URUGUAY
Investor Presentation

June, 2025

Uruguay at a glance

REPÚBLICA ORIENTAL DEL URUGUAY	
POPULATION (MILLION PEOPLE)	**3.5**
TOTAL SURFACE AREA (Km^2)	**176,215**
GDP (BILLON OF USD, 2024)	**80.92**
GDP PER CAPITA (USD, 2024)	**23,122**
LIFE EXPECTANCY (YEARS)	**78.3**
ADULT LITERACY RATE (%)	**99.1**

Sources: IMG, Central Bank of Uruguay, National Statistics Institute, Panamerican Health Organization.

Organization of the presentation

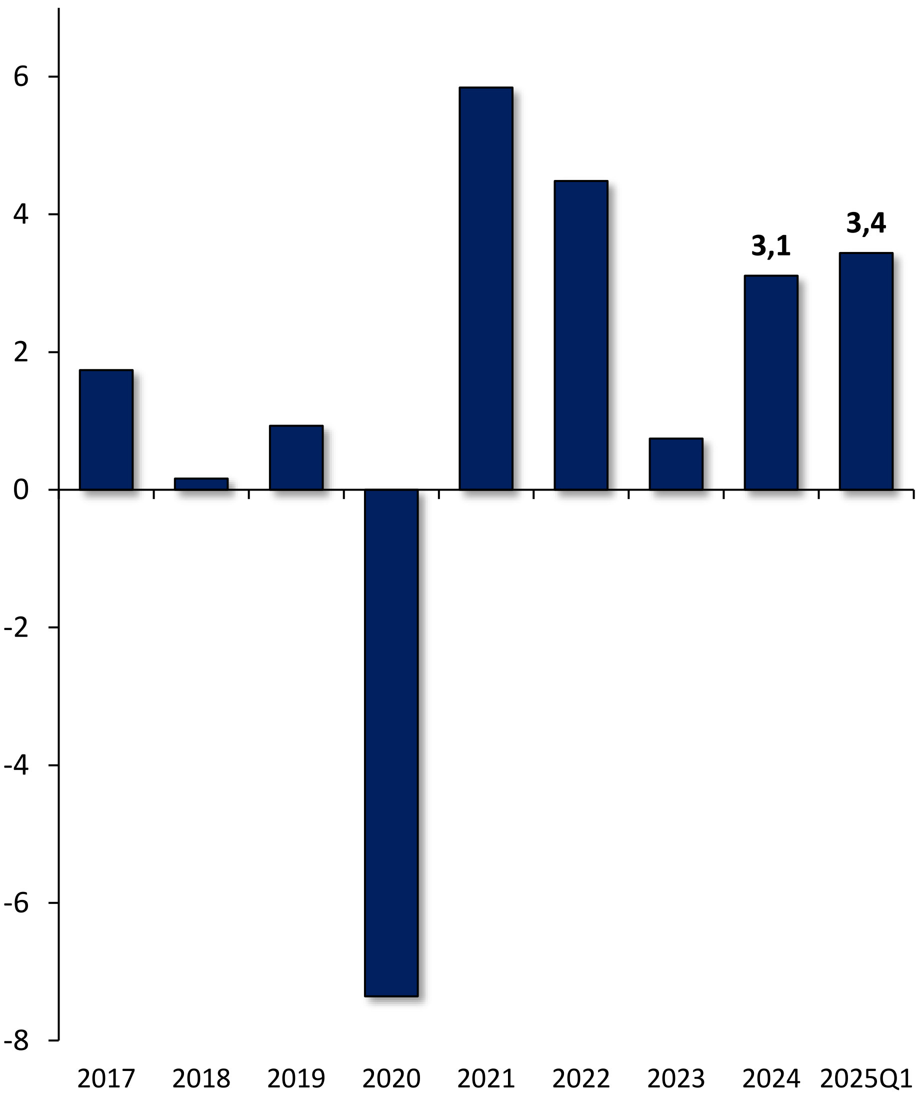
1. Macroeconomic performance and outlook
2. Uruguay´s Environmental, Social and Governance (ESG) foundations
3. Policy priorities of the new administration
4. Government´s debt management and financing strategies

1

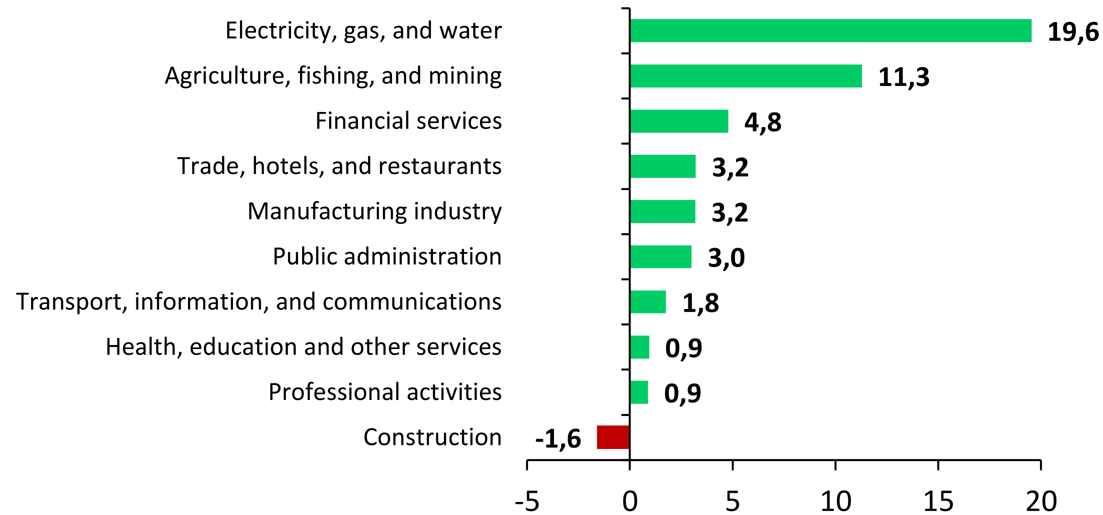
Recent macroeconomic developments and outlook

Economic activity rebounded in 2024 driven by electricity generation, tourism services and normalization of agricultural output

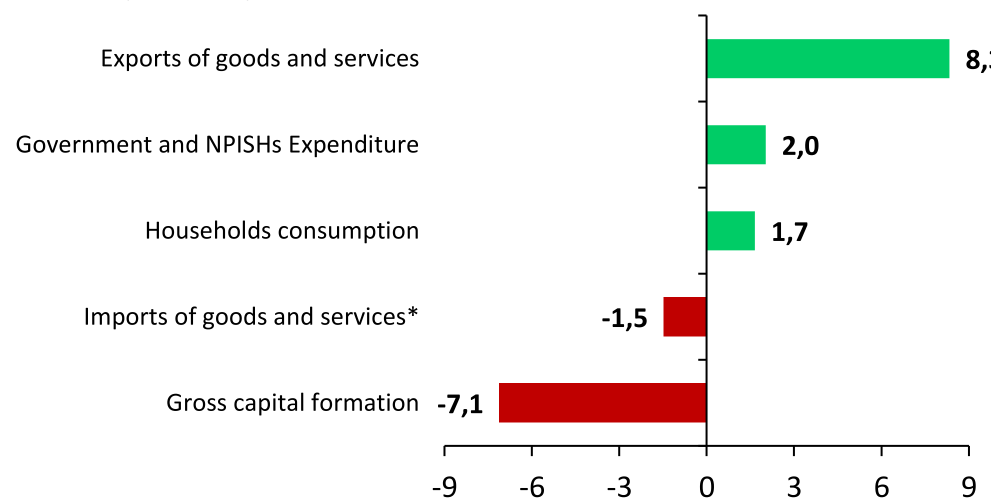
Annual real GDP change [(1)]
(YoY, in %)



Annual real GDP change in 2024, by production approach [(2)]
(YoY, in %)



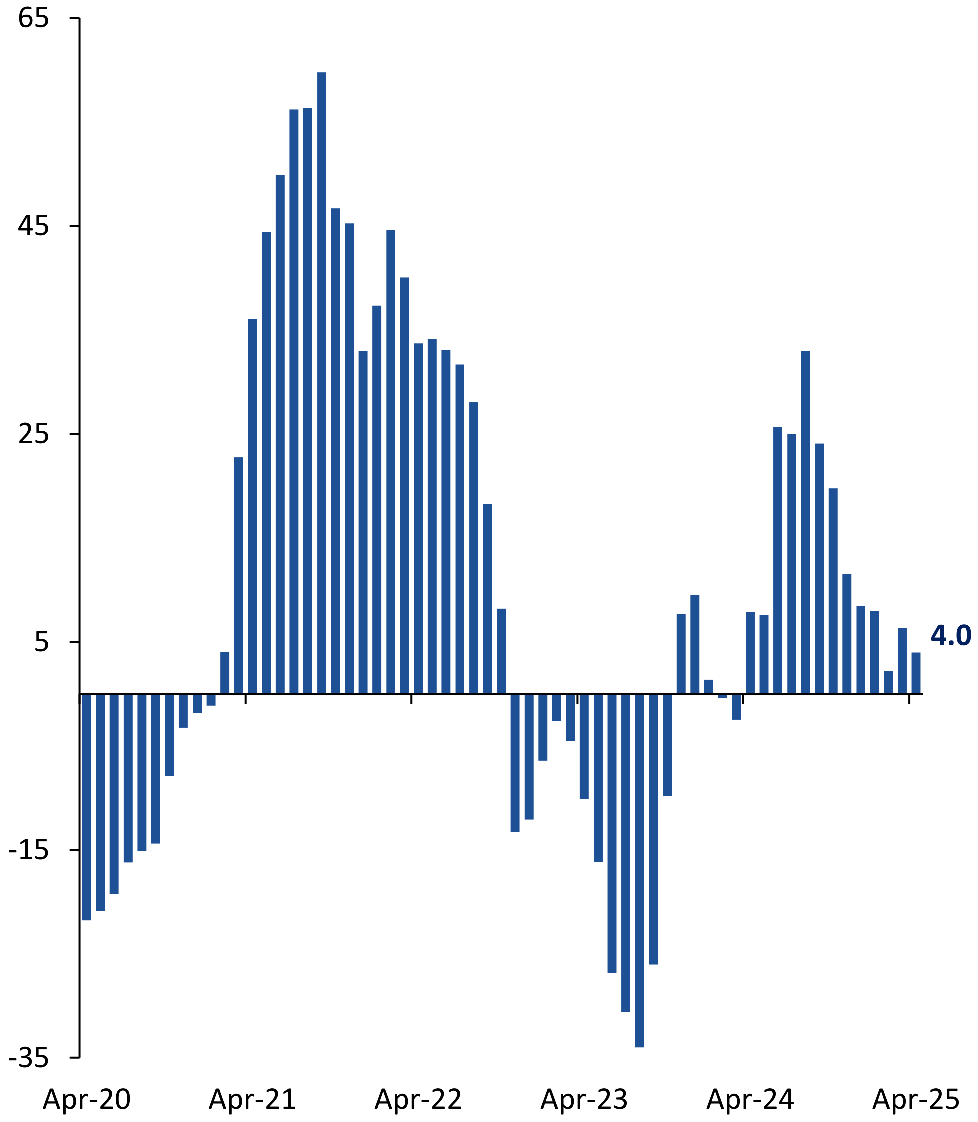
Annual real GDP change in 2024, by expenditure approach [(3)]
(YoY, in %)



