URUGUAY

Institutional Presentation

October, 2025

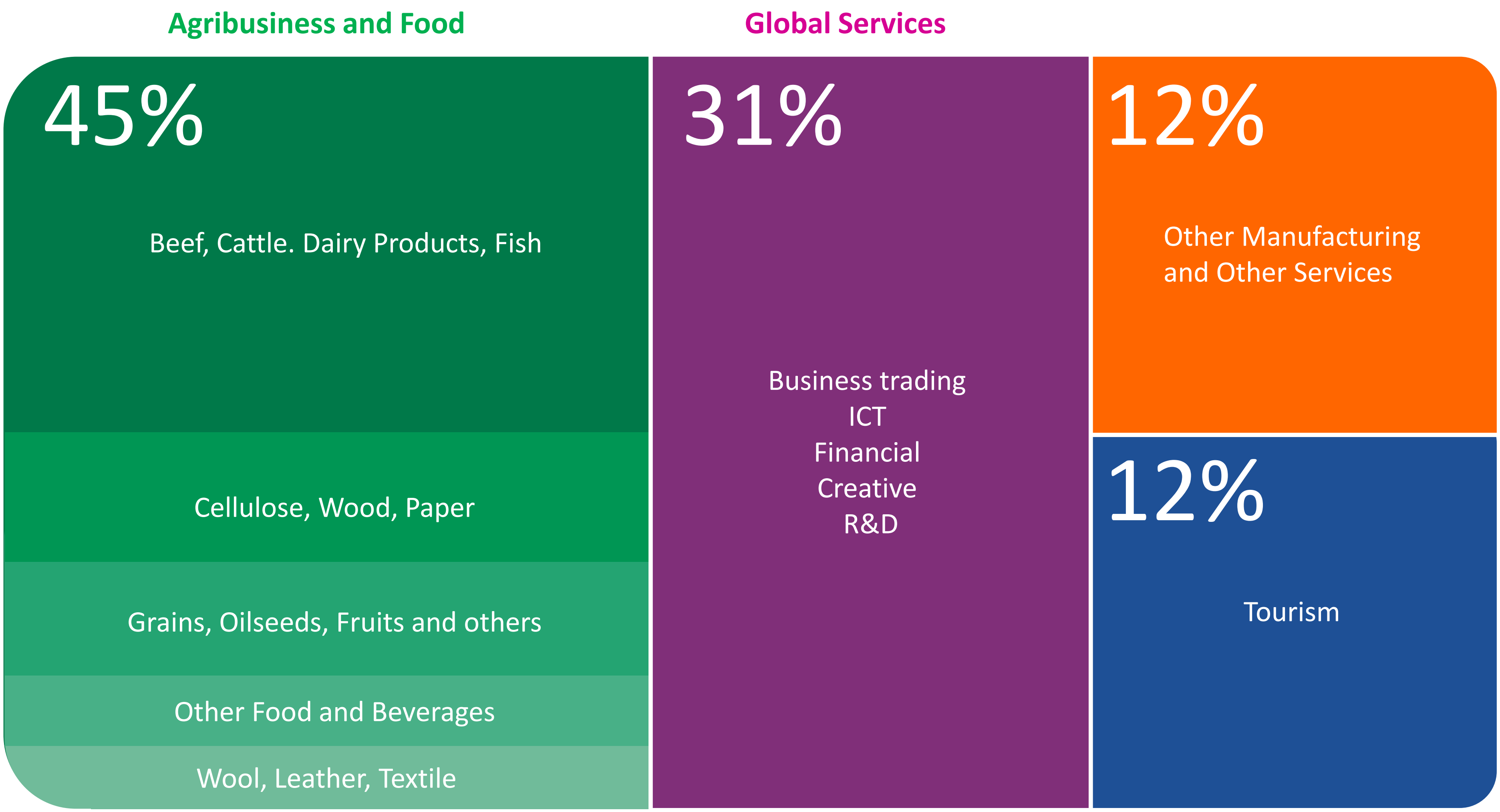
Uruguay at a glance

REPÚBLICA ORIENTAL DEL URUGUAY	
POPULATION (MILLION PEOPLE)	**3.5**
TOTAL SURFACE AREA (Km^2)	**176,215**
GDP (BILLON OF USD, 2025Q2)	**80.71**
GDP PER CAPITA (USD, 2025Q2)	**23,065**
LIFE EXPECTANCY (YEARS)	**78.3**
ADULT LITERACY RATE (%)	**99.1**

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

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.

Organization of the presentation

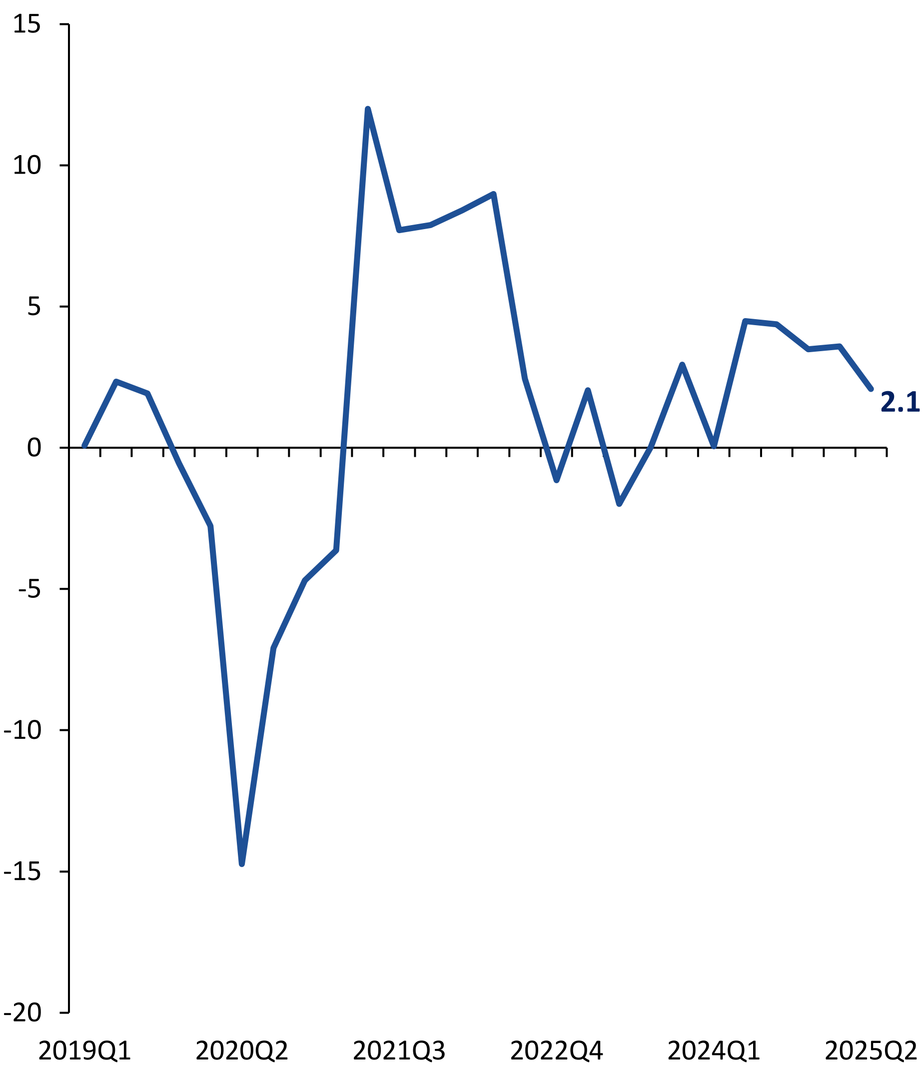
1. Macroeconomic performance and outlook
2. Uruguay’s Environmental, Social and Governance (ESG) foundations
3. Policy priorities of the new administration
4. Government’s debt management and financing strategies

1

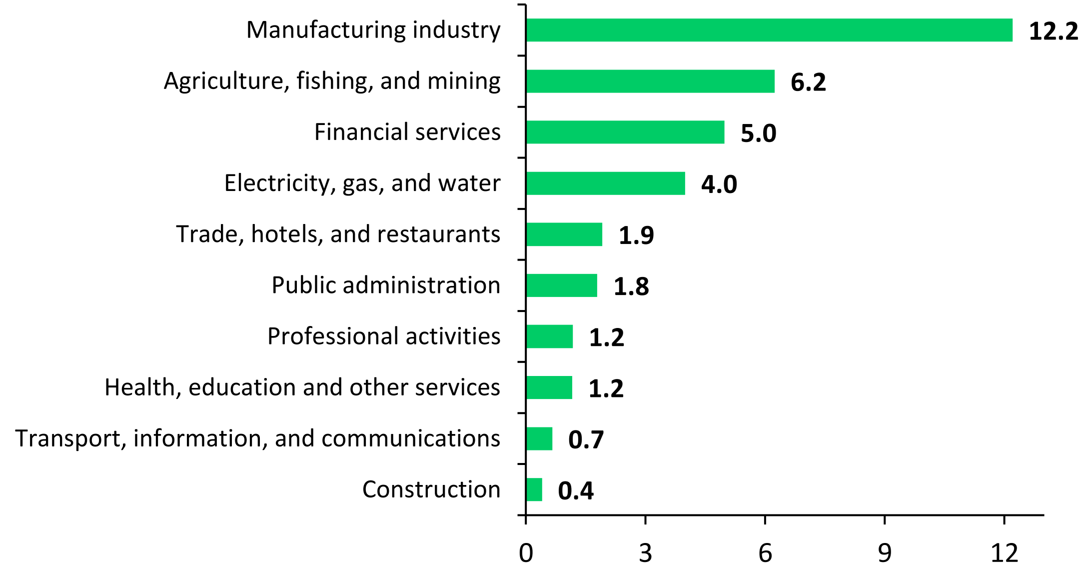
Recent macroeconomic developments and outlook

The dynamism in agriculture and manufacturing boost contributed to the GDP growth in the first half of the year

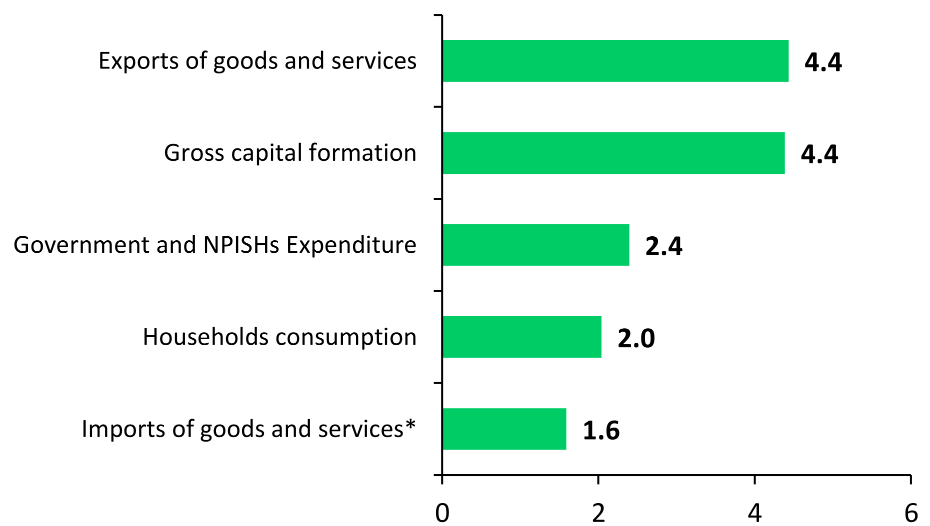
Annual real GDP change (1)
(YoY, in %)



Real GDP change in the second quarter 2025, by production (2)
(Rolling year, in %)



Real GDP change in the second quarter 2025, by expenditure (3)
(Rolling-year, in %)

