Ministerio de Economía y Finanzas

Uruguay—Looking Ahead

Resilience, Reforms and the Quest for Growth

Institutional Presentation

November, 2026

ROADMAP

Thematic blocks to organize the presentation

I

Resilience Built

External shocks with contained impact

II

Monetary and Fiscal Framework

Fiscal convergence path and debt dynamics

III

Rekindling Growth

The policy agenda to spur private investment

IV

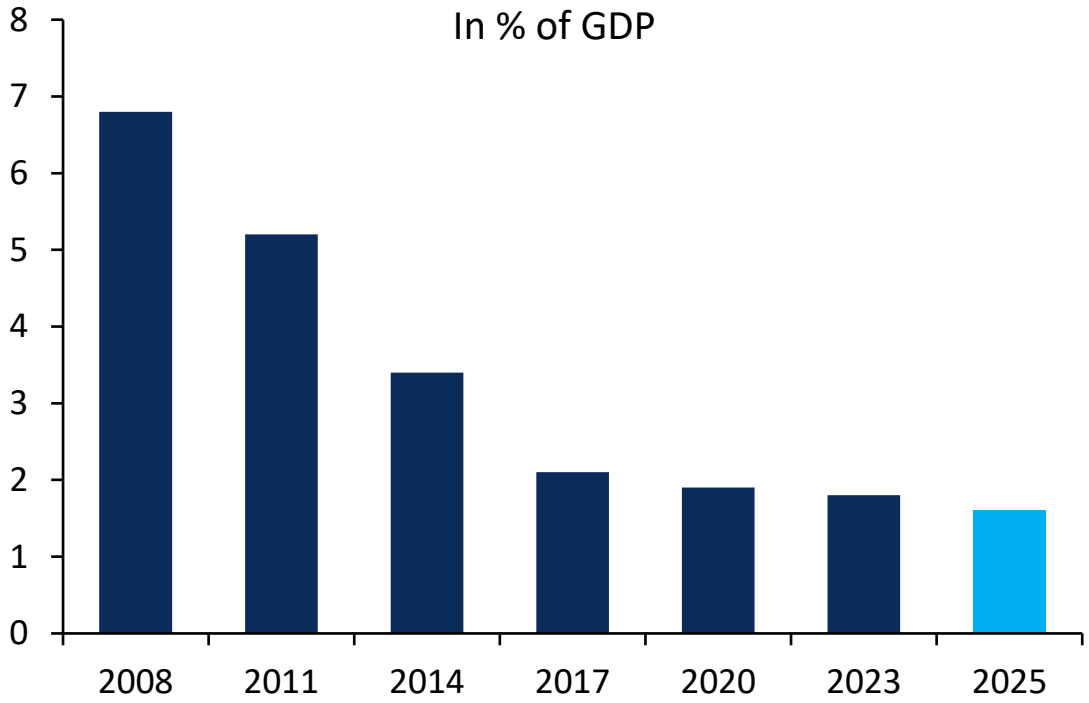
Funding Strategies

Sovereign financing, market liquidity and investor relations

1 ENERGY: FROM VULNERABILITY TO RESILIENCE

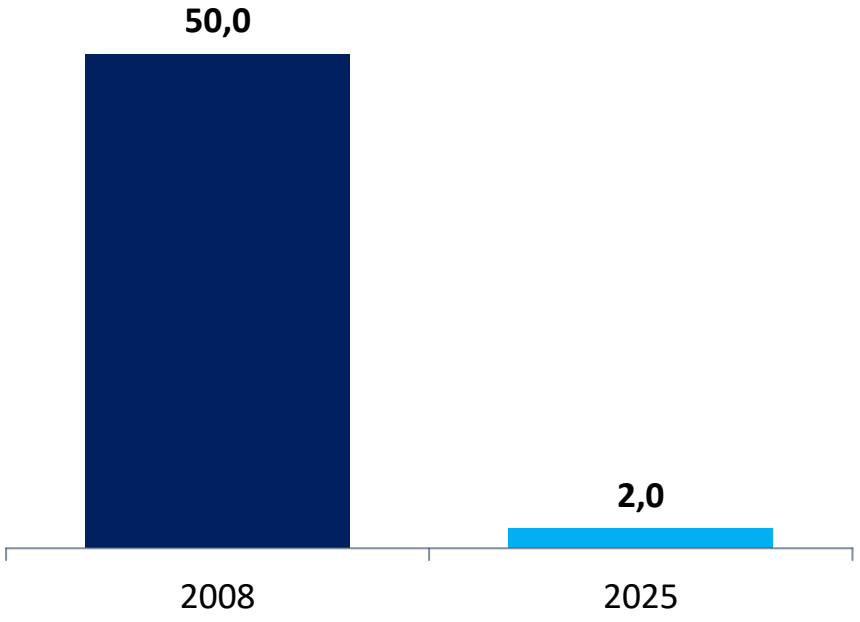
Higher oil prices are a headwind, but they are no longer a current account risk for Uruguay.