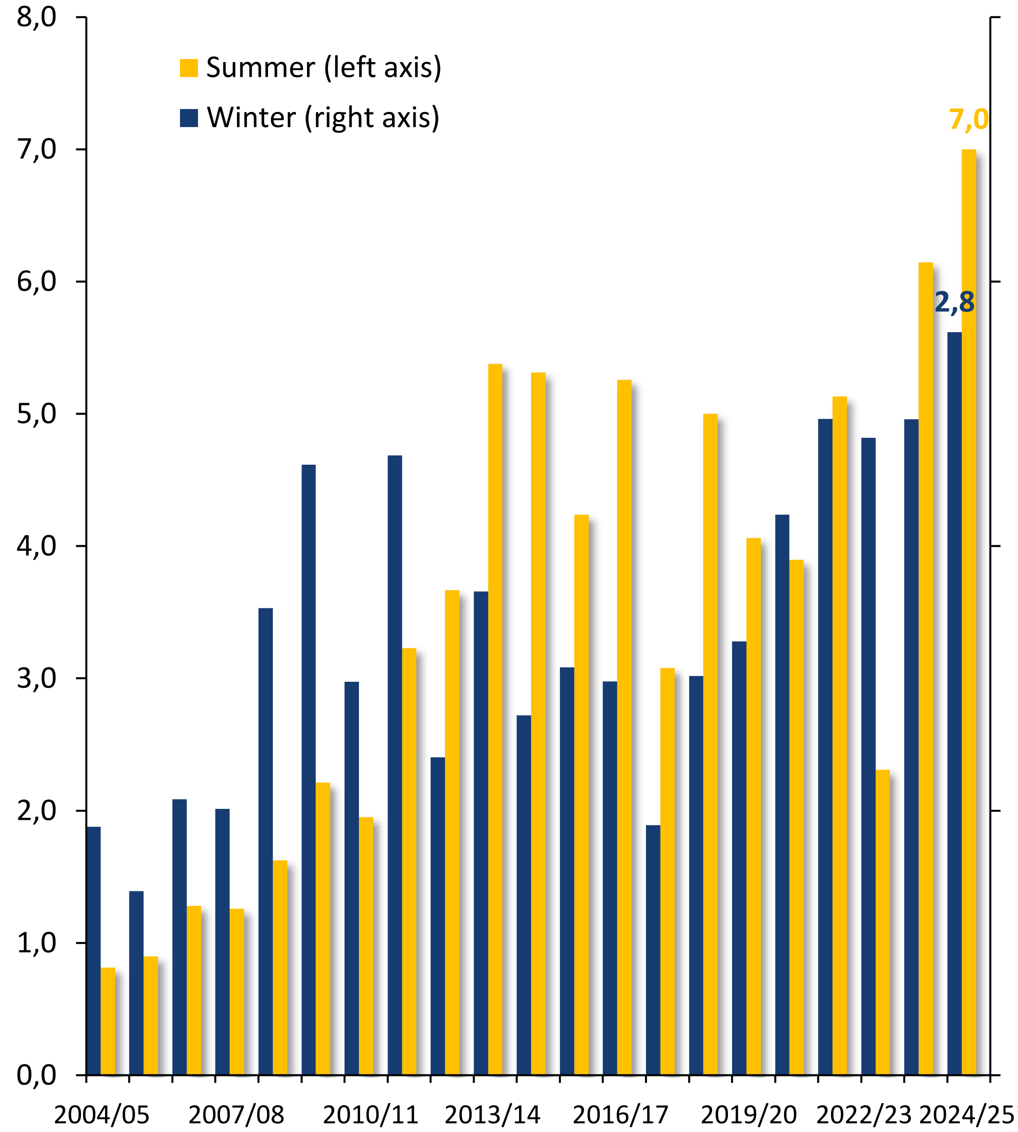
(1) Source: Central Bank of Uruguay.
(2) Source: Central Bank of Uruguay.
(3) Source: Central Bank of Uruguay.
(*) The decline in imports contributes to the increase in GDP.

Stronger exports of goods and a record harvest yield has carried the growth momentum into 2025

Value of exported goods (1)
(Three-month moving average of YoY change, in %)



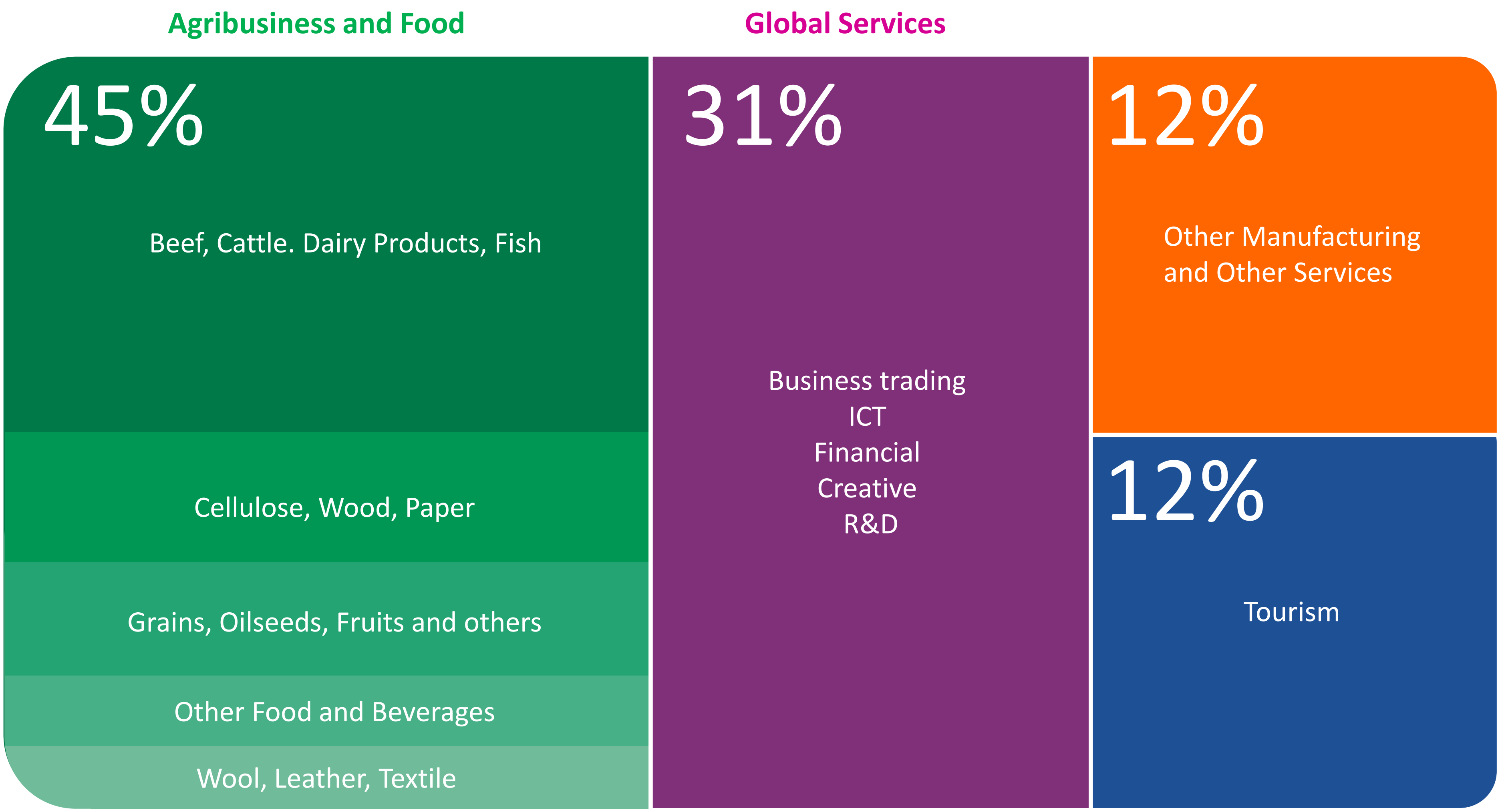
Winter and summer crop production (2)
(in thousands of Tons)



(1) *Source: Uruguay XXI. Includes exports from Free Trade Zones.*
(2) *Source: Central Bank of Uruguay.*

Structure of Uruguay’s total exports of goods and services in 2024

Composition of Exports of Goods and Services[1]
(In % of total)

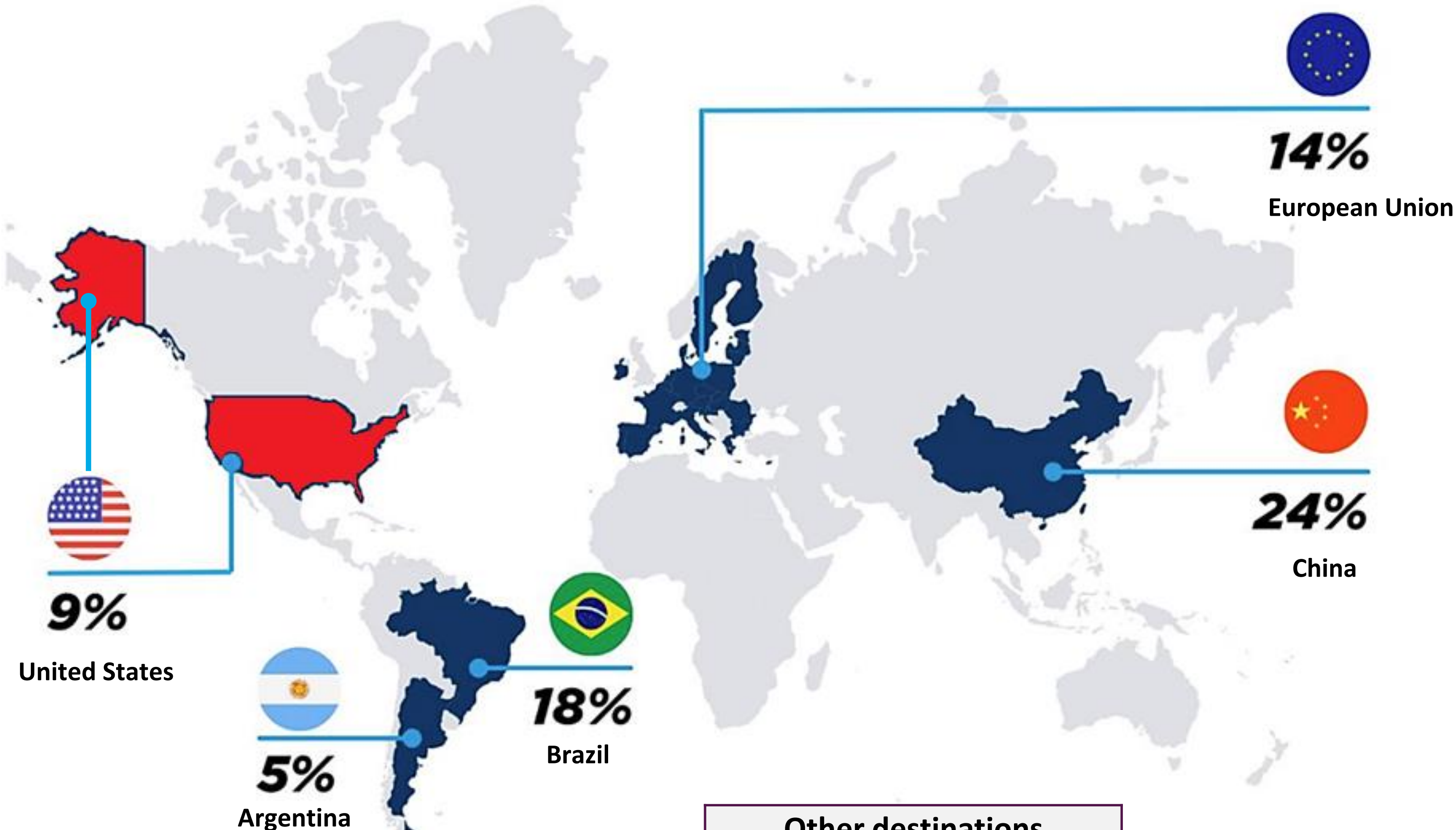


Despite being widely recognized as an Agri-exporting and touristic country, Uruguay has become a major exporter of Global Services

(1) *Source :* Uruguay XXI based on the National Customs and Free Zones Directorate and the Central Bank of Uruguay.

Uruguay´s total exports of goods in 2024, by destination

Destination of Exports of Goods (1)
(In % of total)



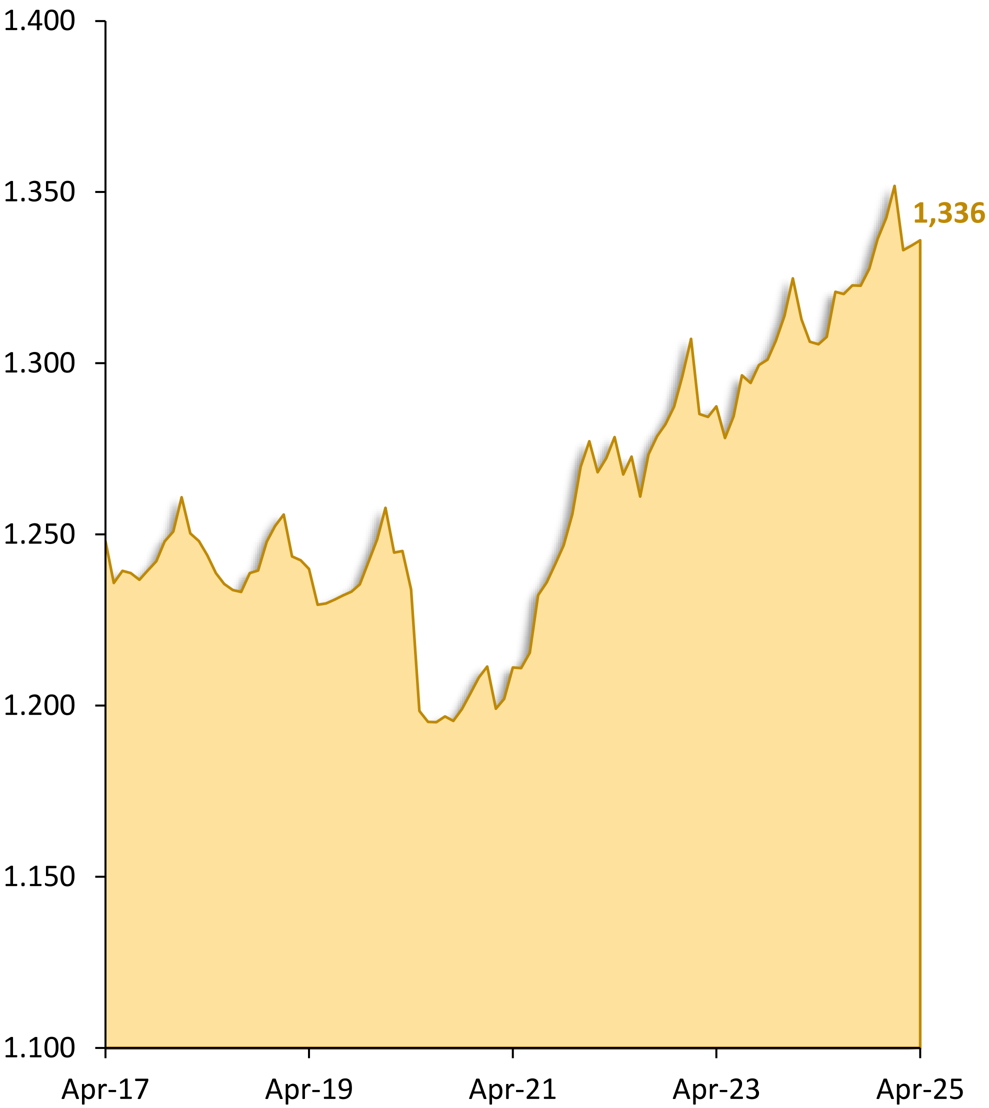
Other destinations	
Rest of the Americas	12%
Rest of Europe	5%
Türkiye	4%
Others	8%

(1) *Source:* Uruguay XXI. Includes exports from free trade zones and excludes electricity exports.