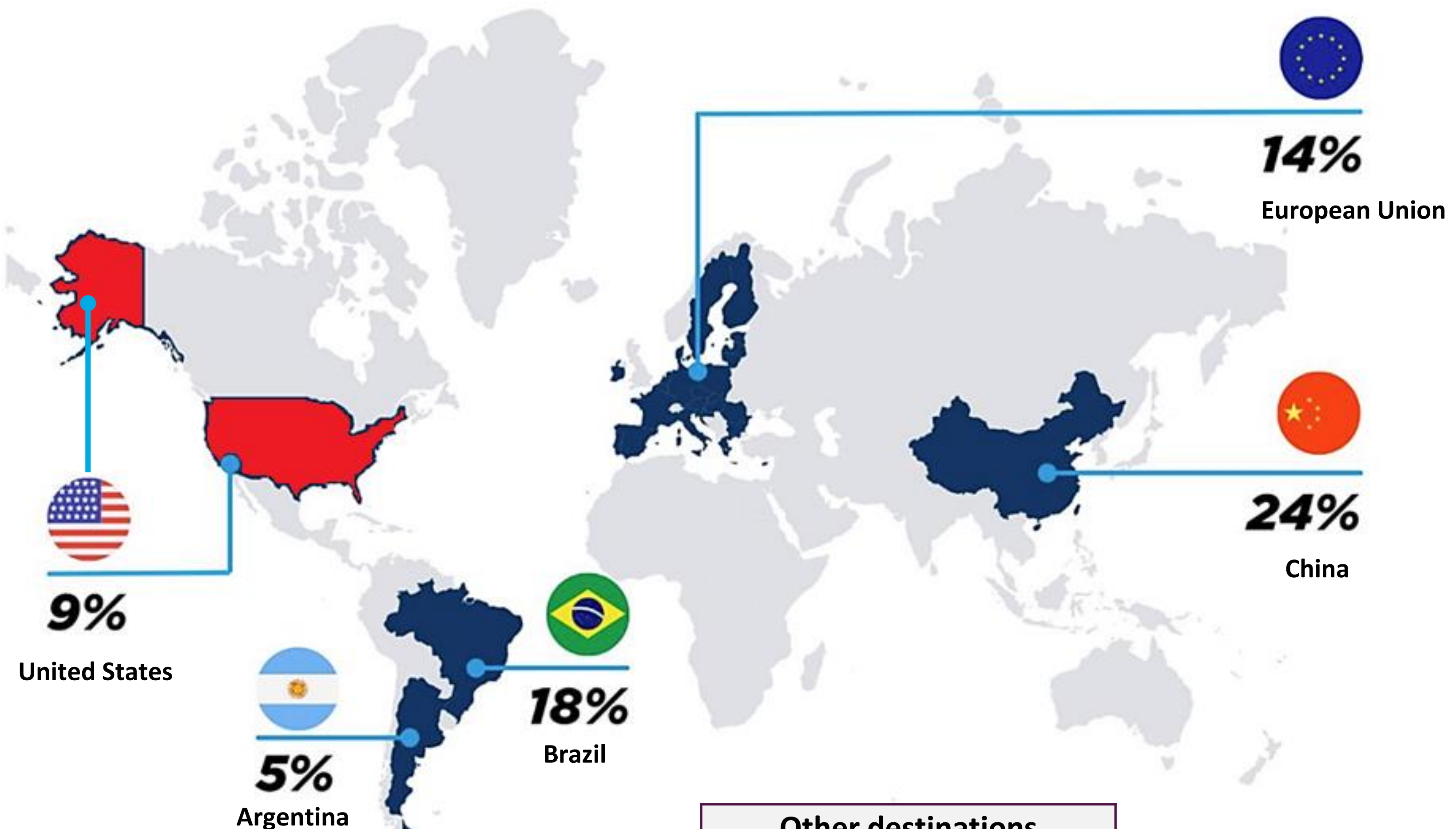


(1) Source: Central Bank of Uruguay.
(2) Source: Central Bank of Uruguay.
(3) Source: Central Bank of Uruguay.
(*) The increase in imports contributes to the decliine in GDP.

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%

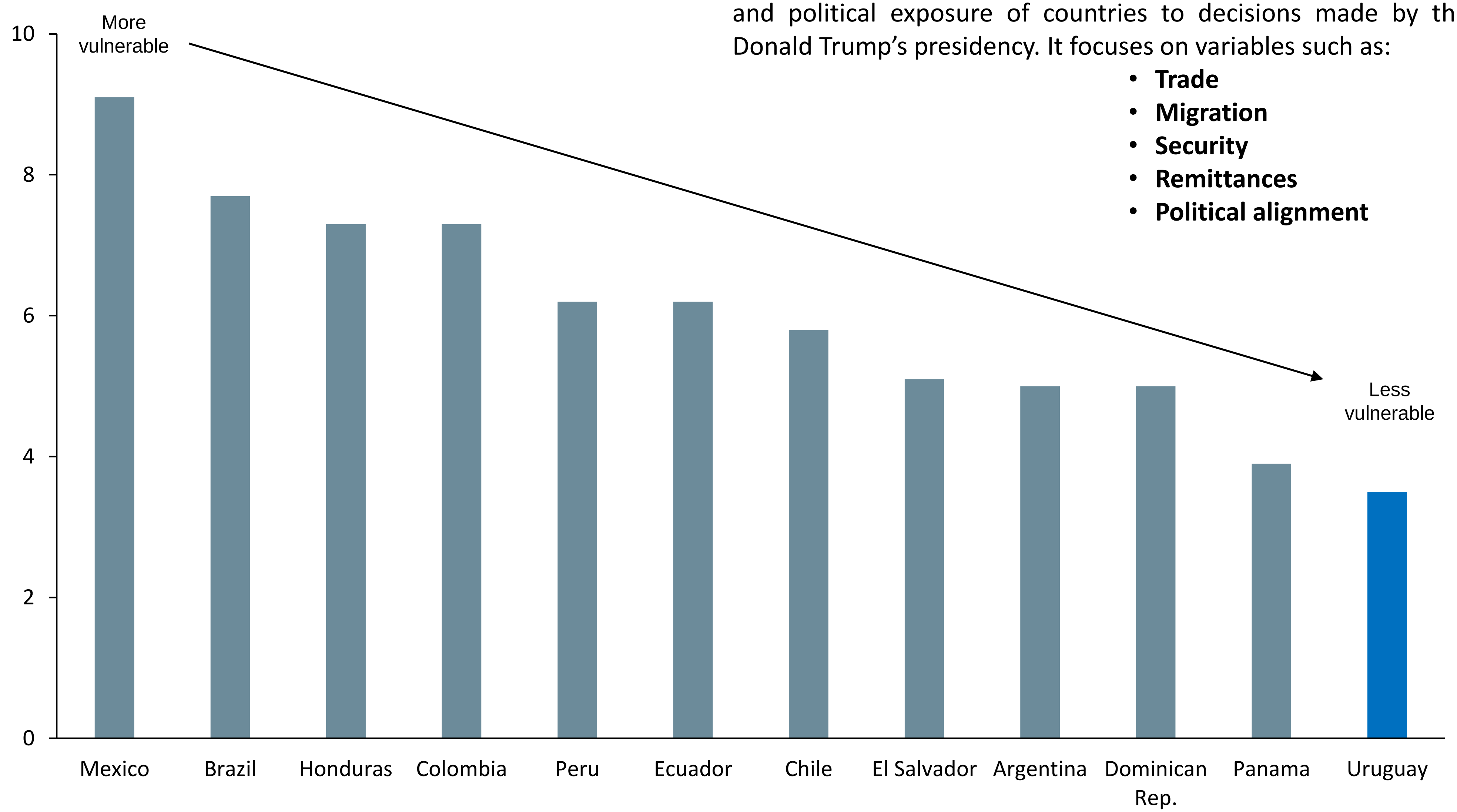
(1) *Source:* Uruguay XXI. Includes exports from free trade zones and excludes electricity exports.

Uruguay is the least exposed country to Trump's administration measures in the region

Vulnerability Index to Trump's 2.0 administration (1)

This metric, developed by Citi Research, measures the economic and political exposure of countries to decisions made by the Donald Trump's presidency. It focuses on variables such as:

- **Trade**
- **Migration**
- **Security**
- **Remittances**
- **Political alignment**

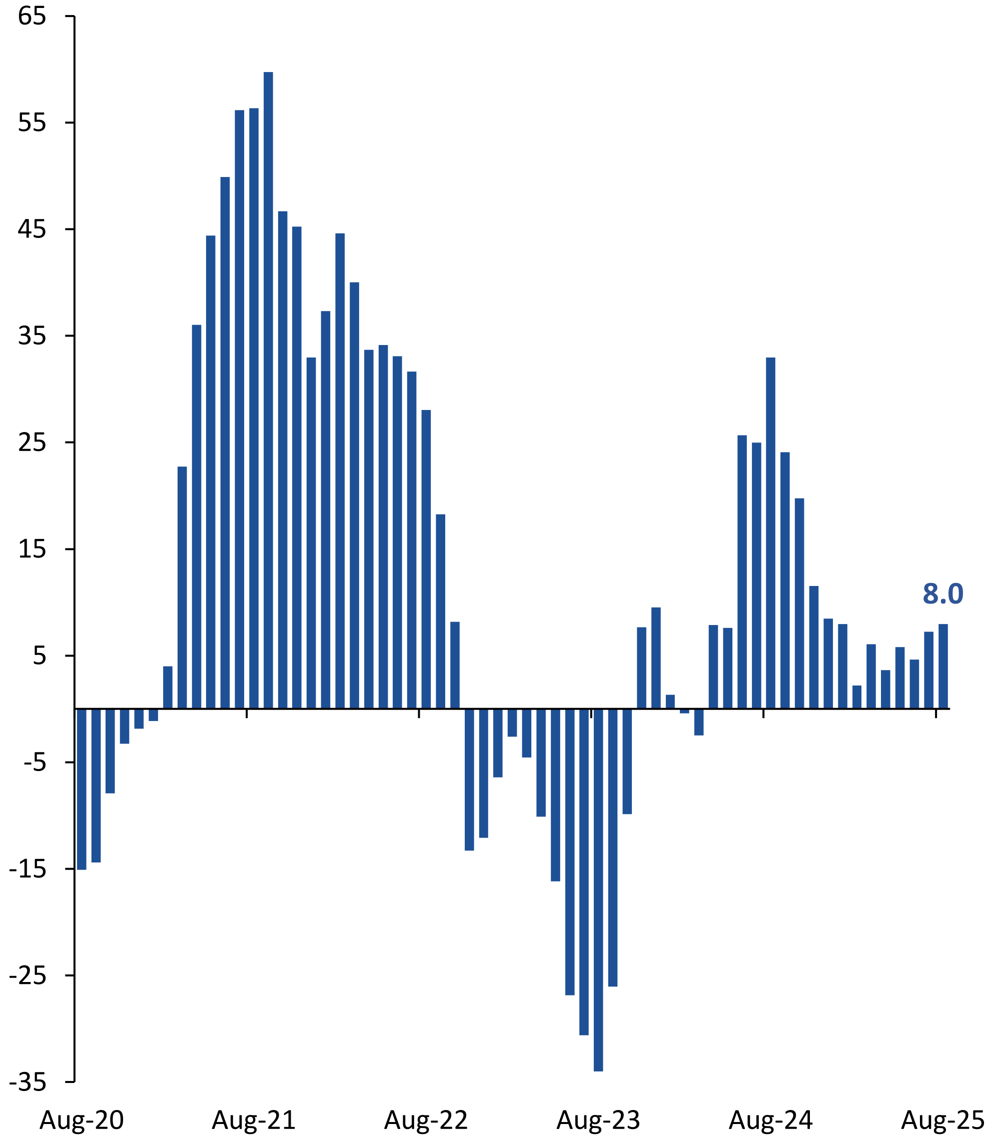


(1) Source: Citi Group.

Stronger exports of goods, particularly the behaviour of beef exports due to the high demand, has carried the growth momentum into 2025

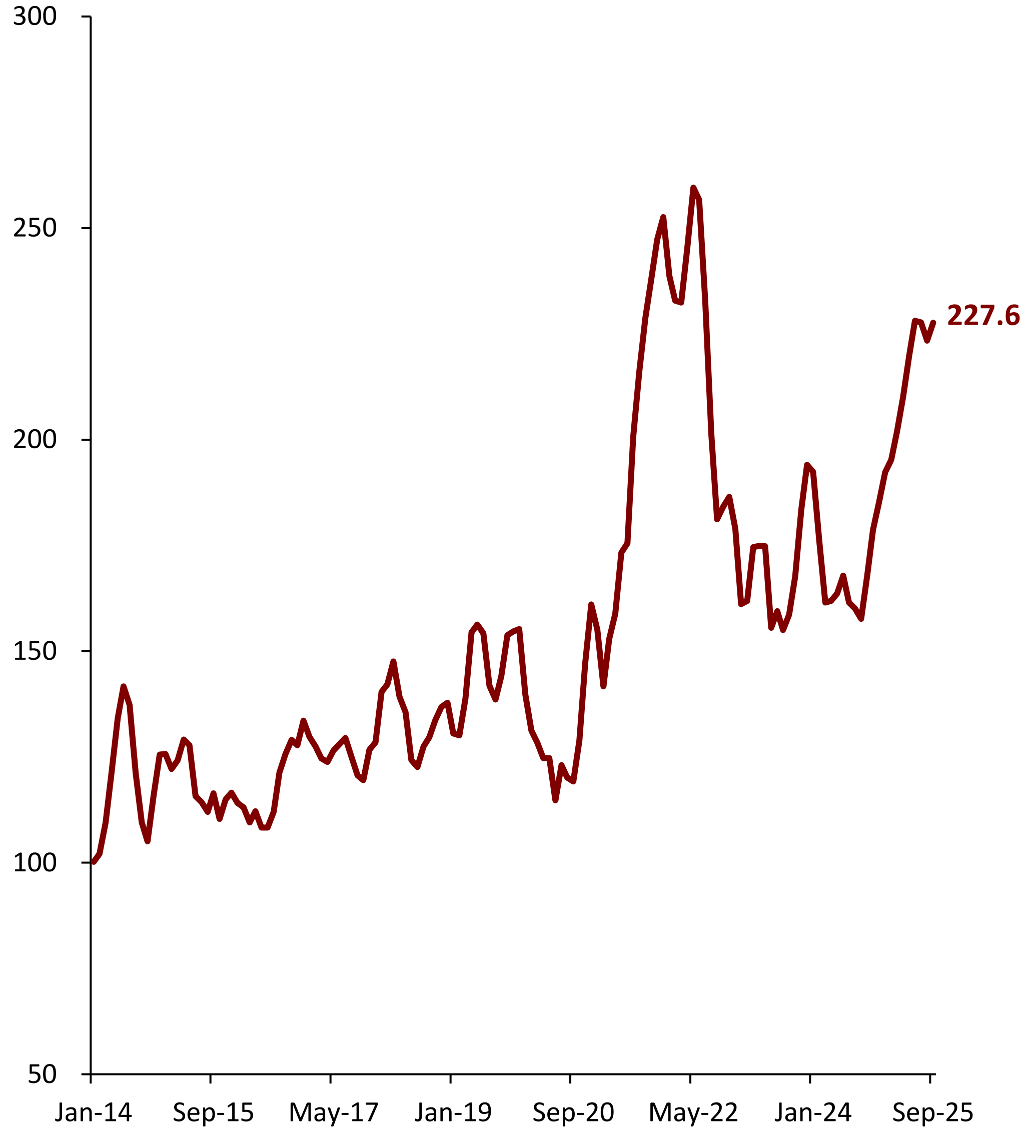
Value of exported goods [(1)]

