	(11.855)	67.177	-	67.177	1.506
1998	COC	133,84	1.025.378	(153.807)	871.571	-	871.571	6.512
1998	PAI	93,95	(489.522)	-	(489.522)	-	-	-
1998	SIL	24,41	19.151	(2.873)	16.279	-	16.279	667
1998	SJT	26,76	335.658	(50.349)	285.310	-	285.310	10.662
1998	VDO	351,68	2.307.103	(346.066)	1.961.038	-	1.961.038	5.576
1999	ARA	98,88	20.680	(3.102)	17.578	-	17.578	178
1999	BAM	549,07	(3.787.332)	-	(3.787.332)	-	-	-
1999	BOC	108,18	1.297.340	(194.601)	1.102.739	-	1.102.739	10.194
1999	CAS	88,49	233.615	(35.042)	198.573	-	198.573	2.244
1999	CPB	507,87	2.244.995	(336.749)	1.908.246	-	1.908.246	3.757
1999	SER	105,01	(318.815)	-	(318.815)	-	-	(3.036)
1999	VDO	48,59	(30.166)	-	(30.166)	-	-	(621)
2000	BAM	513,83	(3.217.173)	-	(3.217.173)	-	-	-
2000	DLG	1.527,51	(5.362.029)	-	(5.362.029)	-	-	-
2001	DLG	2.136,42	(9.603.699)	-	(9.603.699)	-	-	-
2001	SMG	97,52	(482.883)	-	(482.883)	-	-	-
2002	BAR	970,20	(4.484.617)	-	(4.484.617)	-	-	-
2002	CMB	571,08	(1.432.362)	-	(1.432.362)	-	-	-
2002	DLG	48,41	178.732	(26.810)	151.923	-	151.923	3.138
2002	SMG	5,71	(27.904)	-	(27.904)	-	-	-
2002	SMJ	1.085,18	(4.712.480)	-	(4.712.480)	-	-	-
2003	BAR	12,95	(33.240)	-	(33.240)	-	-	-
2003	CMB	10,19	(23.651)	-	(23.651)	-	-	-
2003	SMJ	207,87	(611.709)	-	(611.709)	-	-	-
2003	STF	2.562,71	(8.941.718)	-	(8.941.718)	-	-	-
2004	BAR	1.021,00	(3.869.584)	-	(3.869.584)	-	-	-
2004	TST	1.143,17	(2.637.848)	-	(2.637.848)	-	-	-
2005	DLG	207,67	(521.644)	-	(521.644)	-	-	-
2006	DLG	233,88	(466.370)	-	(466.370)	-	-	-
2007	MUT	539,18	(811.233)	-	(811.233)	-	-	-
2007	SAJ	301,30	148.082	(22.212)	125.870	-	-	-
2008	SMJII	99,87	(252.029)	-	(252.029)	-	-	-
		19.528,34	(33.162.288)	(4.357.559)	(37.519.842)	(2.432.026)	23.710.307	56.050