A strong labor market is expected to continue to power private consumption and consumer confidence, with smaller leakages to Argentina

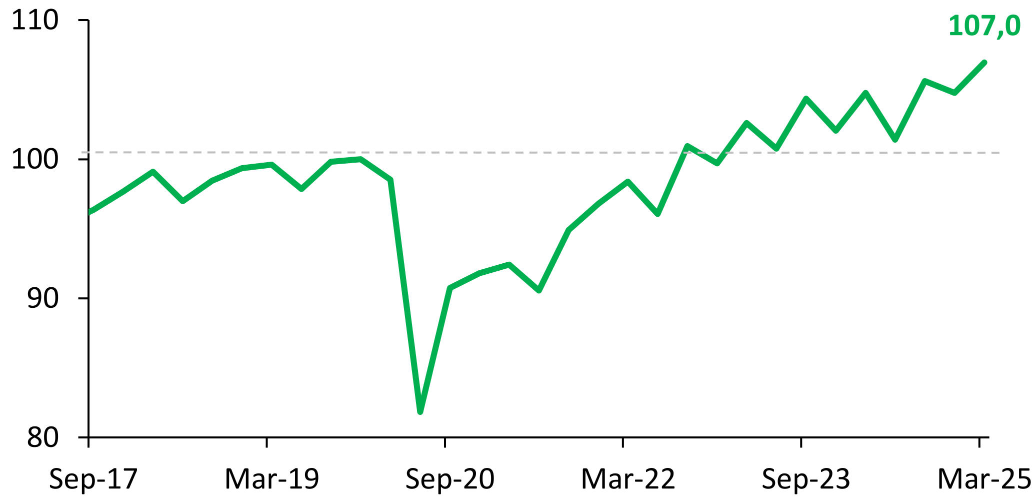
Contributors to the social security system (1)

(In thousands of people)

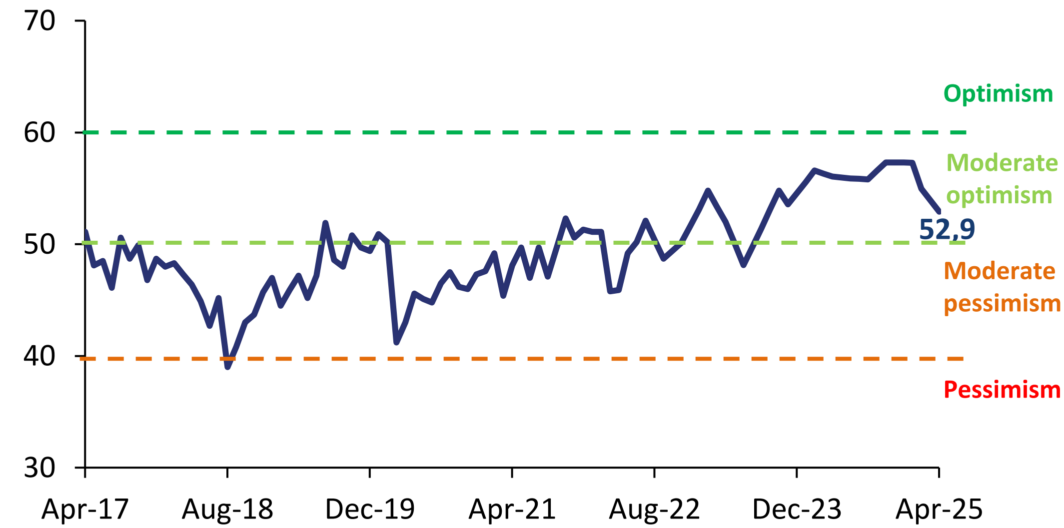


Household consumption (2)

(Index base 2019 Q4 = 100)



Consumer confidence index (3)

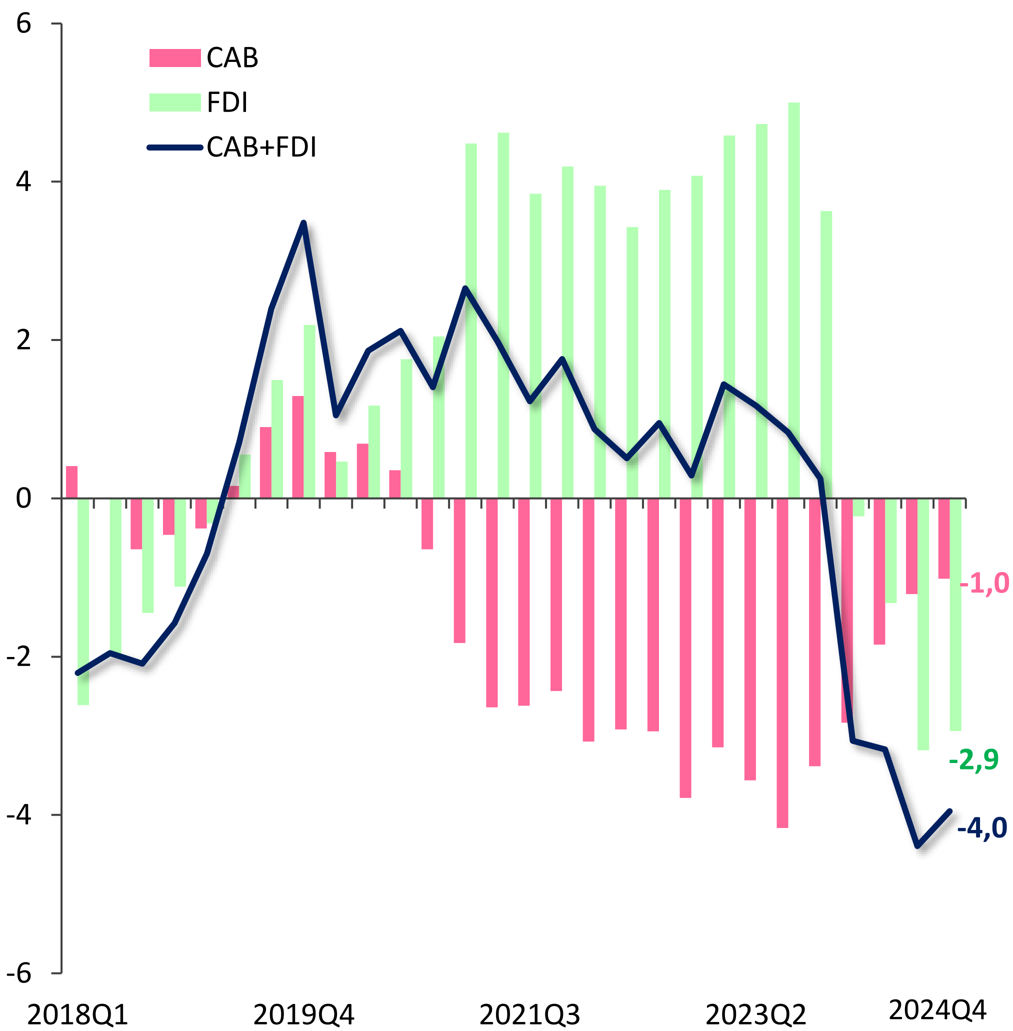


(1) Source: Social Security Bank.
(2) Source: Central Bank of Uruguay.
(3) Source: Equipos Consultores.

Lower current account deficit amid improving trade balance and subdued FDI inflows; large international reserve buffers are a significant external backstop

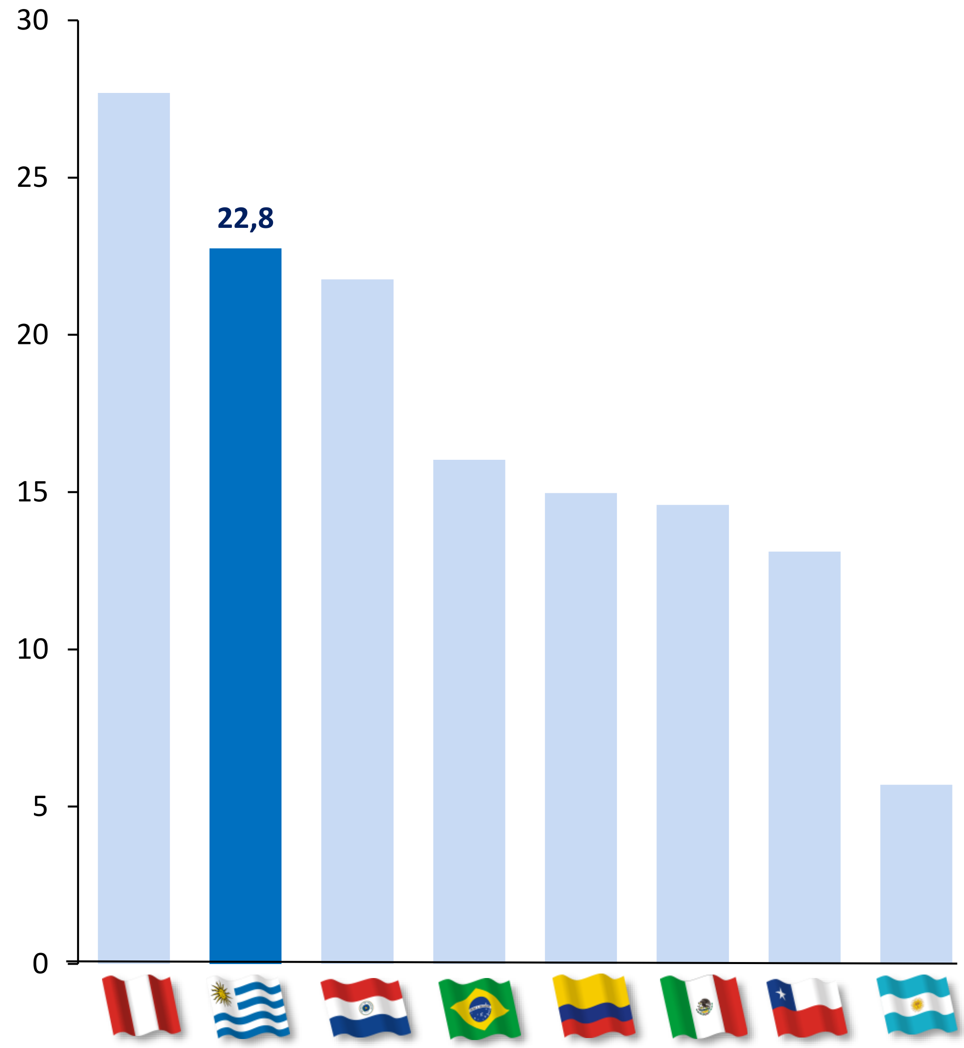
Current account balance and FDI (1)

(Rolling 4-quarters, in % of GDP)



International reserves in Latam (2)

(In % of GDP, as of end of April 2025*)



(1) Source: Central Bank of Uruguay.