(Three-month moving average of YoY change, in %)



Evolution of beef exports [(2)]

(Three-month moving average, in millions of US$)



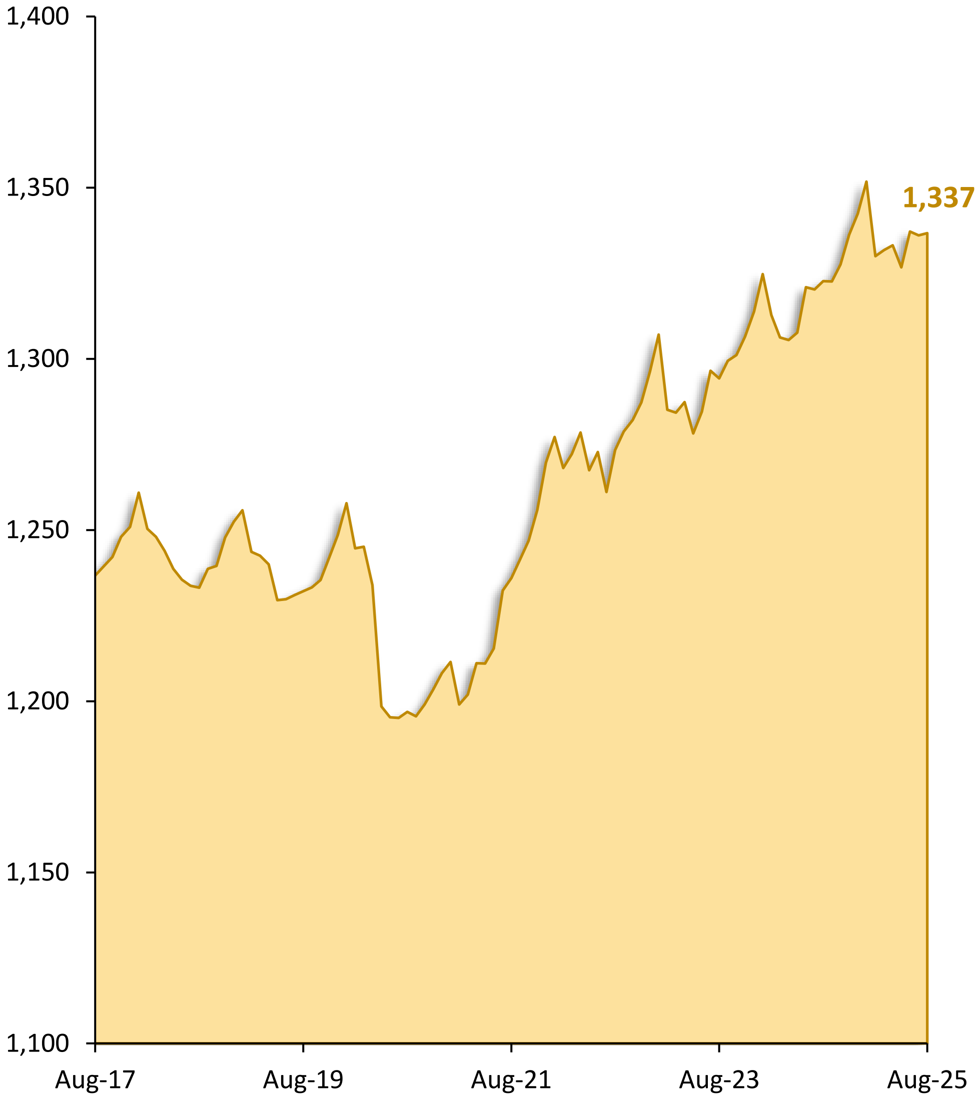
(1) Source: Uruguay XXI. Includes exports from Free Trade Zones.

(2) Source: Uruguay XXI. Includes exports from Free Trade Zones.

A strong labor market is expected to continue to power private consumption and consumer confidence

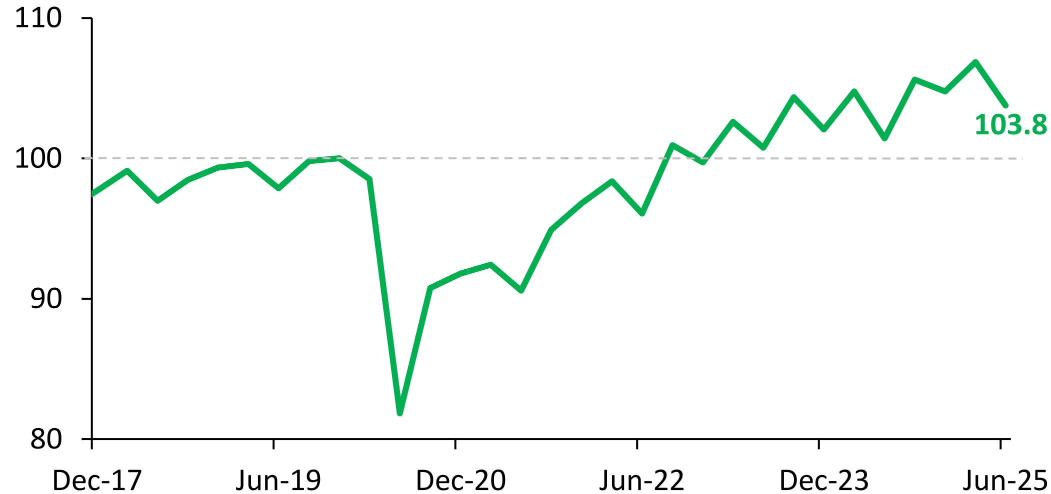
Contributors to the social security system [1]

(In thousands of people)

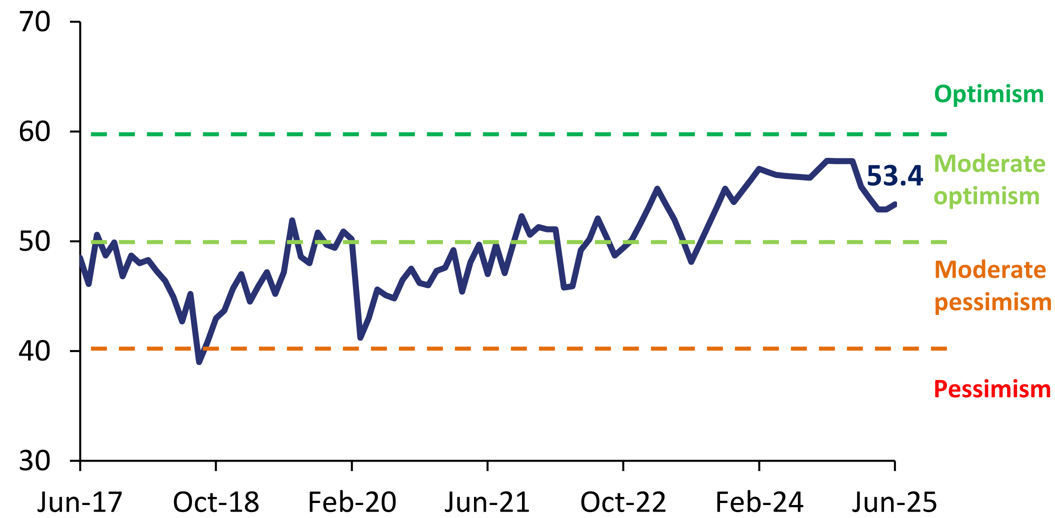


Household consumption [2]

(Index base 2019 Q4 = 100)



Consumer confidence index [3]

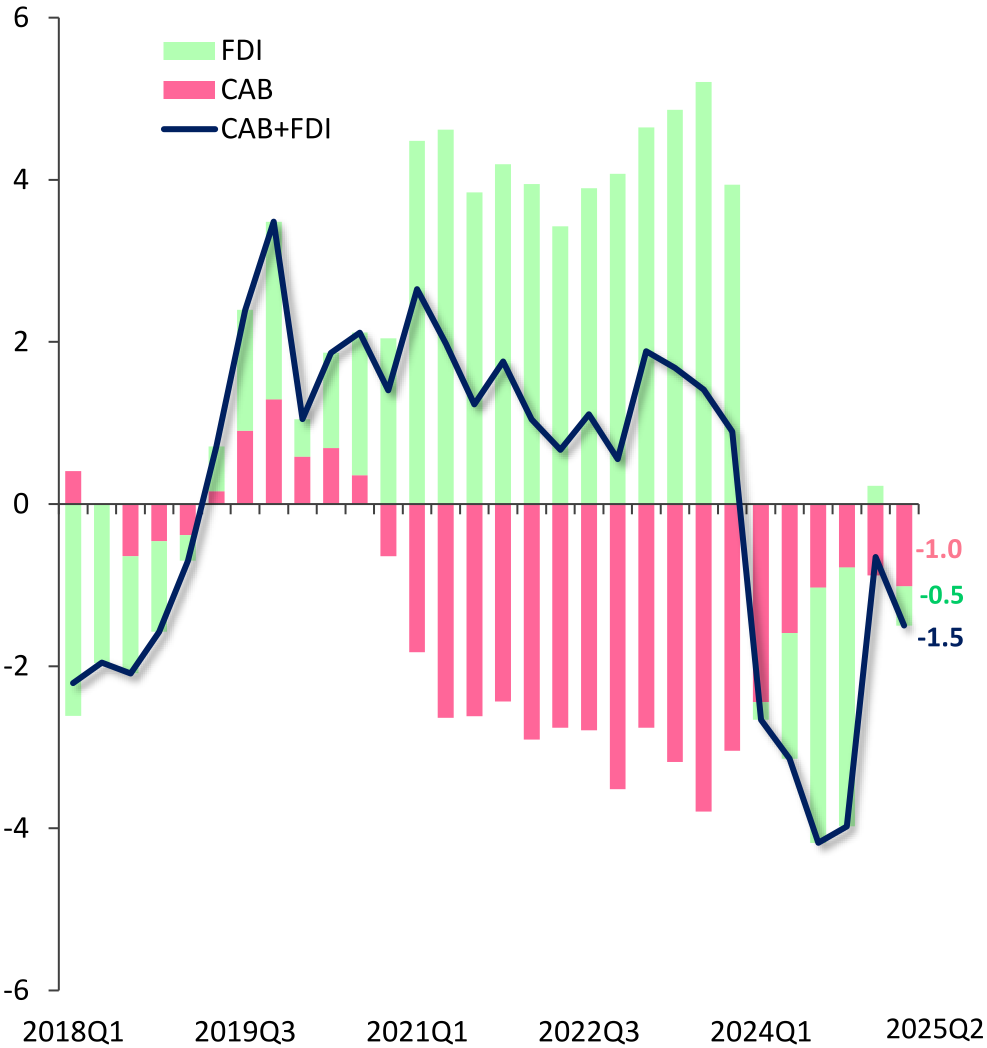


(1) Source: Social Security Bank.
(2) Source: Central Bank of Uruguay.
(3) Source: Equipos Consultores.

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

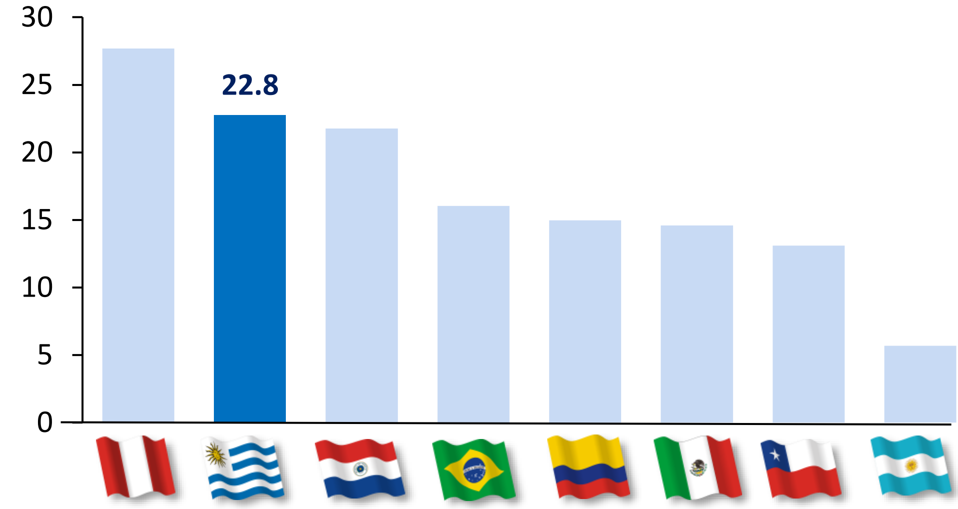
Current account balance and FDI (1)

(Rolling 4-quarters, in % of GDP)

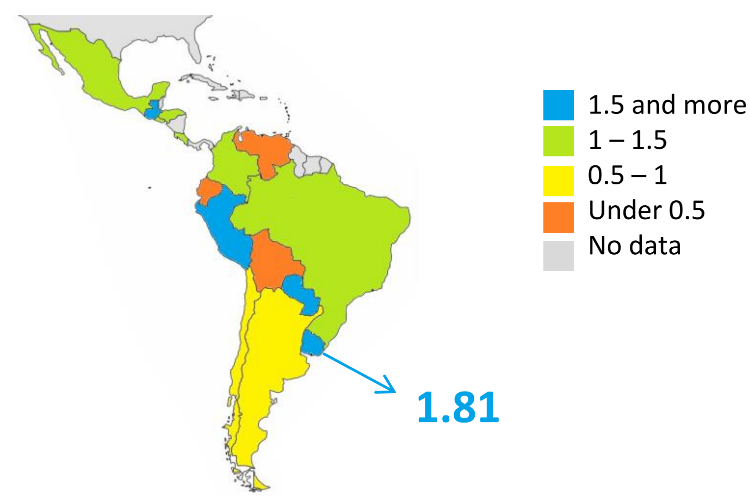


International reserves in Latam (2)

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



Ratio of reserve/ARA metric (3)



(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.