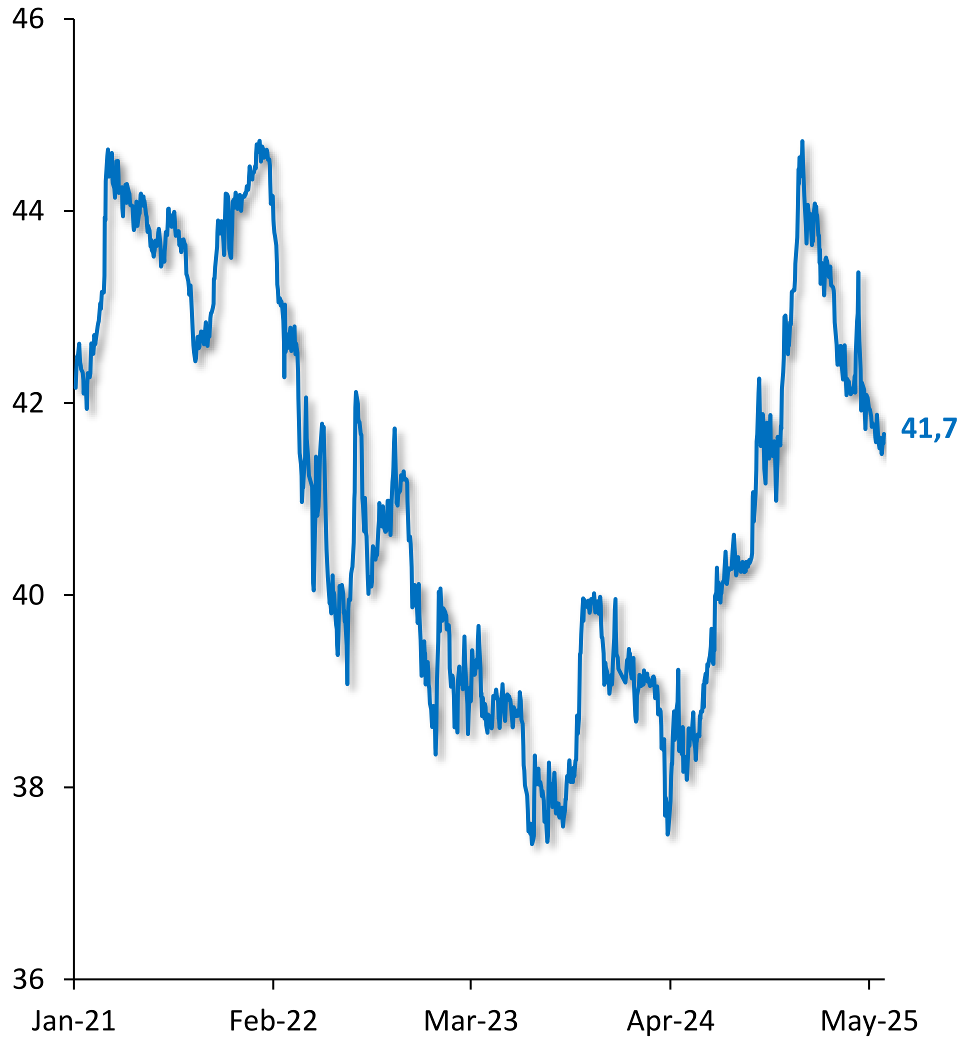
(2) Source: International Monetary Fund, except for Uruguay, where international reserves and GDP correspond to data from Central Bank of Uruguay. Regional and country specific information is as aggregated or reported, as applicable. Each such country information may be calculated differently and aggregated by each respective source using various methodologies. Accordingly, this comparison is for illustrative purposes only and we do not purport assert that the above information is actually comparable.

(*) Except for Paraguay. Data for Paraguay is updated as of September, 2024.

Exchange rate flexibility continues to help the economy adjust to evolving regional and global conditions, yet with low sensitivity to risk-off episodes.

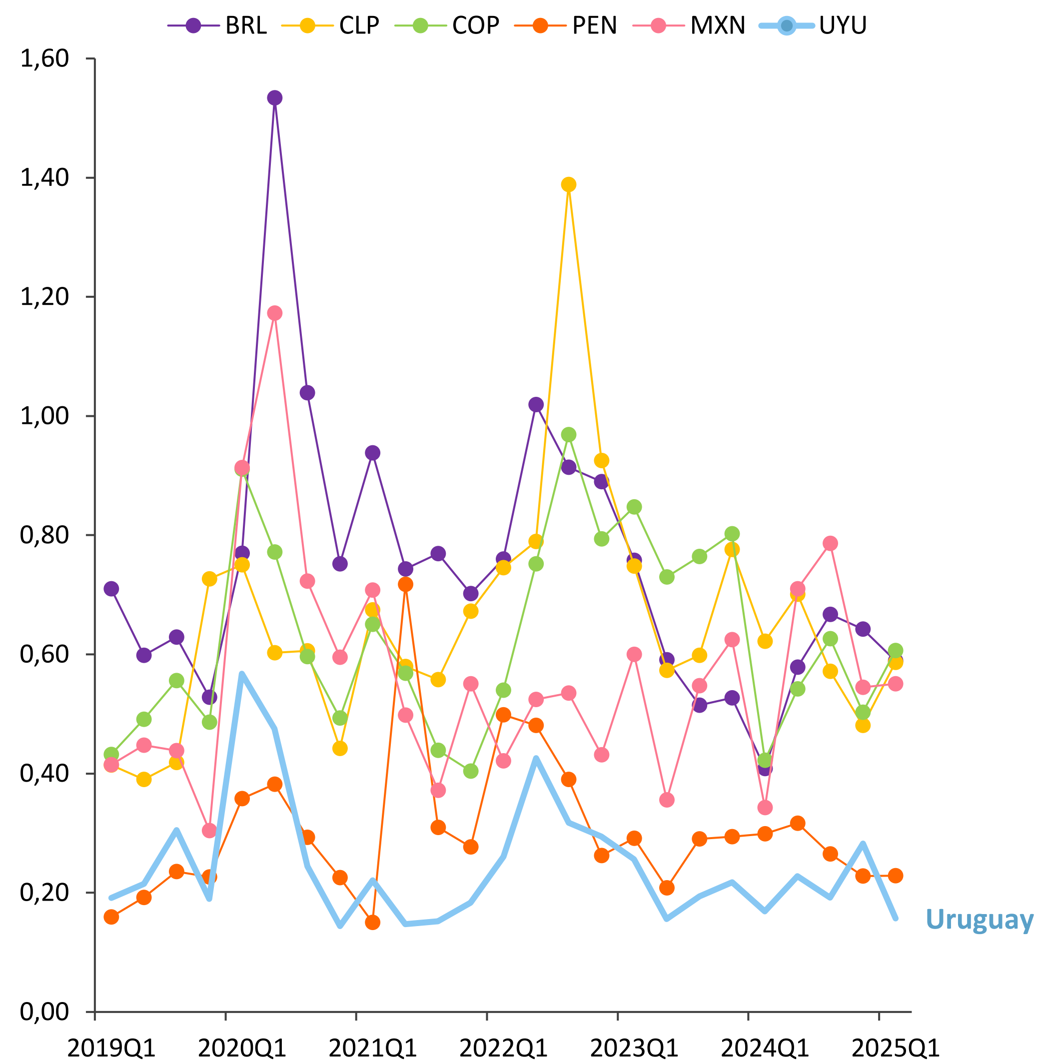
Nominal exchange rate (1)

(Uruguayan pesos per dollar, daily, as of May 31st, 2025)



Nominal exchange volatility in LatAm (2)

(Quarterly average of the absolute value of daily percent changes)



(1) *Source: Central Bank of Uruguay.*

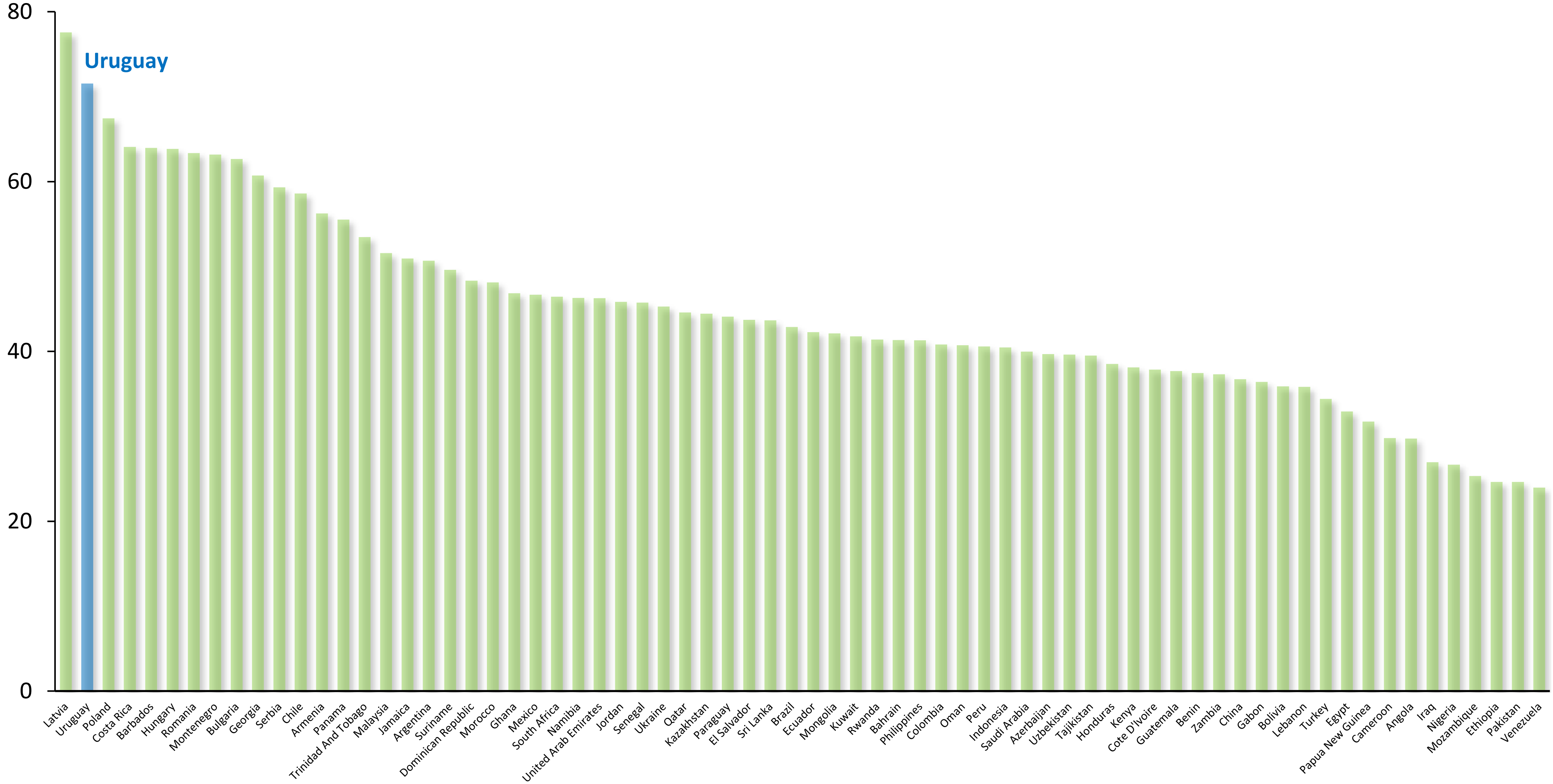
(2) *Source: MEF calculations based on Bloomberg. Regional and country specific information is as aggregated or reported, as applicable. Each such country information may be calculated differently and aggregated by each respective source using various methodologies. Accordingly, this comparison is for illustrative purposes only and we do not purport assert that the above information is actually comparable.*

ESG foundations

Uruguay is among the top global performers on ESG fundamentals in emerging markets

Emerging Markets' ESG Score (1)

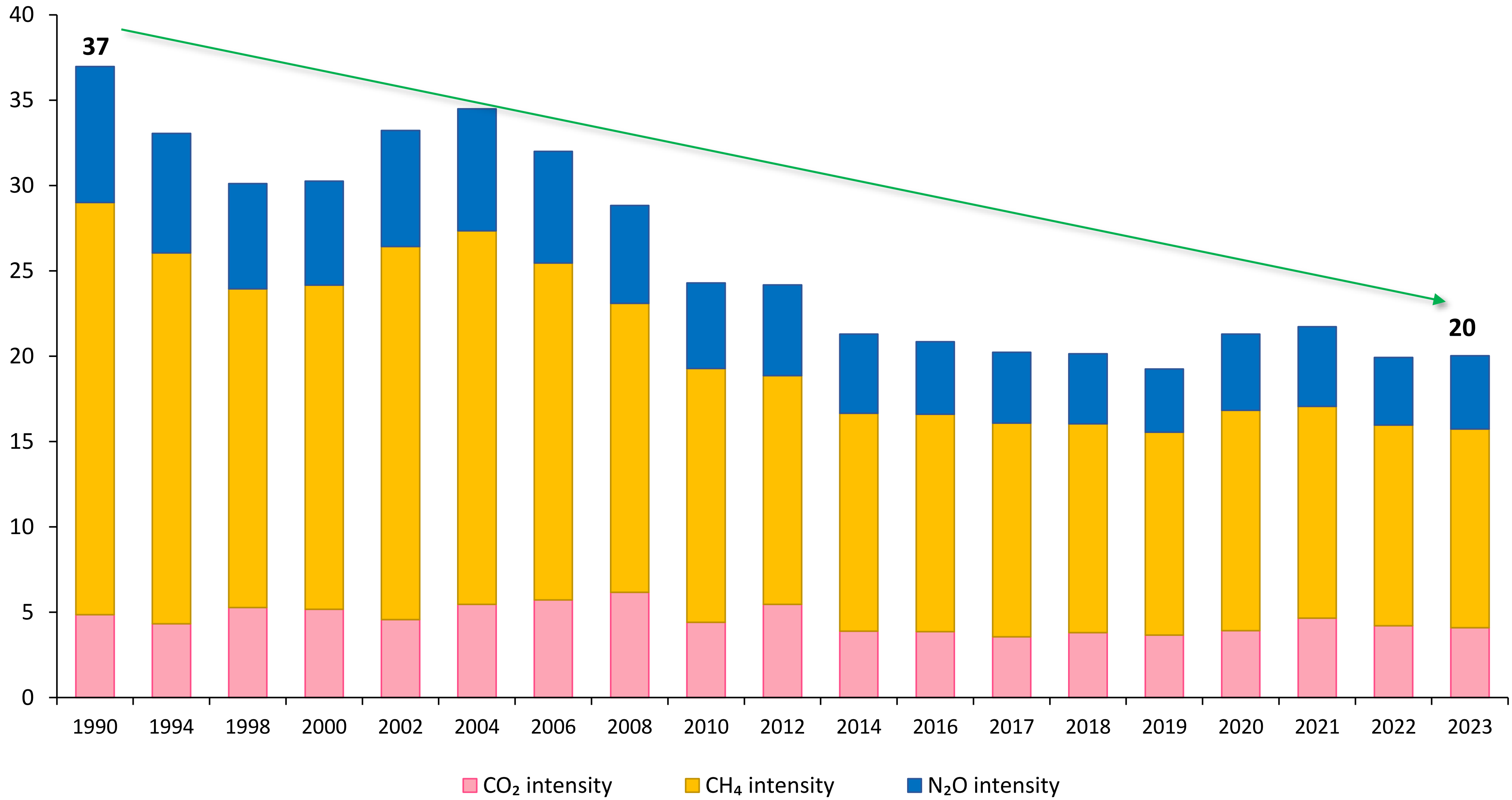
(Index, 100 = best performance; as of end-March 2025)



(1) Source: J.P. Morgan Chase & Co. using data from Verisk Maplecroft, Sustainalytics and Climate Bonds Initiative . Disclaimer: "Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2022 J.P. Morgan Chase & Co. All rights reserved."