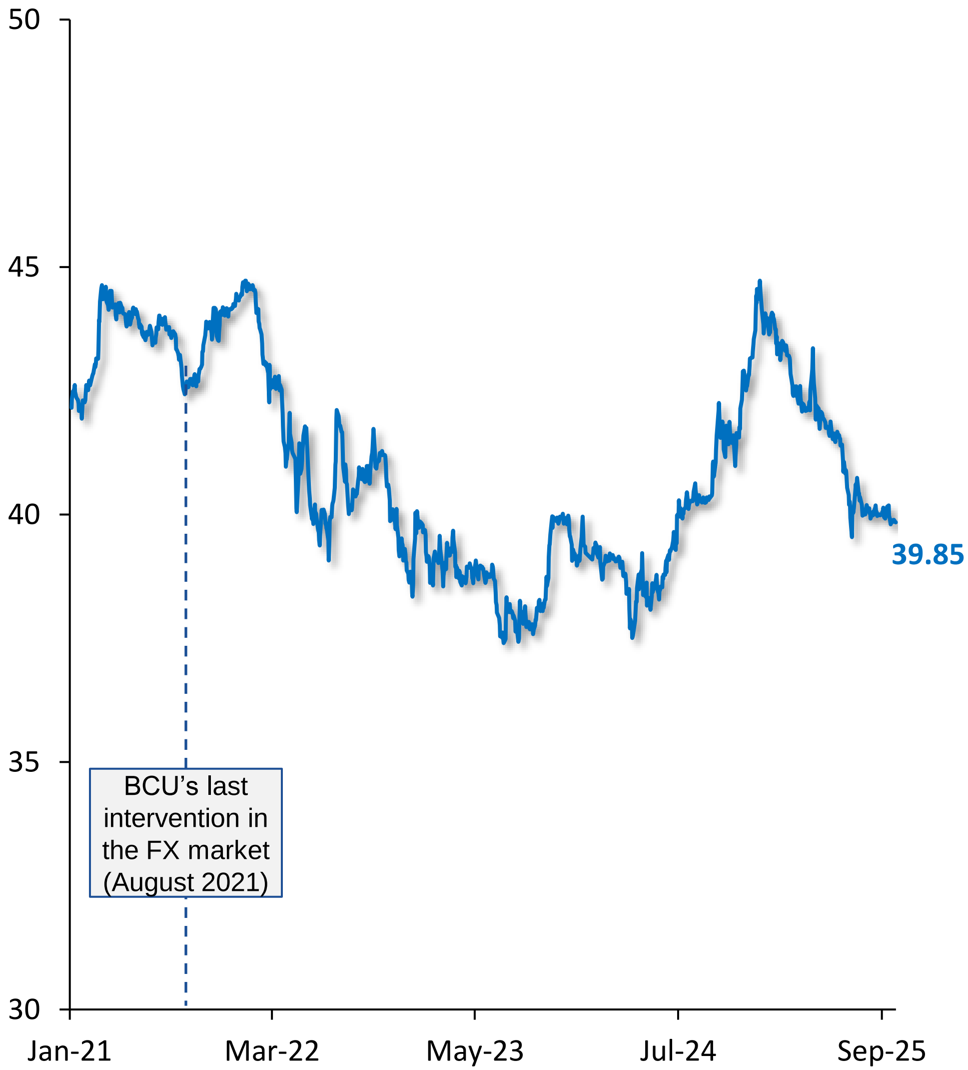
(3) Source: International Monetary Fund. The ARA metric measures if a country's international reserves are sufficient to cover external risks. Between 1 and 1.5, the level of reserves is adequate.

(*) 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.

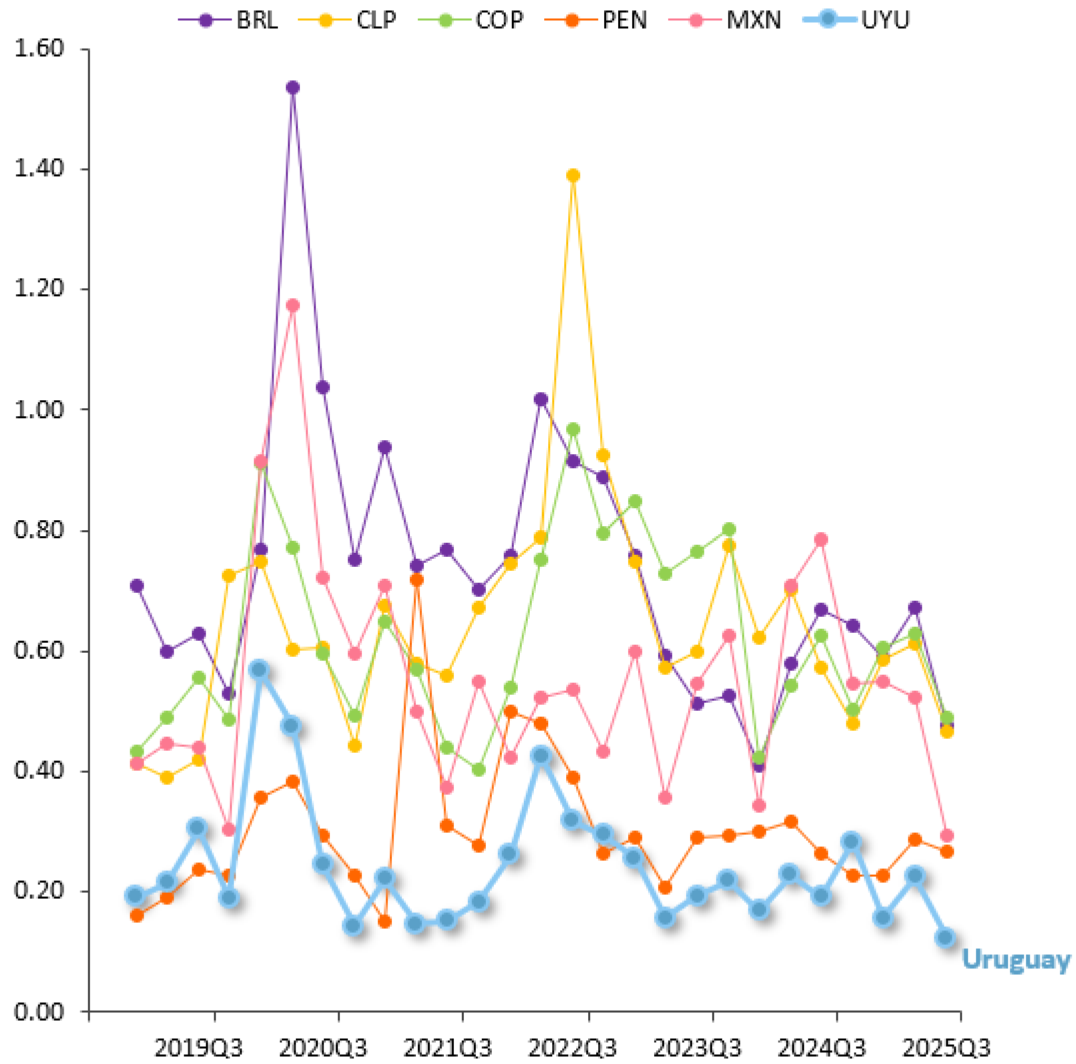
Nominal exchange rate (1)

(Uruguayan pesos per dollar, daily, as of September 30th, 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.

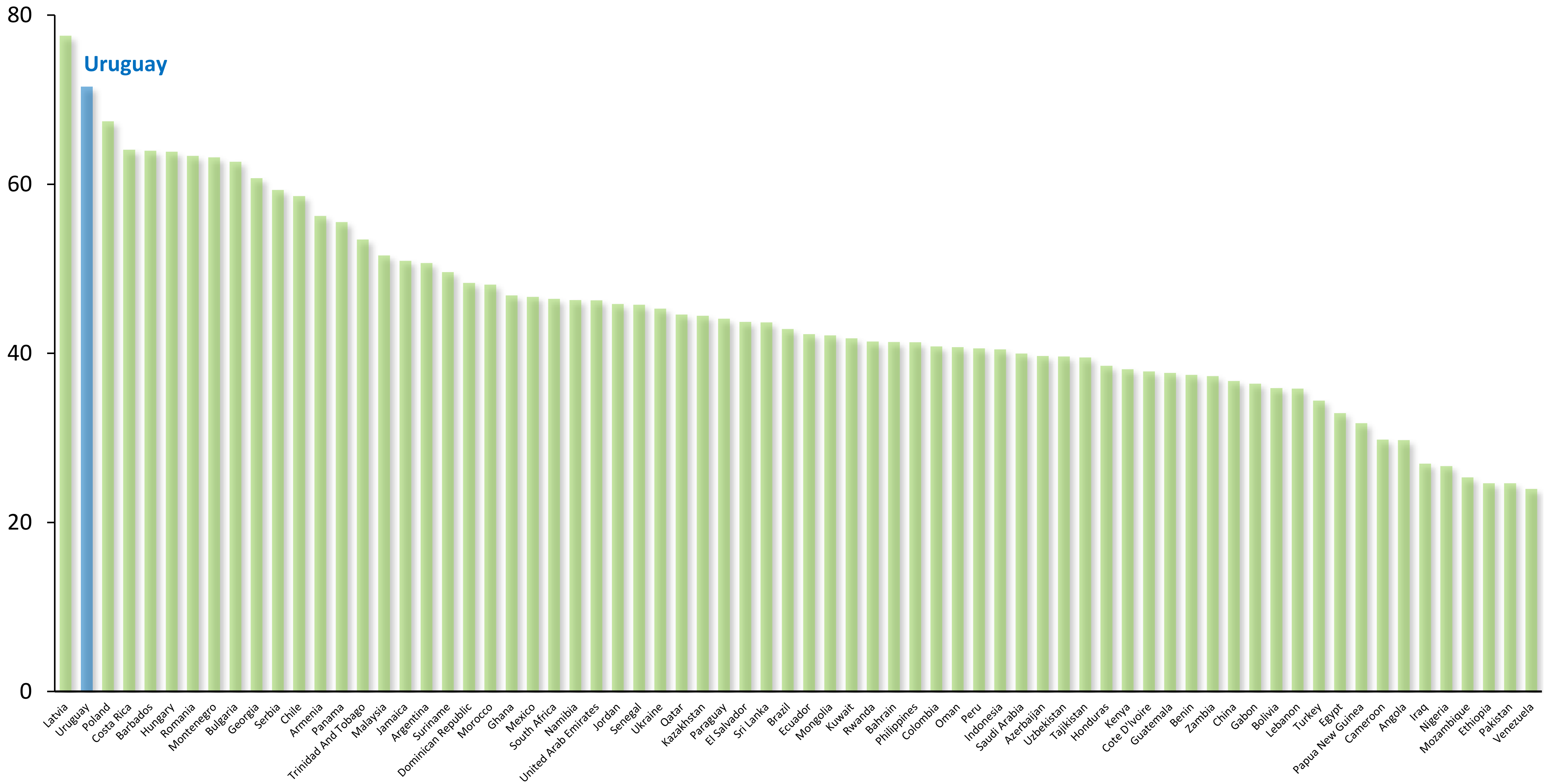
2

ESG foundations

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

Emerging Markets’ ESG Score [(1)]