Uruguay has made steady progress over the last three decades on environmentally-friendly policies and decarbonization of economic activities.

Evolution of Uruguay´s Intensity Gross Greenhouse Gas Emissions(*)
As a share of real GDP, by type of gas



(*) Considers the main sectors contributing emissions of each GHG, as set out in the 2017 NDC. Expressed in Gg CO_2 Metric GWP100 AR5. Real GDP measured in billions of pesos in 2016 constant prices. For the period 1990-2019, data is for years with official NGHGI publication and data for 2020, 2021, 2022 and 2023 was estimated for the SSLB Annual Report.
Source: SSLB Open Database as of May 2025.

Uruguay´s electricity generation matrix mostly runs on renewable resources, with steady growth in wind and solar energy in the last decade

	In Latin America and Caribbean
Energy Transition Index (1)	#2
The Green Future Index (2)	#2

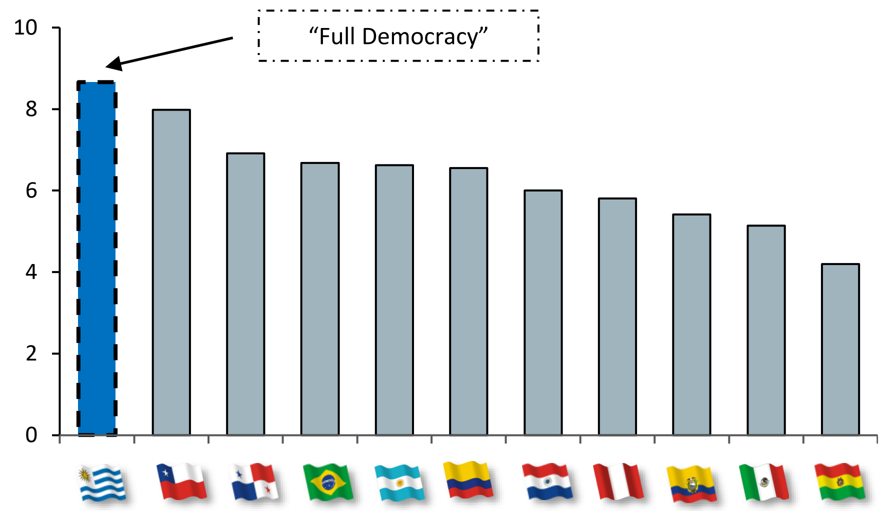
Share of Electricity Generation in 2024, by Source*:

HYDRAULIC	51%	99% RENEWABLE
WIND	32%	
BIOMASS	13%	
SOLAR	3%	
FOSSIL FUELS	1%	

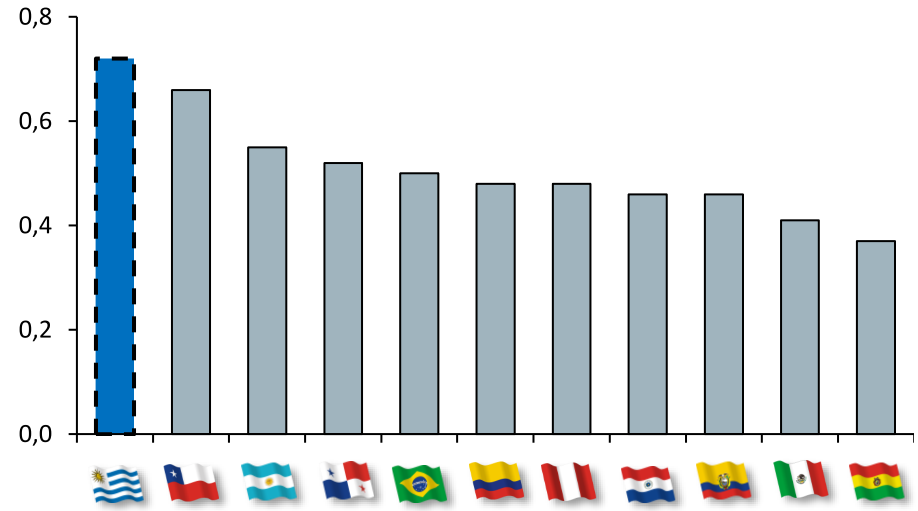
Source: Ministry of Industry, Energy and Mining.
**Last 12 months, through October 2024.*
(1) Source: World Economic Forum, 2023.
(2) Source: MIT Technology Review, 2023.

Uruguay is a bastion of institutional, political and social stability in LatAm, ranking alongside most developed nations

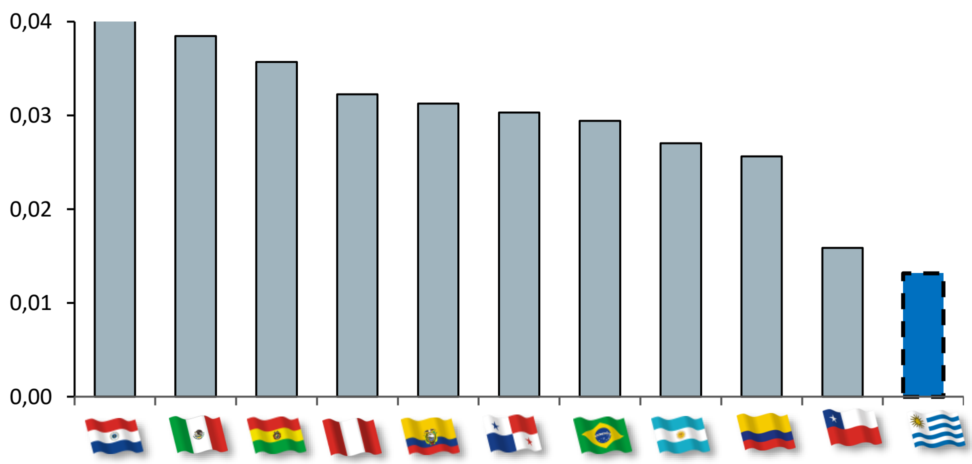
Democracy Index (1)
(Rank)



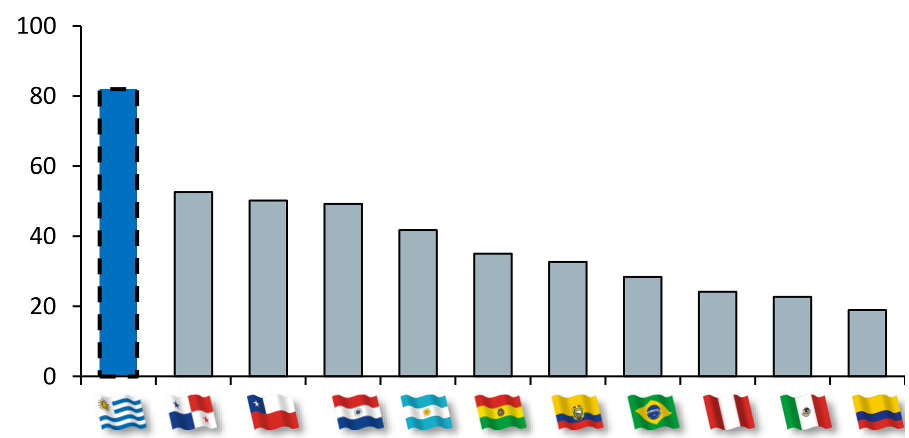
Adherence to the Rule of Law (2)
(Numerical score out of 1)



Corruption Perceptions Index (3)
(Inverse of the index, which is out of 100)



Political Stability and Absence of Violence/Terrorism (4)
(Percentile rank)

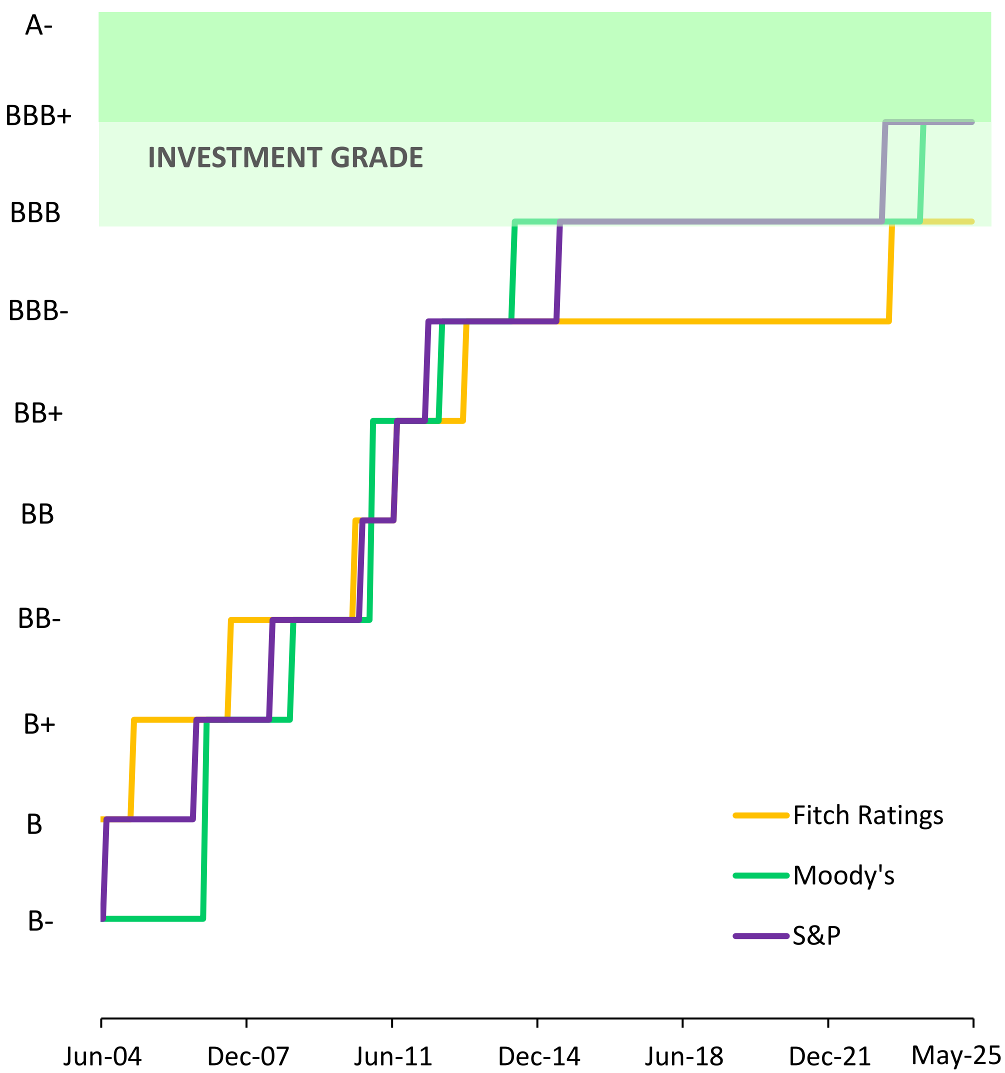


(1) Source: World Population Review (2025).
(2) Source: World Justice Project (2024).
(3) Source: Transparency International (2024). It was calculated as the inverse of the index.
(4) Source: Worldwide Governance Indicators (2023). World Bank.