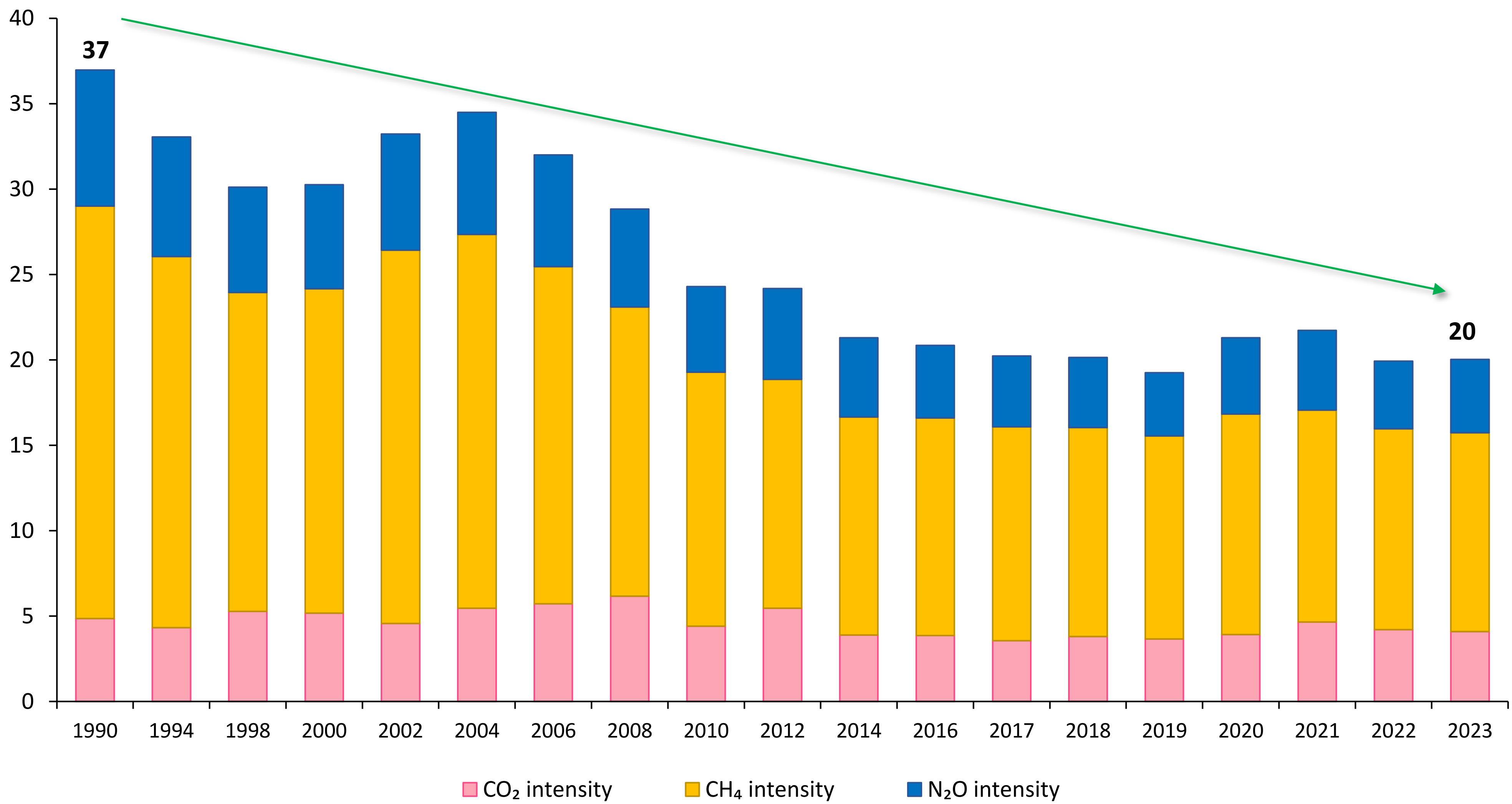
(Index, 100 = best performance; as of end-March 2025)



(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**

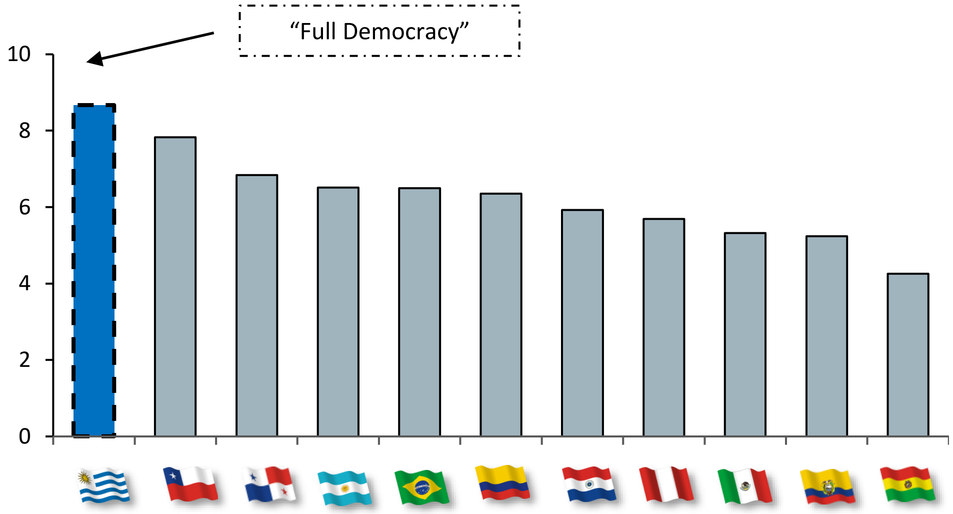
Share of Electricity Generation in 2024, by Source:

HYDRAULIC	42%	99% RENEWABLE
WIND	28%	
BIOMASS	26%	
SOLAR	3%	
FOSSIL FUELS	1%	

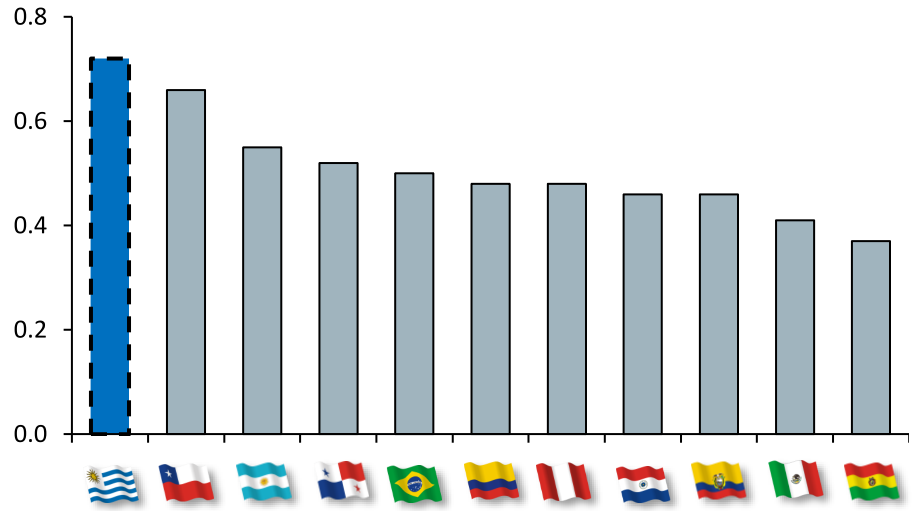
Source: Ministry of Industry, Energy and Mining.
(1) Source: World Economic Forum, 2023.
(2) Source: MIT Technology Review, 2023.

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

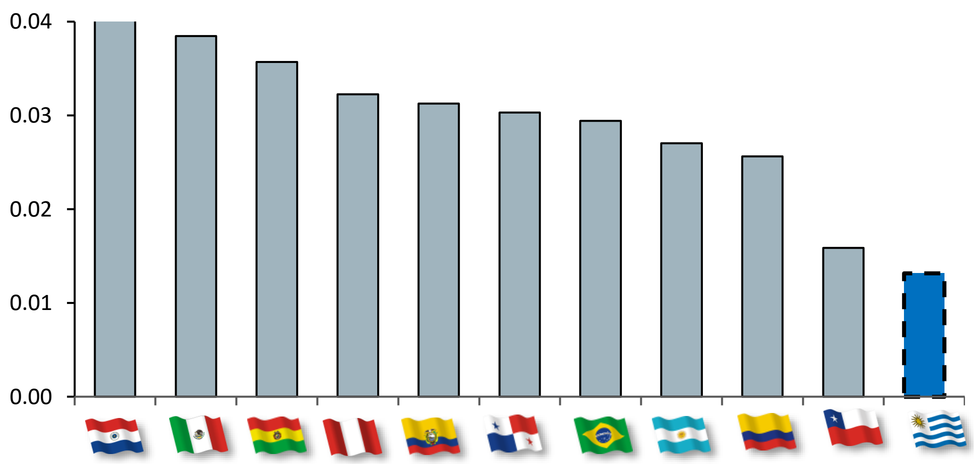
Democracy Index (1)
(Rank)



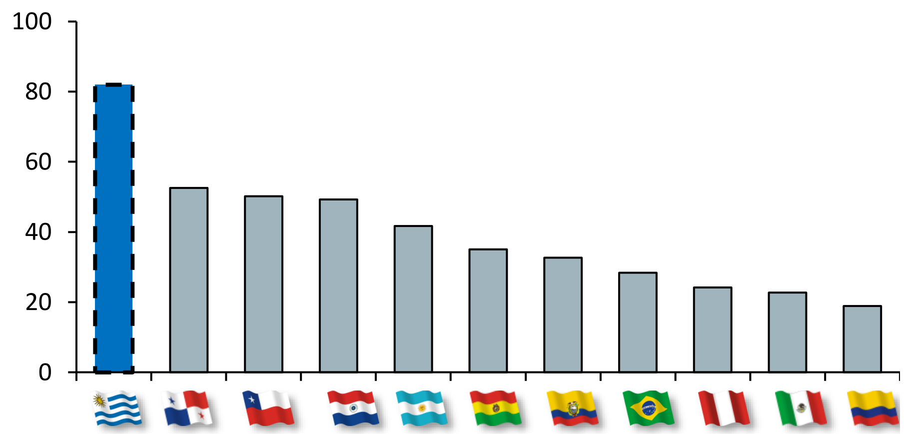
Adherence to the Rule of Law (2)
(Numerical score out of 1)



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



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

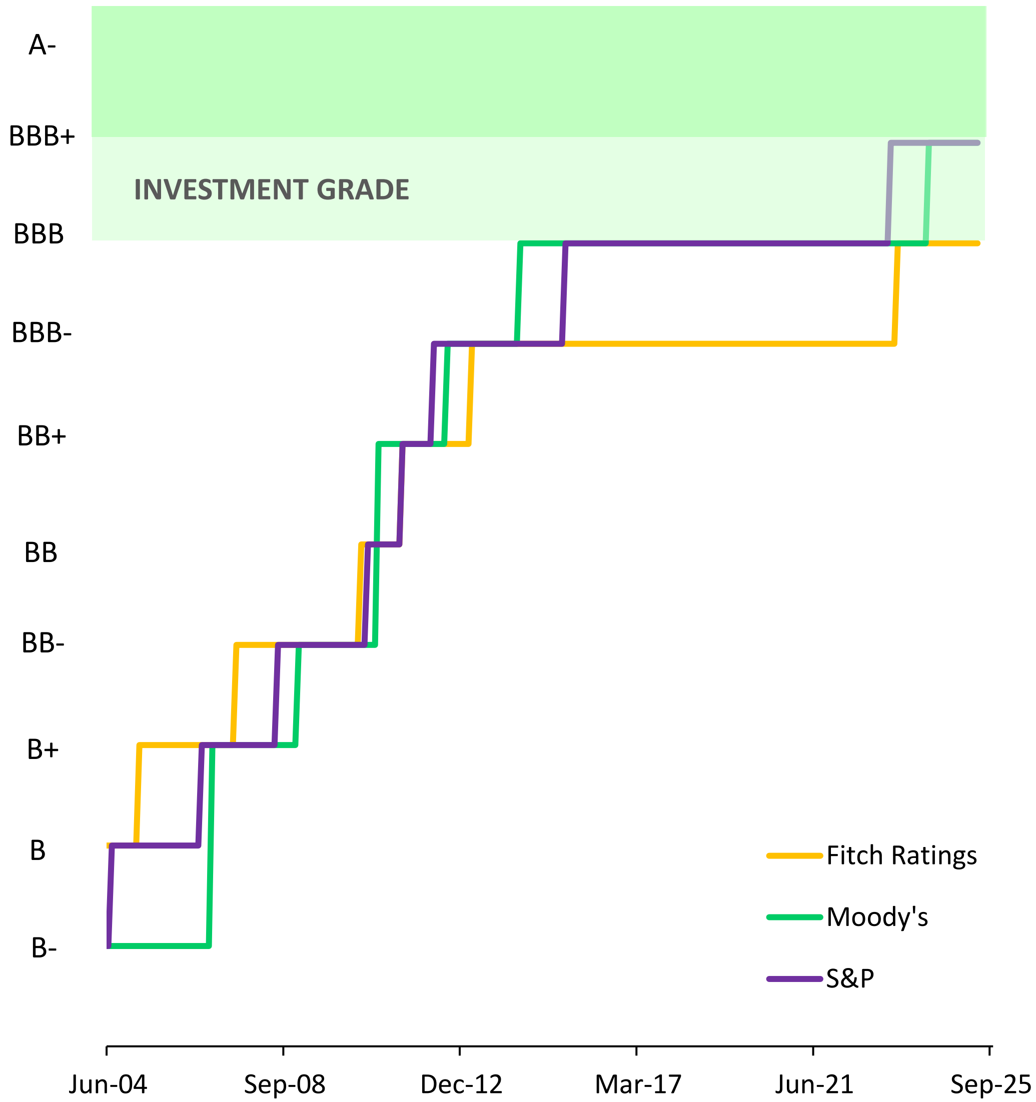


(1) Source: World Population Review (2025).
(2) Source: World Justice Project (2024).
(3) Source: Transparency International (2024). It was calculated as the inverse of the index.
(4) Source: Worldwide Governance Indicators (2023). World Bank.

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 and reached its historical minimum in August 2025

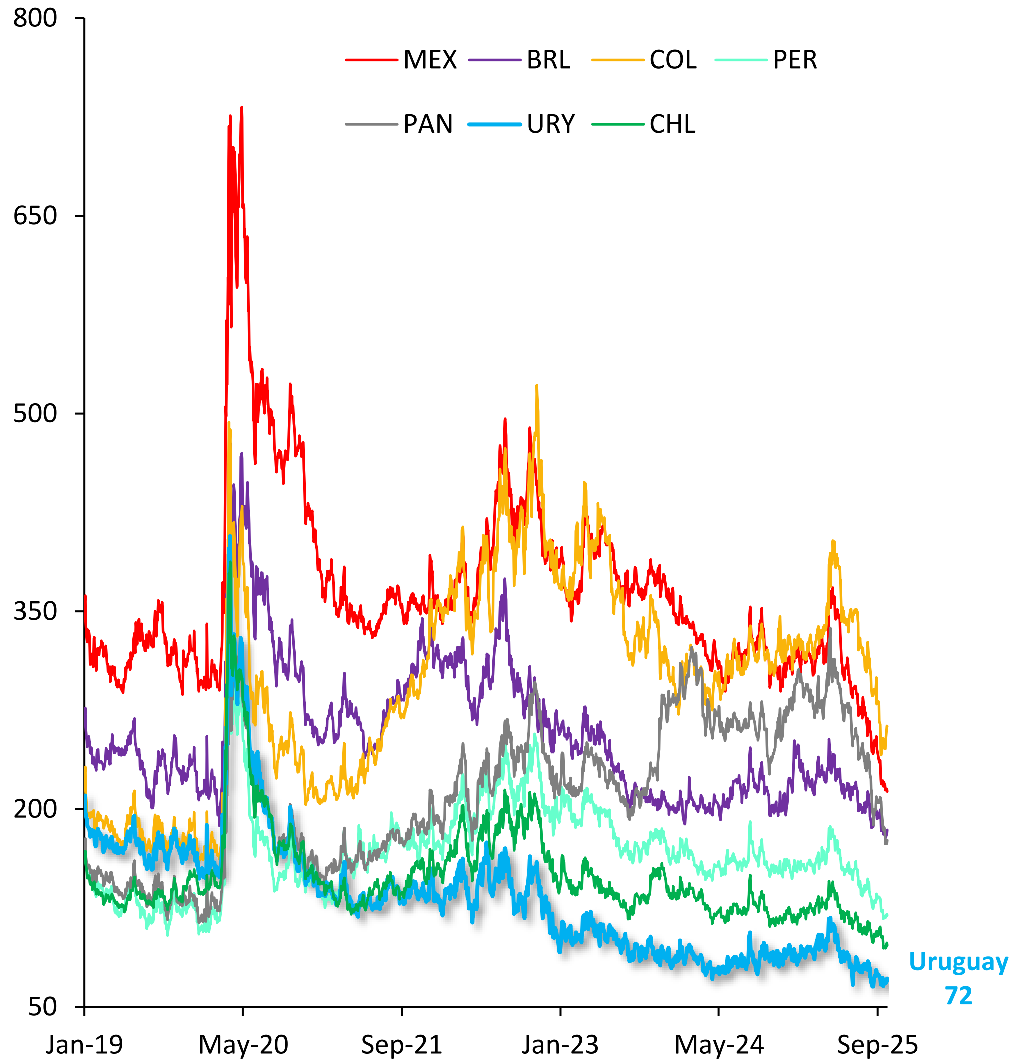
Evolution of Uruguay's sovereign credit ratings (1)

(As of end-September 2025)



Sovereign risk premia in LATAM (2)

(EMBI spread, in bps; as of September 30th, 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 Policy Priorities and Strategic Agenda

Government´s key priorities

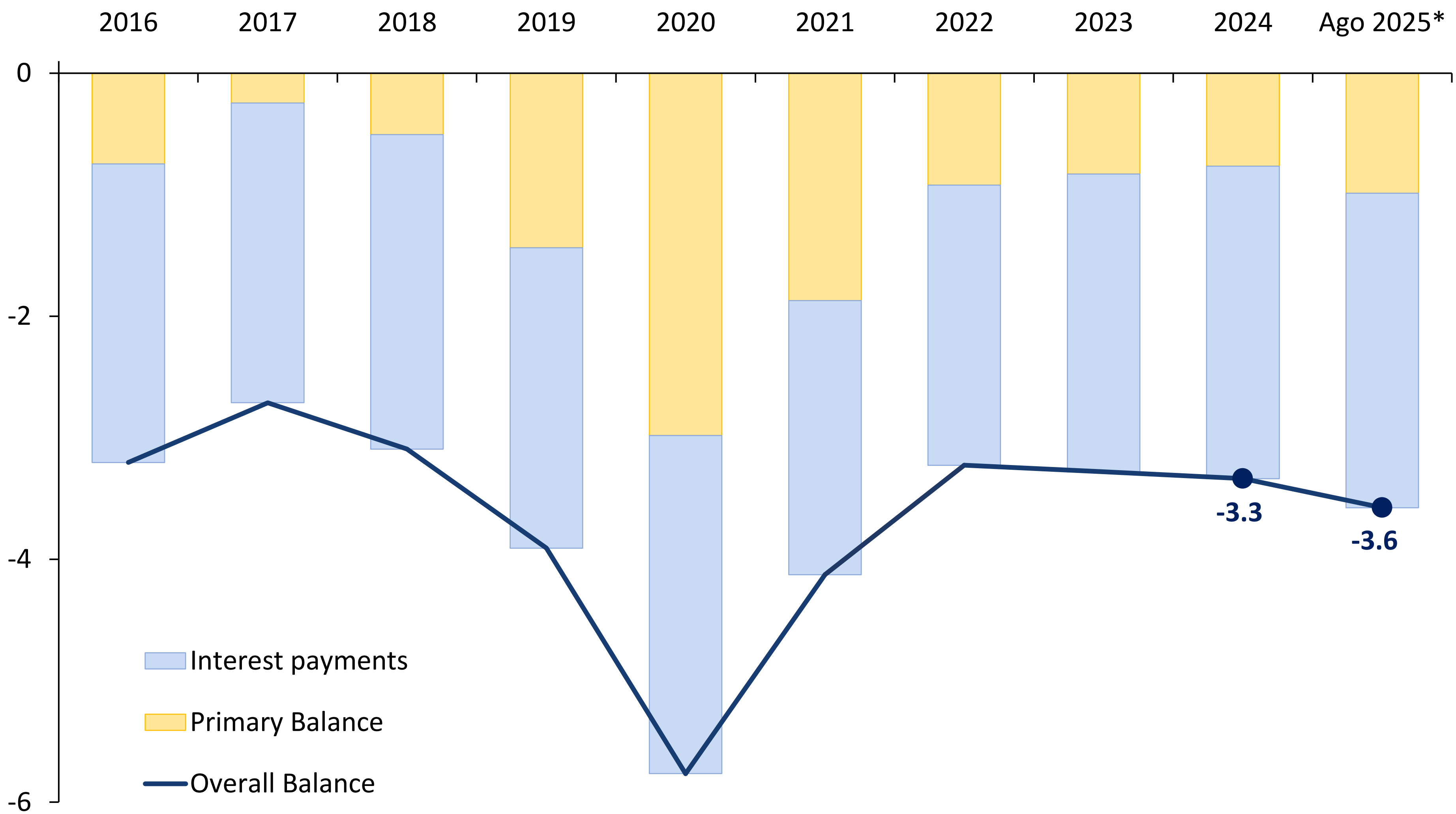
Boosting growth and consolidating macroeconomic stability

Strengthen the social protection system

Improve public safety

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

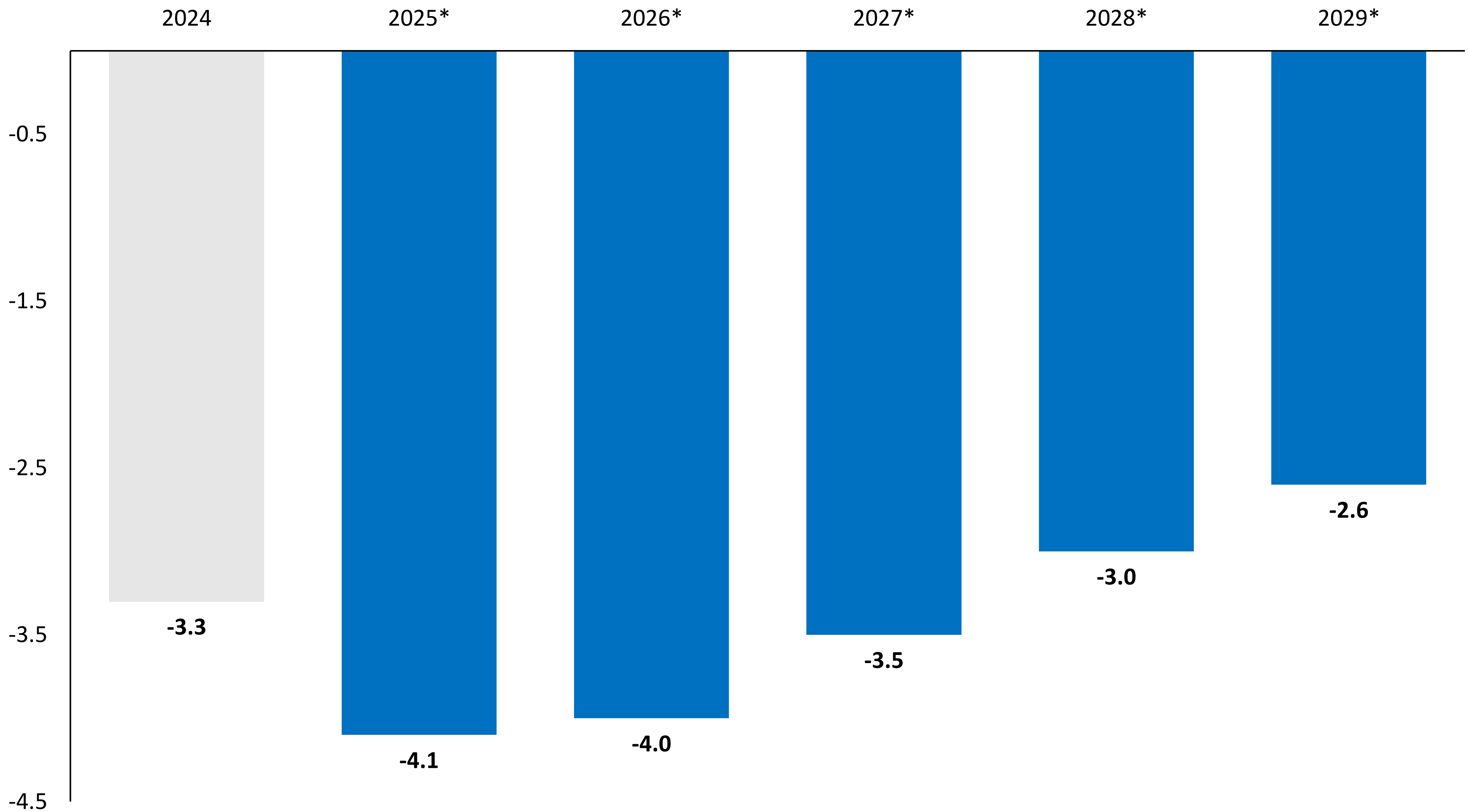
Central Government's headline fiscal balance [(1)]
(In % of GDP)



(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 August 2025.
*(**) From April 2025 onwards, the reported results will no longer exclude interest income from the Social Security Trust Fund (Law No. 19.590). Given the maturity of this law, this income is now deemed structural to the trust. The corresponding figure for August 2025, using this new criterion, is 3.4%. However, for consistency with the figures historically reported by the DMU, the currently utilized criterion will be maintained.*

Fiscal convergence path laid out in the Budget draft Bill (2025-2029) submitted to Congress in end-August 2025

Government´s Budget balance
(% of GDP)

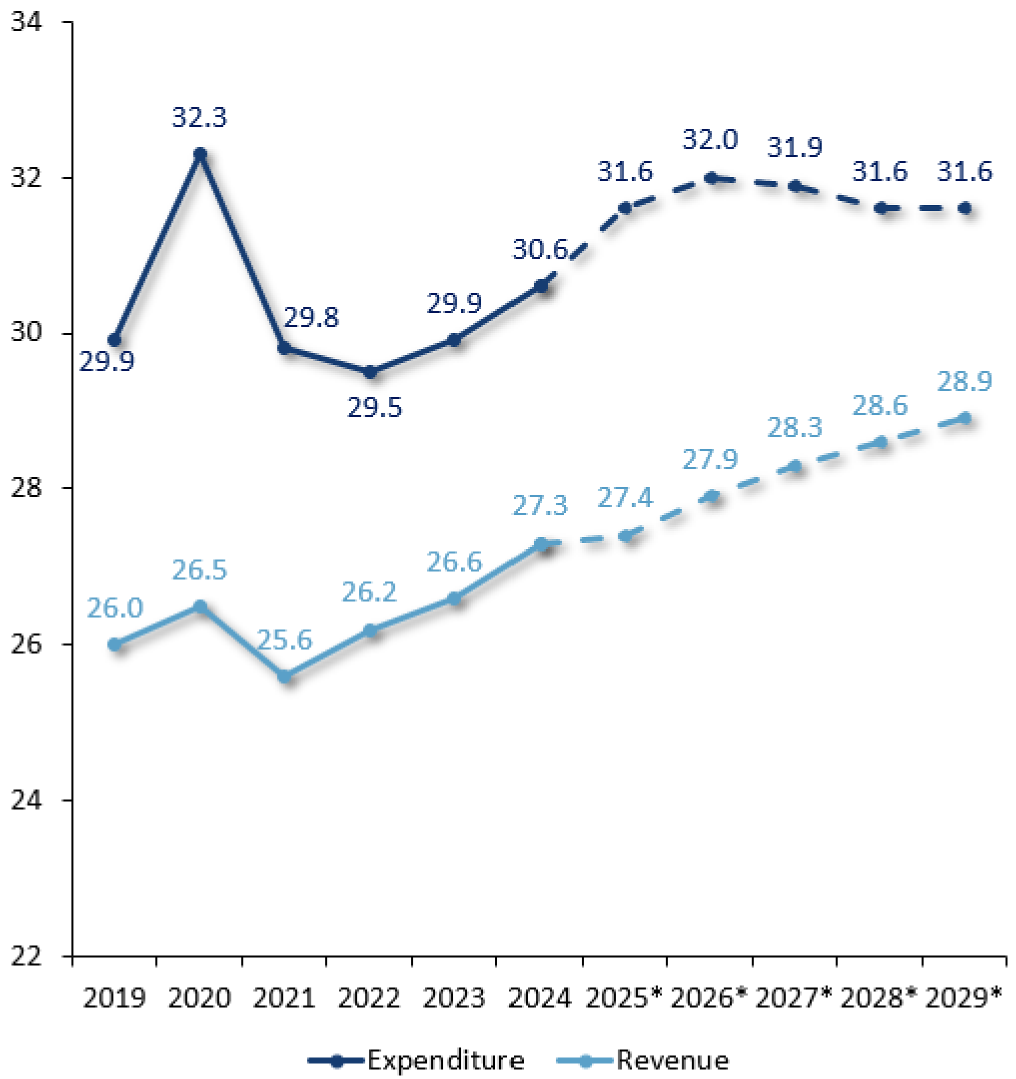


Source: MEF
(*) Projections

Expenditure to GDP will remains at 2025 levels, while revenues are forecasted to improve through efficiency gains and tax measures