Three of the five leading rating agencies now place Uruguay at its highest credit rating ever; Uruguay has the lowest sovereign risk premia in Latin America

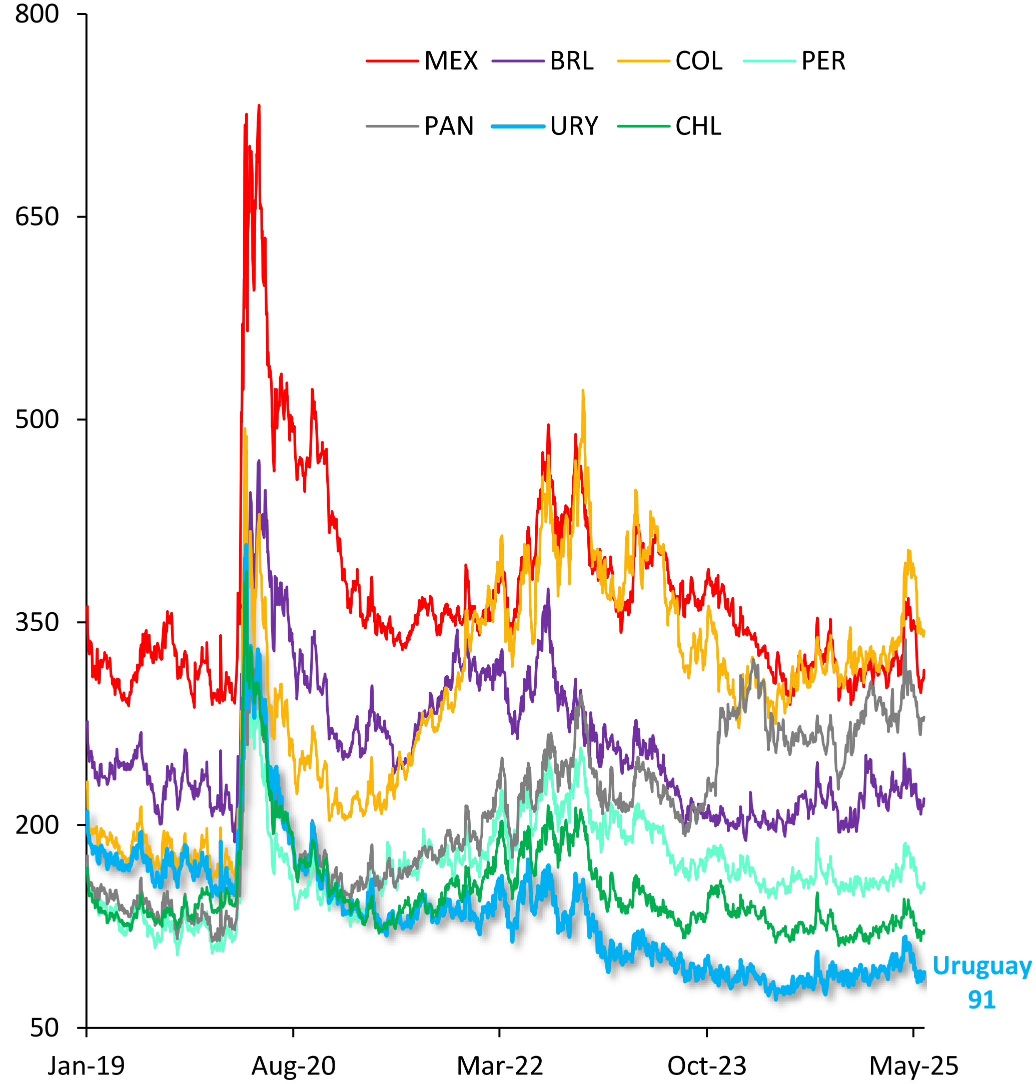
Evolution of Uruguay's sovereign credit ratings [1]

(As of end-May 2025)



Sovereign risk premia in LATAM [2]

(EMBI spread, in bps; as of May 31st, 2025)



1) *Source: Moody's, S&P, R&I, DBRS-Morningstar and Fitch. Agency ratings are not a recommendation to buy, sell or hold any security, and they may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating, as each agency has different evaluation criteria. In the case of Moody's, a Baa1 rating is equivalent to BBB+ .*
2) *Source: Bloomberg. Regional and country-specific information is aggregated or reported, as applicable. Each country's information may be calculated differently and aggregated by each source using various methodologies. Accordingly, this comparison is for illustrative purposes only and we do not purport to assert that the above information is actually comparable.*

3

The Government's strategic agenda is based on consolidating macroeconomic stability and boosting economic growth

Strengthen macro policy frameworks and accelerate economic growth

1. Consolidate Macroeconomic Stability

2. Accelerate Growth

Continue strengthening fiscal rules and institutions, as well as revenue administration.

Continue reducing inflation by consolidating the inflation targeting regime.

Promote competition and increase transparency in price formation in key sectors.

Encourage innovation and the adoption of technology.

Strengthen investment promotion instruments.

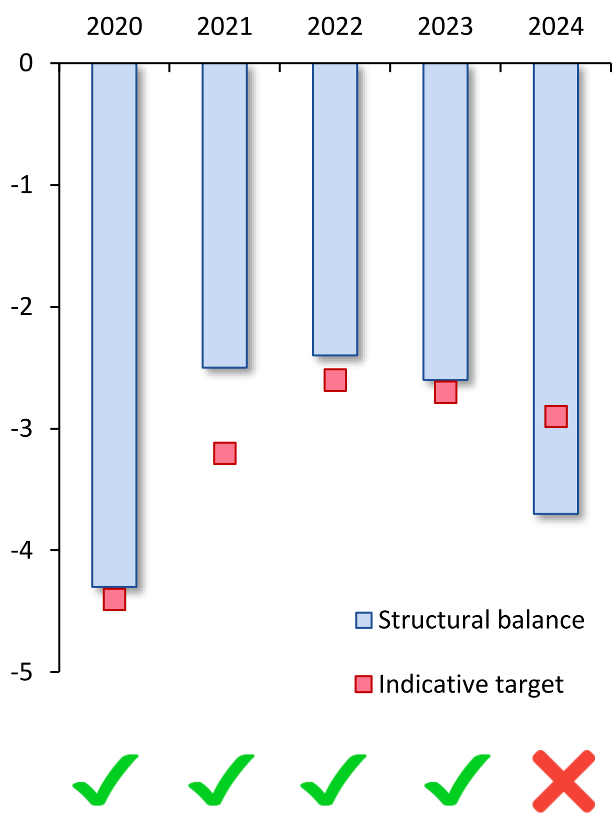
After four consecutive years of meeting the three pillars of the Fiscal Rule, 2024 marked the first year in which the rule was breached

Indicative target on structural fiscal balance

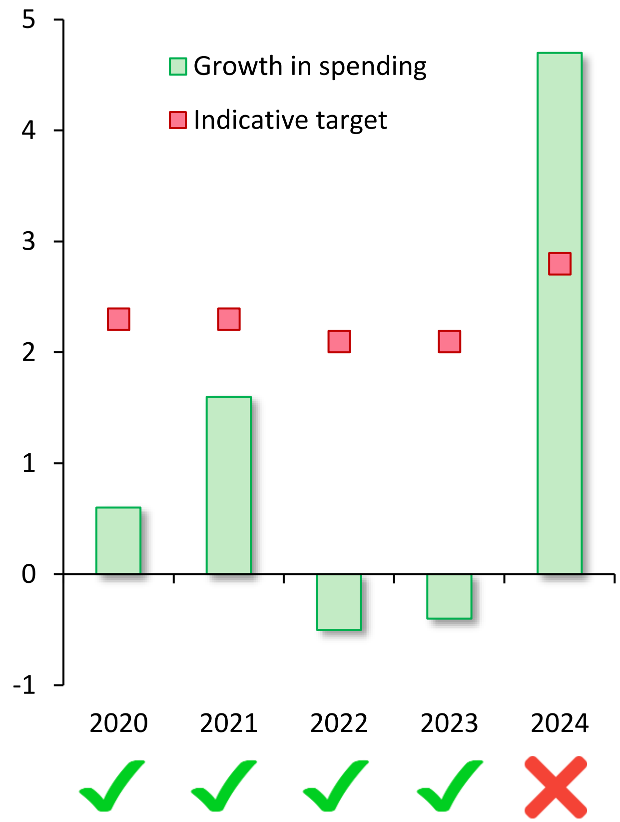
Indicative target cap on real growth in primary expenditure

Legally binding maximum level of annual net indebtedness in dollar amount

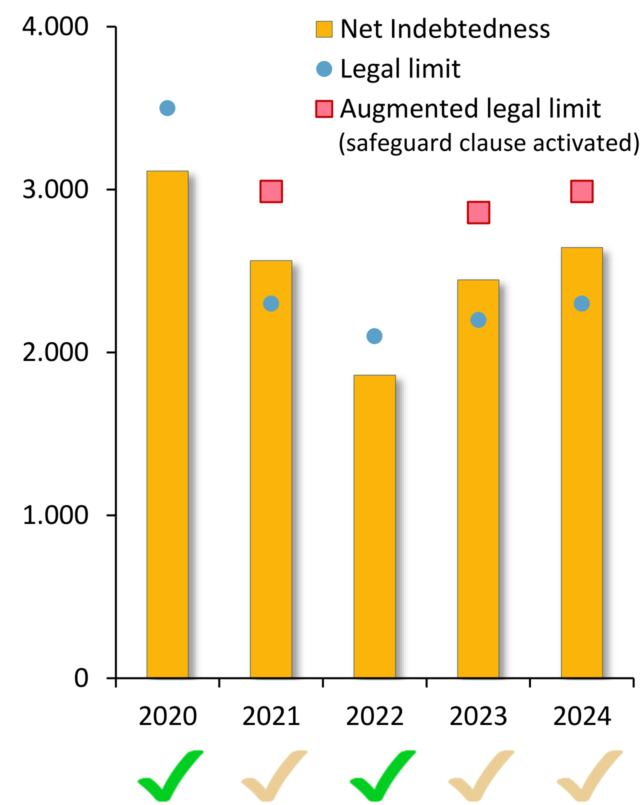
Structural balance [(1) (2)]
(In % of GDP)



Primary government spending
(Annual real change, in %)



Net indebtedness [(3) (4)]
(USD mm)

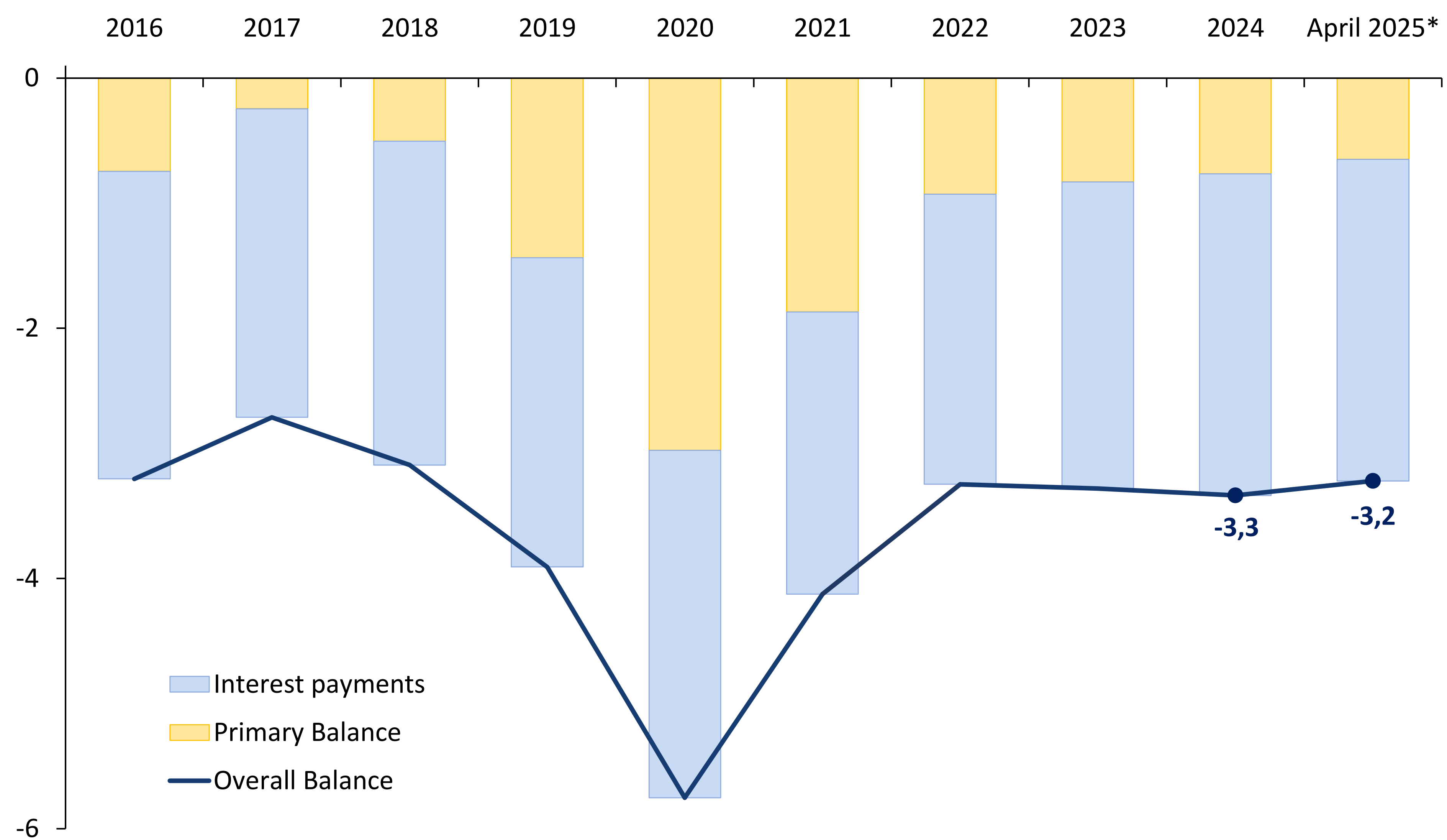


Source: Ministry of Economy and Finance of Uruguay, based on targets set in the annual Accountability Law approved by Congress in 2023.
(1) Structural balance refers to the fiscal outcome adjusted for fiscal items impacted by economic cycle fluctuations and one-off/temporary spending and/or revenues. The ratio to GDP is calculated using the nominal GDP series and forecast for 2023 by MEF as of end-February 2024 and submitted to the Fiscal Advisory Committee (FAC), at the time of evaluating the of the achievement of the pillar of the fiscal rule (see Report on the Calculation of the Structural Result as of February 29th, 2024). The annual GDP number for 2023 was officially published by the Central Bank by end-March 2024, which included revisions to the historical series from 2018 onwards.
(2) Historical series of structural balance were revised and corrected retrospectively from 2023, standardizing criteria.
(3) For 2023, the legal net indebtedness cap was increased from USD 2,200 million to USD 2,860 million invoking the use of the legal escape clause in the fiscal rule, due to the water deficit emergency . Government Net Indebtedness is defined as gross indebtedness (bond market issuance and disbursed loans) net of amortizations of market debt and loans, and the change in Central Government´s financial assets, during the fiscal year.
(4) The Government invoked the legal safeguard clause in December 2024, increasing the limit by up 30% (from USD 2.3 billion to USD 2.99 billion).