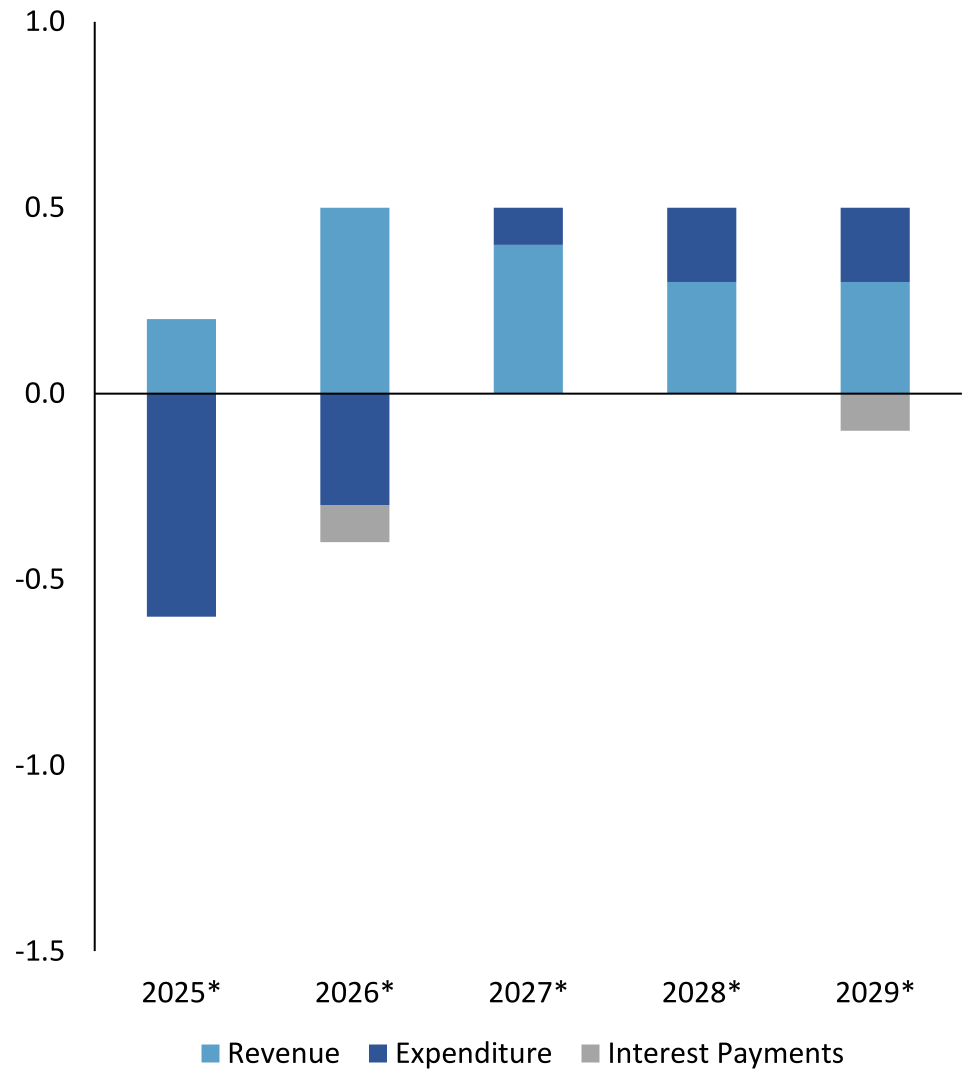
Government revenues and expenditures

(% of GDP)



Contribution to budget balance consolidation

(change over the previous year, in percentage points of GDP)



1 Key policy priority is to strengthen the Fiscal Framework

To enhance the effectiveness and credibility of the fiscal framework, several improvements are proposed:

- **Incorporate recent advances in economic literature and international best practices**, including lessons learned from the 2008–2009 global financial crisis and the COVID-19 shock.
- **Explicitly anchor fiscal targets to debt stabilization objectives**, ensuring a clear and consistent link between short-term operational goals, fiscal sustainability, and corrective measures in case of deviations.
- **Streamline and clarify the system of fiscal targets**, improving coherence, internal consistency, and accountability.
- **Introduce well-defined escape and return clauses**, allowing for flexibility in exceptional circumstances while preserving medium-term discipline.
- **Strengthen the autonomy and independence of the Fiscal Council (CFA)**, expanding its analytical capacity and oversight role.
- **Enhance methodological robustness** in the estimation of key cyclical adjustment indicators (such as potential GDP and the output gap), reducing volatility, bias, and the frequency of revisions.
- **Increase transparency and communication**, fostering public understanding and credibility of fiscal policy decisions.

Key policy priority is to strengthen the Fiscal Framework

Dual fiscal rule

**Medium term debt anchor +
short term fiscal targets +
convergence mechanisms**

Strengthening of external councils

**Enhanced autonomy and
responsibilities of the Fiscal Council**

Key policy priority is to strengthen the Fiscal Framework

Medium-term anchor:
“prudent” net debt

Convergence mechanisms

Short-term targets:

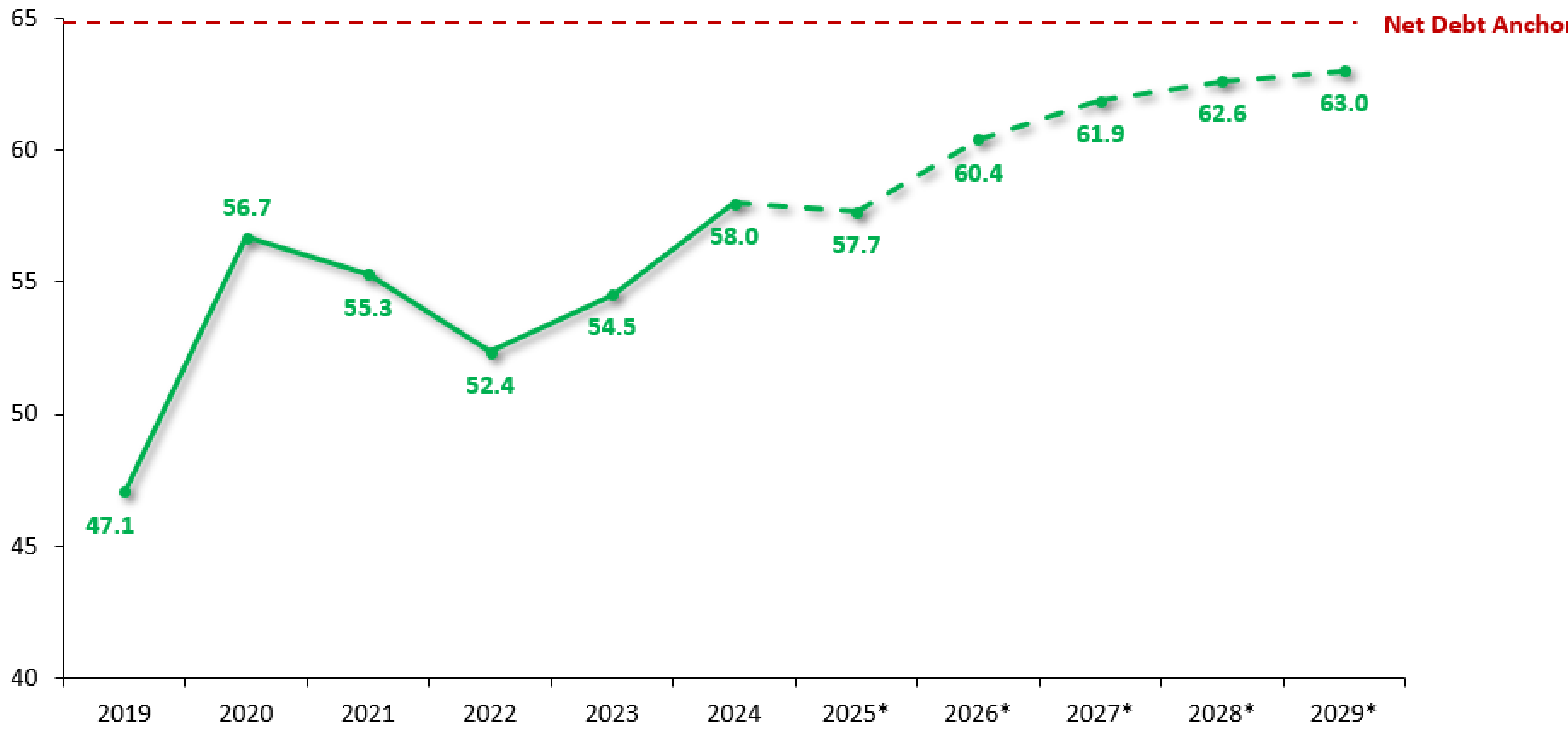
Structural fiscal balance

Net indebtedness Legal Ceiling

Mechanisms to correct deviations

Implicit target on income and expenditure

Dynamics of Net Government Debt over GDP



The net debt trajectory stabilizes below the debt anchor in 2029, based on the fiscal convergence program, the assumptions of economic growth, and the evolution of relative prices.

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. Coordination of macroeconomic forecasts

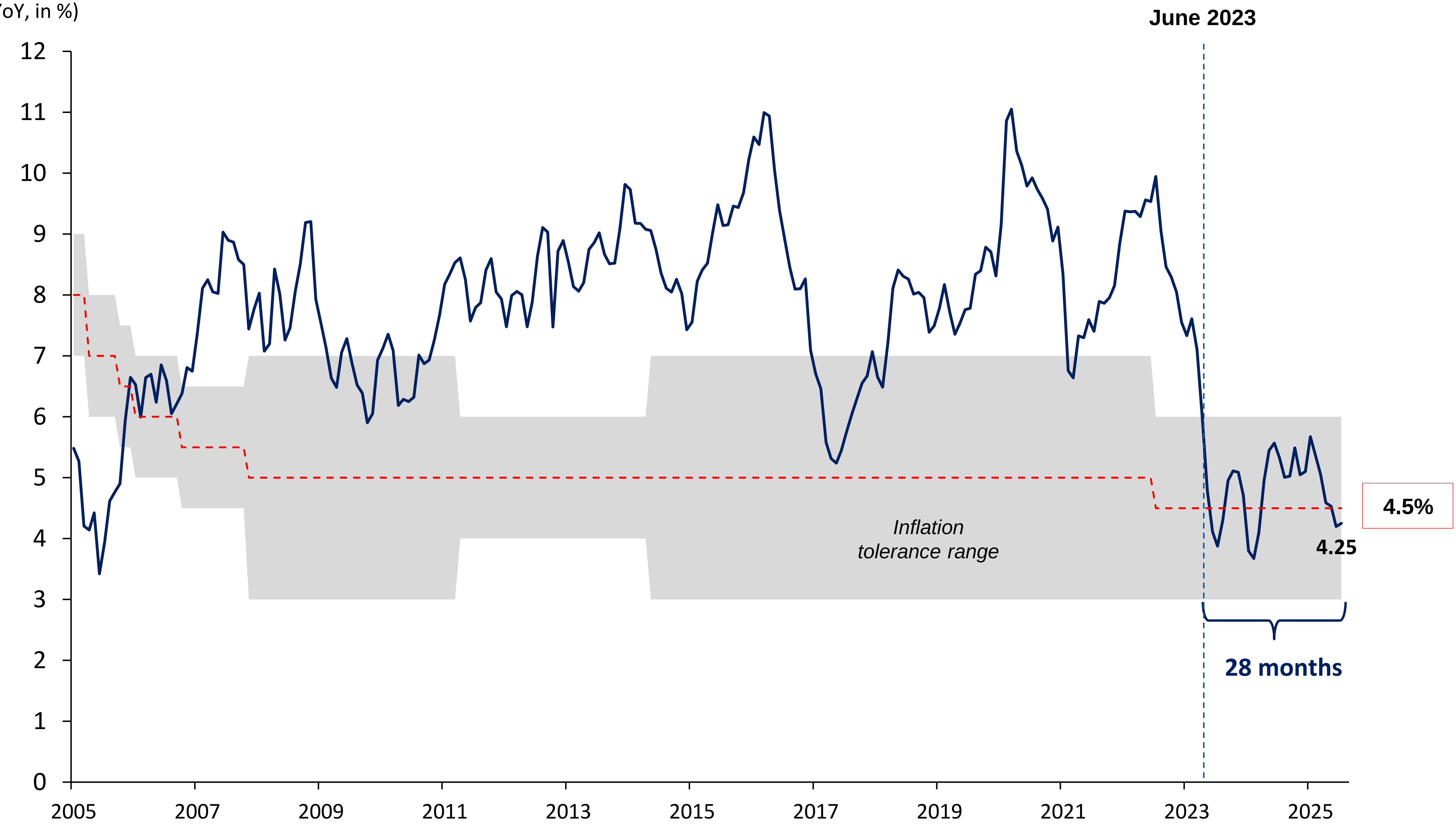
II. More *de facto* Central Bank independence