The headline fiscal deficit for 2024 was in line with the average of the last ten years

Central Government's headline fiscal balance (1)

(In % of GDP)



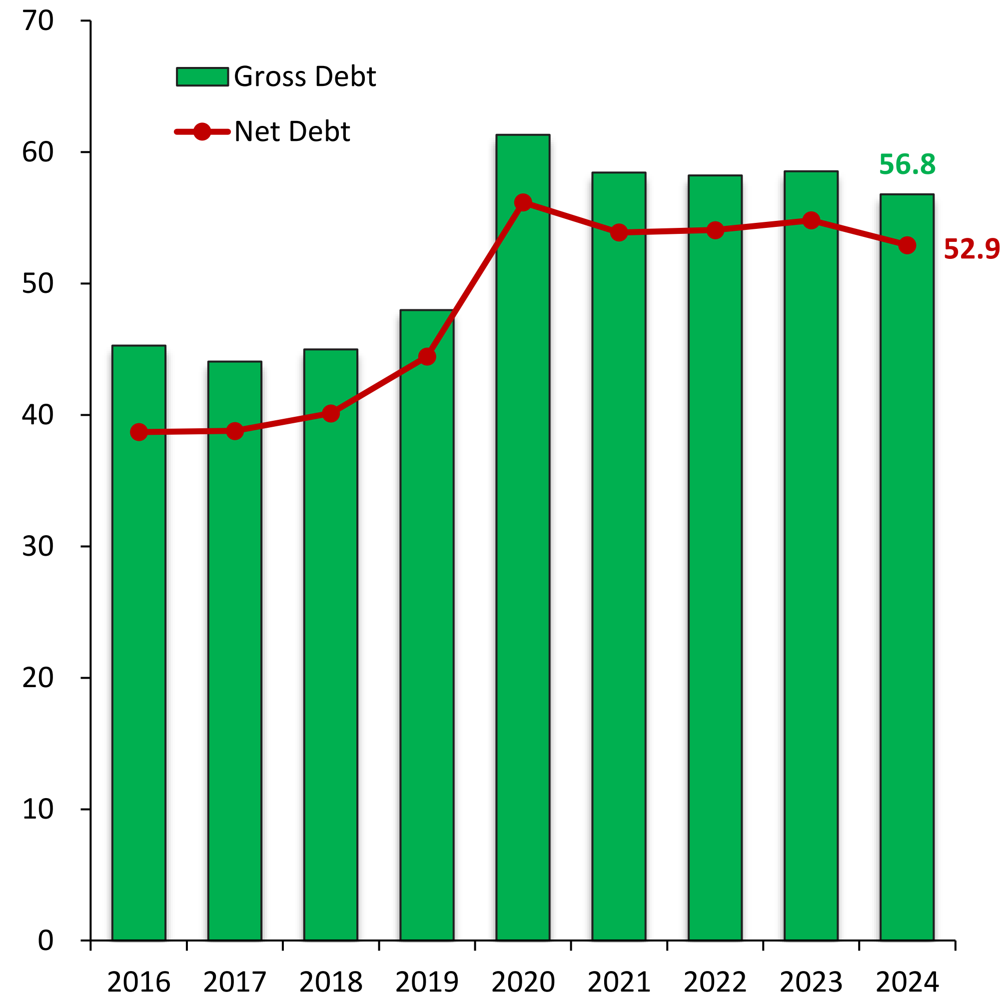
(1) *Source: Ministry of Economy and Finance of Uruguay and Central Bank of Uruguay. Does not Include extraordinary inflows to the Social Security Trust Fund.*

(*) *Last 12 months to April 2025. This figure is adjusted by excluding the advances on pension payments, salaries, and transfers (BPS) for April 2025. Data for 2025 is based on the estimated nominal GDP for April 2025 .*

The debt stock to GDP has stabilized, while debt management strategies and relative price effects have increased the share of local currency debt, a key credit metric.

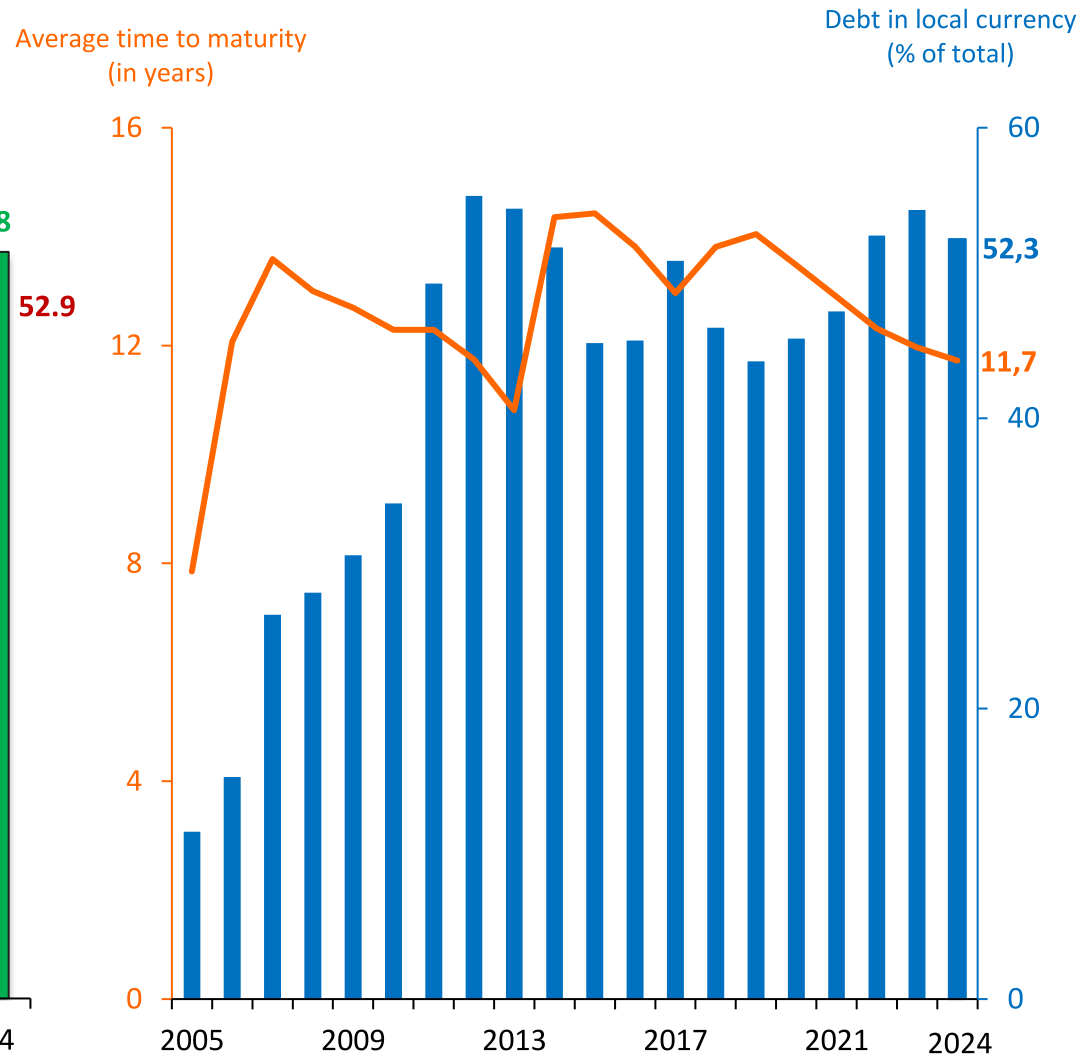
Gross and net debt stock of the Central Government (1)

(As of end-period, in % of GDP)



Currency and maturity composition of debt (1)

(As of end-period)



(1) Source: Ministry of Economy and Finance of Uruguay.

Government´s Financing Needs and Borrowing Plan for 2025, based on the latest Annual Budget Bill submitted to Congress in May

Central Government Financing Needs and Funding Sources [(1)]
(in millions of US$)

FINANCING NEEDS	**6,041**
Primary Deficit (2)	1,181
Interest Payments (3)	2,116
Amortizations of Bonds and Loans (4)	2,704
Accumulation of Financial Assets	39
FUNDING SOURCES	**6,041**
Loan Disbursements from Multilaterals and Financials Institutions	506
Total Issuance of Market Debt (5)	5,436
Others (net) (6)	99
Projected Central Government's Net Indebtedness	***3,199***

(1) Source: Ministry of Economy and Finance of Uruguay.
(2) Excludes extraordinary transfers to the Social Security Trust Fund.
(3) Includes interest payments to the Social Security Trust Fund on its holdings of central government debt
(4) Includes the obligations coming due on a contractual basis and bonds repurchased and early redeemed through liability management operations.
(5) Includes bonds issued domestically and in international markets.
(6) Captures the net effect of financing operations that do not have an impact on gross debt statistics; valuation effects from bond issuance prices above or below par; and financial sources of cash increases for the Treasury that do not entail a government revenue in fiscal statistics.
(*) Data from June 2025 onwards is projected.

Key policy priority is to strengthen the Fiscal Framework

Medium-term anchor based on **prudent level of net debt/GDP**

+

Short-term operational targets consistent with the debt anchor

- Methodological improvements in the estimation of potential GDP and output gap.
- Improve independent oversight.
- Better communication and accountability.

1. March–May 2025 **CONSULTATION WITH EXPERTS**
2. June-July 2025 **PROPOSAL & VALIDATION**
3. August 2025 **INCLUSION IN 5-YEAR BUDGET BILL**

Another key policy priority is to keep inflation low and stable

1. Consolidate Macroeconomic Stability

- Continue strengthening fiscal rules and institutions, as well as revenue administration.
- **Continue reducing inflation by consolidating the IT regime.**

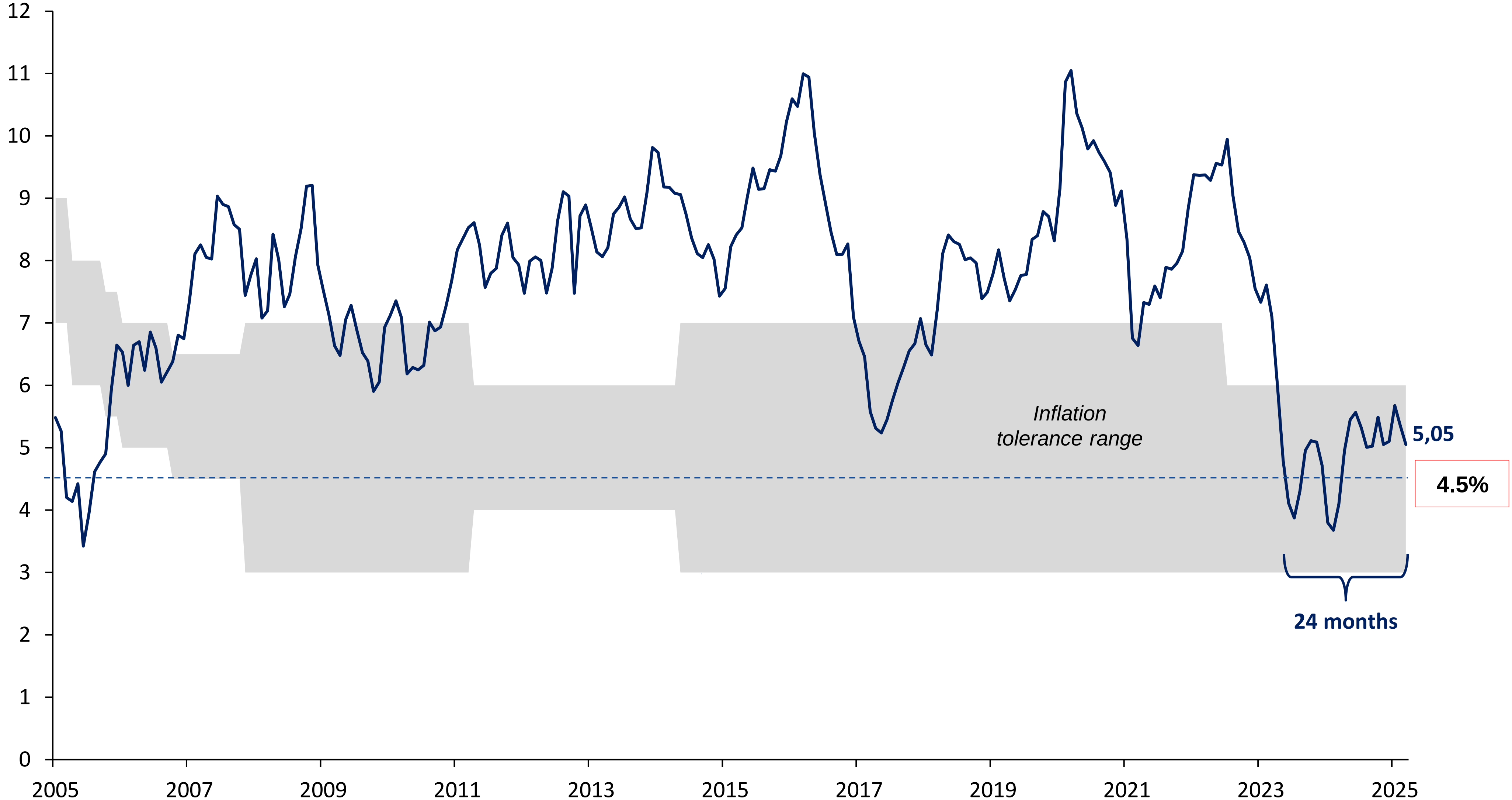
2. Accelerate Growth

- Promote competition and increase transparency in price formation in key sectors.
- Encourage innovation and the adoption of technology.
- Strengthen investment promotion instruments.