III. Enhanced communication and transparency

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

Headline inflation (1)

(YoY, in %)

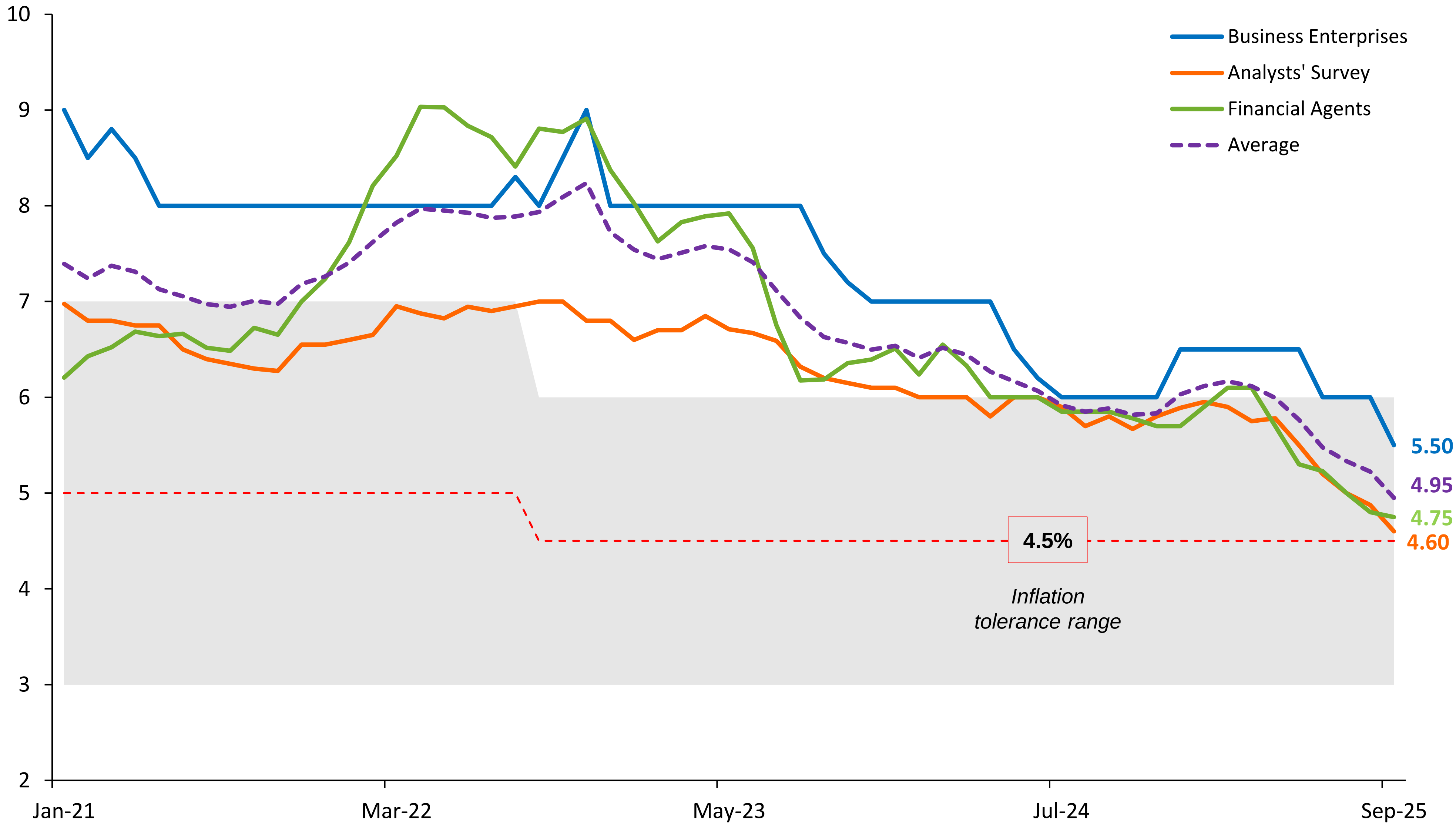


(1) Source: National Institute of Statistics and Central Bank of Uruguay

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

Inflation expectations have continued their downward trend, reaching historical minimums, remaining slightly above the Central Bank target

Two-year inflation expectations [1]

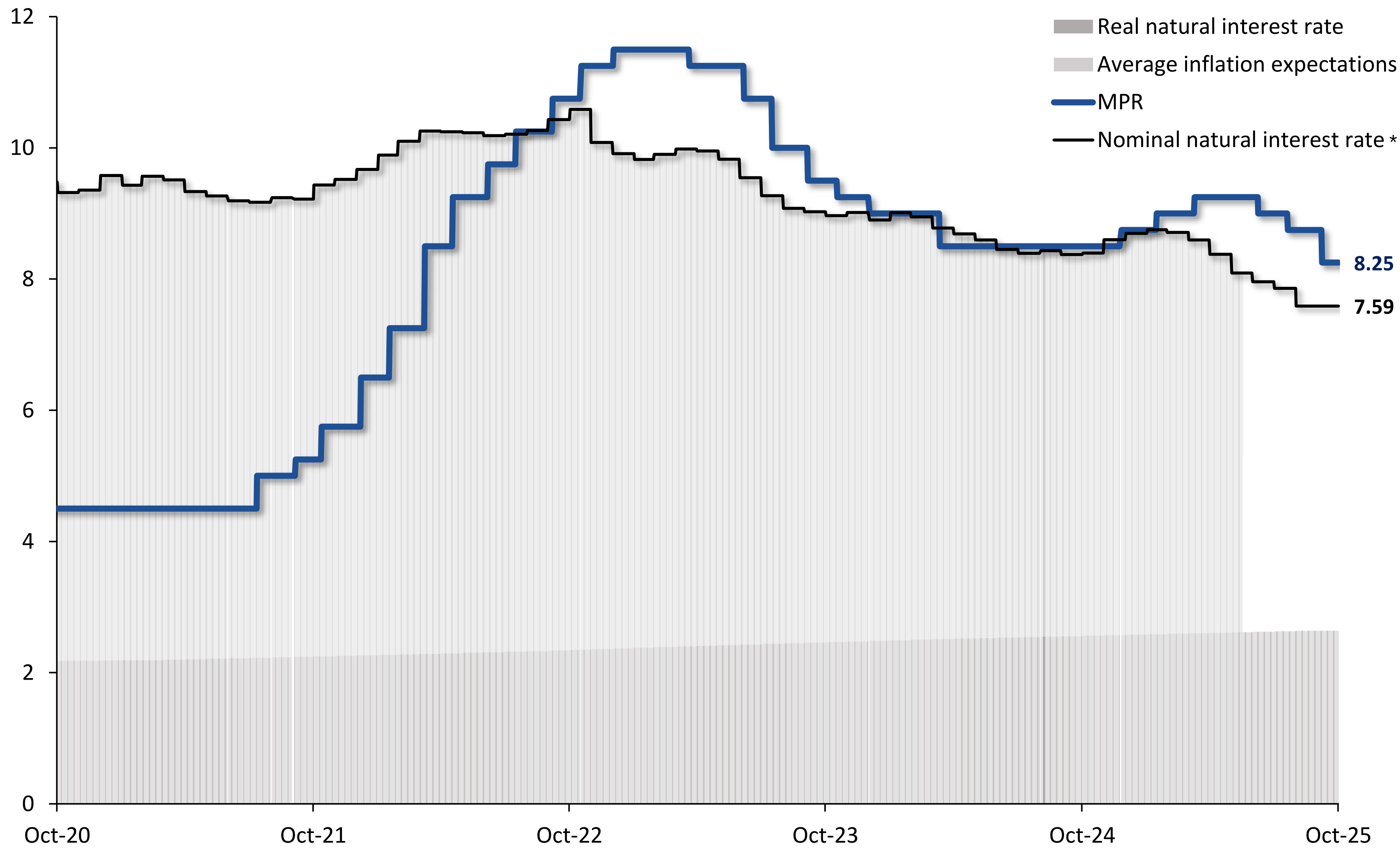


(1) Source: Central Bank of Uruguay and National Institute of Statistics

The Central Bank decreased the policy interest rate by 50 bps in October 2025, moderating the contractionary stance and continue the gradual transition towards a neutral monetary policy position

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.

(*) The real natural interest rate is estimated by the Central Bank of Uruguay.

Wage setting guidelines for the 11th round of collective bargaining in the private sector

Differential nominal adjustments according to income level
(in %)

LEVEL	Jul-25	Jan-26	Jul-26	Jan-27
Level 1 (65% above the national minimum wage, 30% of workers included)	3.3%	3.6%	2.8%	3.5%
Level 2 (between 1.65 and 7 times the national minimum wage, 64% of workers included)	2.5%	3.3%	1.9%	3.2%
Level 3 (more than 7% of the national minimum wage, 6% of workers included)	1.6%	2.9%	1.7%	2.7%
Weighted average	**2.7%**	**3.4%**	**2.2%**	**3.3%**

- Nominal semi-annual adjustments.
- Inflation adjustment:
  - **Year 1:** Mid-term adjustment based on underlying inflation (Consumer Price Index with exclusions – IPC-CE), with a tolerance margin by threshold: +0.5% for Level 1 and +1% for Level 2. No adjustment is provided for high-income workers (Level 3), in order to moderate inflation inertia.
  - **Year 2:** Final adjustment at the end of the period based on observed inflation (CPI variation).
- Low likelihood that inflation adjustments will be applied.

Macroeconomic stability is key: consistency of macroeconomic and financial policies

- **Fiscal Policy**
  - New fiscal framework
  - Debt anchor
  - Operational targets
- **Income Policy**
  - Nominal adjustments
  - Correction for core inflation outside tolerance margin
- **Monetary Policy**
  - Maintain low and stable inflation
  - Target: 4.5%
- **Debt Management**
  - Greater financing in local currency through the domestic market
  - Increased issuance of nominal peso-denominated debt instruments
  - Reduction of the fiscal cost of financing

Boosting growth and investment:
Improving the Business Climate and Boosting Innovation

Investment promotion

- Strengthening institutional framework: National Directorate for Incentives for Investment
- Faster and more transparent procedures through digitalization and AI integration.
- Enhanced incentives, including preferential treatment for SMEs and new criteria for large-scale investments.
- Attraction of foreign qualified talent (5-year tax benefit) and simplified import regimes.
- Promotion of housing investment managed by MEF to stimulate employment.

Reducing Bureaucracy and Transaction Costs

- Guiding principles: lower costs, replace certificates with declarations, eliminate unnecessary licenses, and digitalize processes.
- Simplified trade procedures covering 75% of foreign trade documentation.
- Tax reductions (LATU fee -20%, ANSE fee elimination) and border facilitation measures.
- Lower certification, management, and customs costs to enhance competitiveness.

Innovation and Productivity Enhancement

- Institutional redesign
- New generation of instruments: integrated research platforms, long-term R&D financing, modernization of public procurement, and support for science-based entrepreneurship.
- Regulatory improvements: fiscal credits for R&D projects and simplified regimes for importing equipment and materials for testing and scientific development

4

Government's debt management and financing strategies

Government's Financing Needs and Borrowing Plan for 2025, based on the Budget Draft Bill submitted to Congress in August

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

FINANCING NEEDS	6,326
Primary Deficit (2)	1,340
Interest Payments (3)	2,69
Amortizations of Bonds and Loans (4)	2,763
Accumulation of Financial Assets	54
FUNDING SOURCES	**6,326**
Loan Disbursements from Multilaterals and Financials Institutions	533
Total Issuance of Market Debt (5)	5,698
Others (net) (6)	95
Projected Central Government's Net Indebtedness	***3,414***
Legal Net Indebtedness Ceiling	***3,450***

(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 September 2025 onwards is projected.

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

- Continue to **develop domestic local currency markets**.
- Increase de-dollarization of the debt: the Budget Law included the **target of 57% of the debt denominated in local currency**, to be reached in 2029.
- 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 **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

October 2025

ANNEX: Several goals and improvements were presented in the Budget Draft Bill (2025-2029)

1. Strengthening the Fiscal Framework

2. Financial Program projected from 2025 to 2029

3. Further developing a local currency focus:
   - A. New methodology to calculate Debt-to-GDP Ratios
   - B. Government Net Indebtedness Legal Ceiling for 2026
   - C. Publication of tables and figures expressed in UYU

Proposed Legal Ceiling for Net Government Borrowing for 2026 denominated in UI

Calculated based on projections of financing, amortizations, and change in financial assets

NET INDEBTEDNESS = ISSUANCES AND DISBURSEMENTS − AMORTIZATIONS − CHANGE IN FINANCIAL ASSETS

Benefits of its measurement in CPI-linked (UI):

- Aligned with the denomination currency and the dynamics of government revenue and expenditure
- Mitigates volatility in its measurement due to exchange rate movements
- Greater consistency with fiscal planning

Legal limit for 2026:

- 25,115 millions of UI
- For informational purposes, the proposed amount is equivalent to 3,992 million dollars, which represents a 10% buffer (margin of slack) included in the legal limit.