In May 2025, headline inflation completed twenty-four consecutive months within the tolerance range, the longest streak since the IT regime was introduced in 2005

Headline inflation (1)

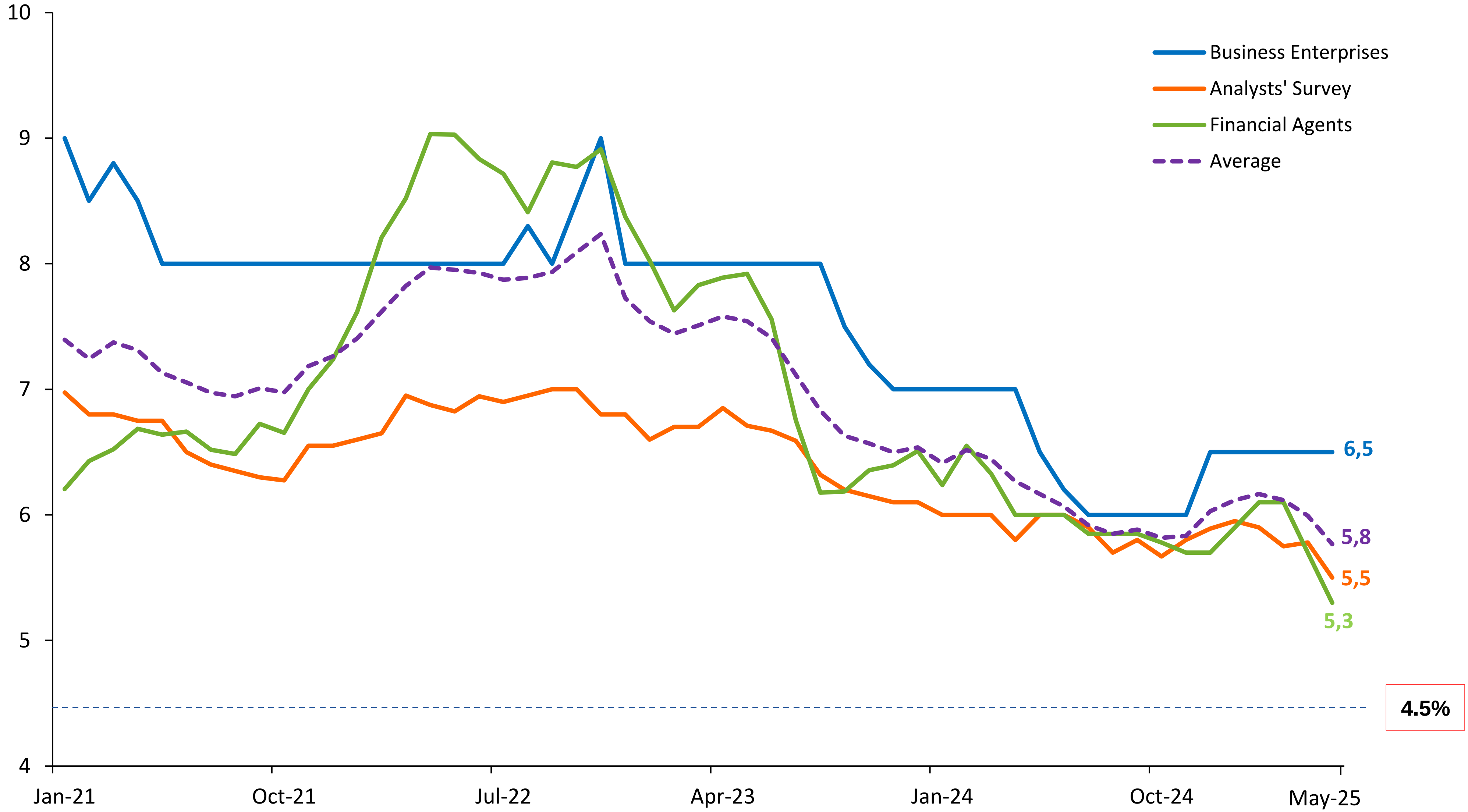
(YoY, in %)



(1) Source: National Institute of Statistics and Central Bank of Uruguay
(2) Source: Central Bank of Uruguay and National Institute of Statistics.

Inflation expectations have continued their downward trend, although they remain above the Central Bank target

Inflation expectations (1)



(1) Source: Central Bank of Uruguay and National Institute of Statistics

Sharper strategic focus in monetary policy

Pillars:

I. Commitment to the annual inflation target of **4.5%** as overarching objective (focus shifts from inflation range to inflation target number)

II. Short-term interest rate will continue as the policy instrument under free-floating exchange rate regime

III. Further reduce financial dollarization and develop local currency bond and capital markets

Monetary policy continuity with a sharper strategic focus

Pillars:

- I — Commitment to the annual inflation target of **4,5%** as over-riding objective (focus shifts from inflation range to inflation target number)
- II — Short-term interest rate will continue as the policy instrument under free-floating exchange rate regime
- III — Further reduce financial dollarization and develop local currency bond and capital markets

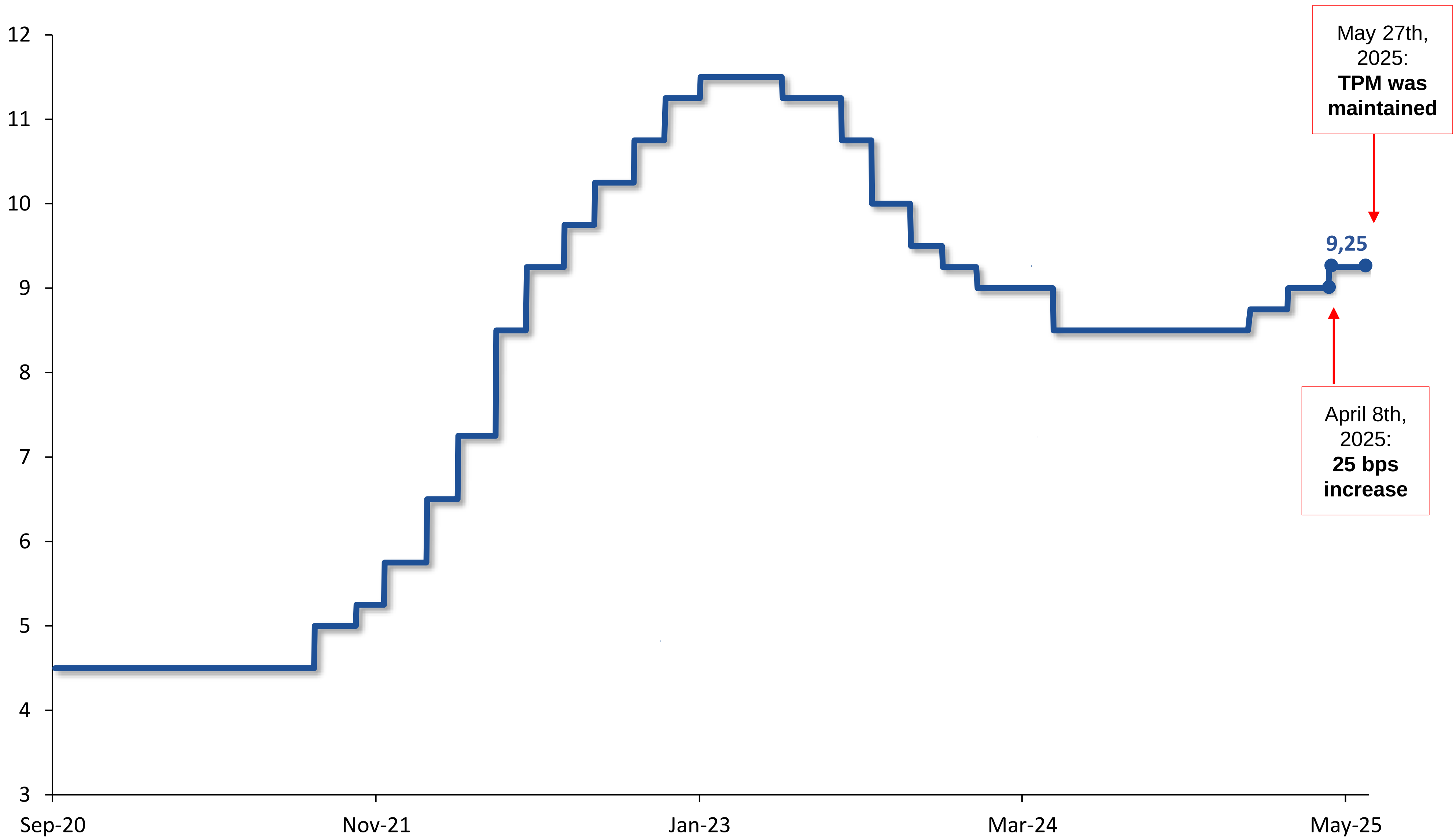
Strategies:

- I — Consistency of macroeconomic policies
- II — More *de facto* Central Bank independence
- III — Enhanced communication and transparency

The Central Bank affirmed its hawkish stance, raising the policy interest rate by 25bps in April 2025, and keeping a contractionary stance to steer inflation and inflation expectations towards the target

Monetary Policy Rate (MPR) (1)

(In %)



(1) Source: Central Bank of Uruguay. Before September 2020, the monetary policy instrument was growth in M1 monetary aggregate.

Two-pronged approach to increase investment and accelerate economic growth

1. Consolidate Macroeconomic Stability

- Continue strengthening fiscal rules and institutions, as well as revenue administration.
- **Continue reducing inflation throughout consolidating the targeting regime.**

2. Accelerate Growth

- Strengthen investment promotion instruments.
- Streamline regulations, reduce microeconomic costs of doing business and enhance competition.
- Foster innovation through partnerships between businesses and knowledge hubs.

4

Government's debt management and financing strategies

Cornerstones of the sovereign debt management strategy: balancing risk mitigation and cost efficiency

- Continue to **develop domestic local currency markets**.

- Seek a **balanced composition of local and foreign currency in international debt issuances at fiscally sustainable rates.**

- Continue to **diversify the investor base across regions, currencies and investment horizons**.

- **Keep refinancing risk low through liability management operations**, both in domestic and external markets, and in coordination with the Central Bank.

- **Promote the functioning of Uruguay´s secondary external bond markets**. Encourage market-making activities by banks and other financial intermediaries, while promoting price transparency in secondary markets.

Concluding remarks: economic policy and political stability are a source of comparative advantage for Uruguay in an uncertain world.

- Strong track record of **institutional stability** and orderly government transitions, reflecting the broadly cohesive nature of Uruguay's political class.
- High levels of **social spending and a broad social safety net**.
- Predictable and **prudent macroeconomic policy framework**.
- **Market-friendly** and attractive destination for foreign direct investment.
- Advances in impactful **structural reforms** focused on increasing potential growth and ensuring fiscal solvency.

Standing in LatAm Rankings

#1 Political Stability (1)	**#1** Democratic Strength (2)
#1 Rule of Law (3)	**#1** Social Mobility (4)
#1 Civil Liberties (5)	**#1** Lowest Corruption (6)

Sources: (1) Worldwide Governance Indicators, World Bank 2023; (2) Economist Intelligence Unit, 2023; *(3) World Justice Project, 2024;* (4) World Economic Forum, 2022; (5) Freedom House, 2023; *(6) Transparency International, 2023.*

República Oriental del Uruguay

Investor Presentation

June 2025