Oil imports
In % of GDP



1.6%
Oil imports in 2025, down from 6.8% of GDP in 2008

Fossil fuels in electricity generation
In % of total

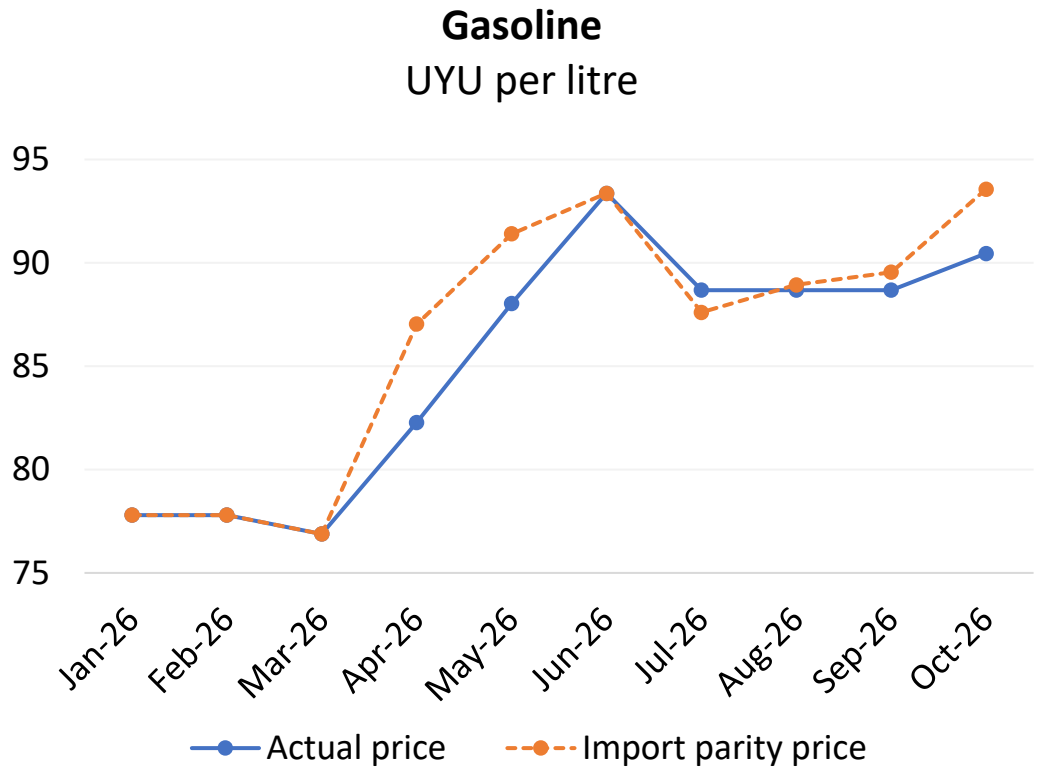


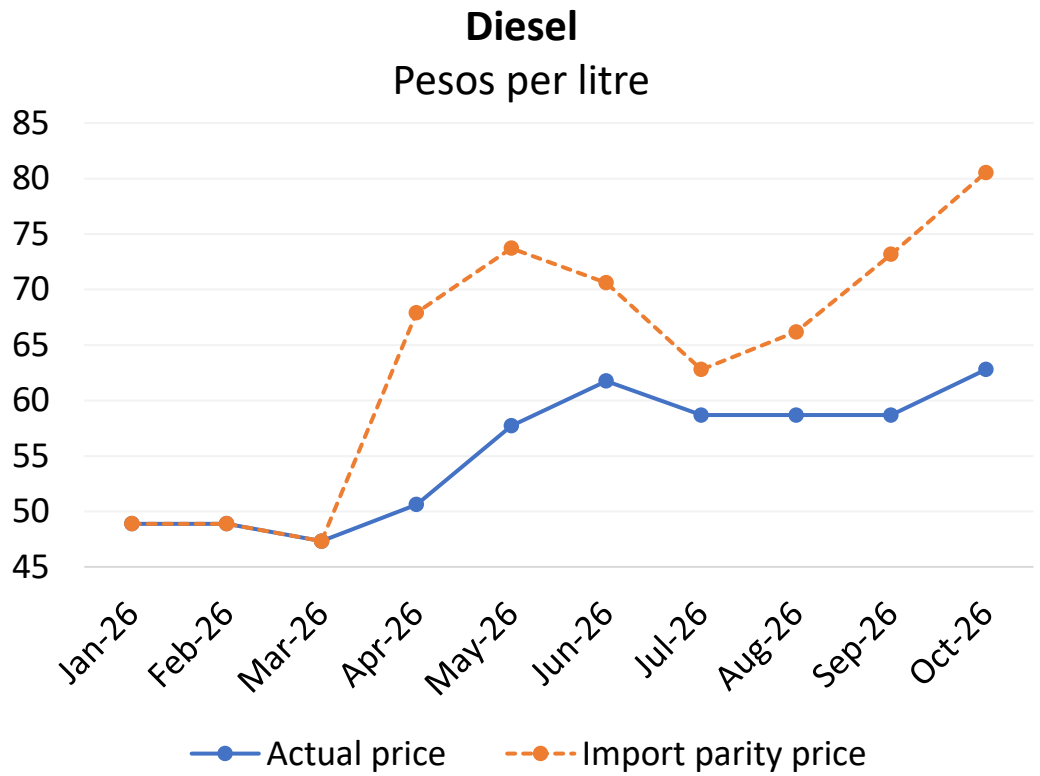
98%
Electricity generated from renewables in 2025 (hydro, wind, biomass, solar)

Source: MEF

POLICY RESPONSE TO HIGHER CRUDE OIL PRICES

The government limited the pass-through into domestic prices of gasoline and diesel: a wider crack spread partly offset the impact on the state-owned refinery's balance sheet.



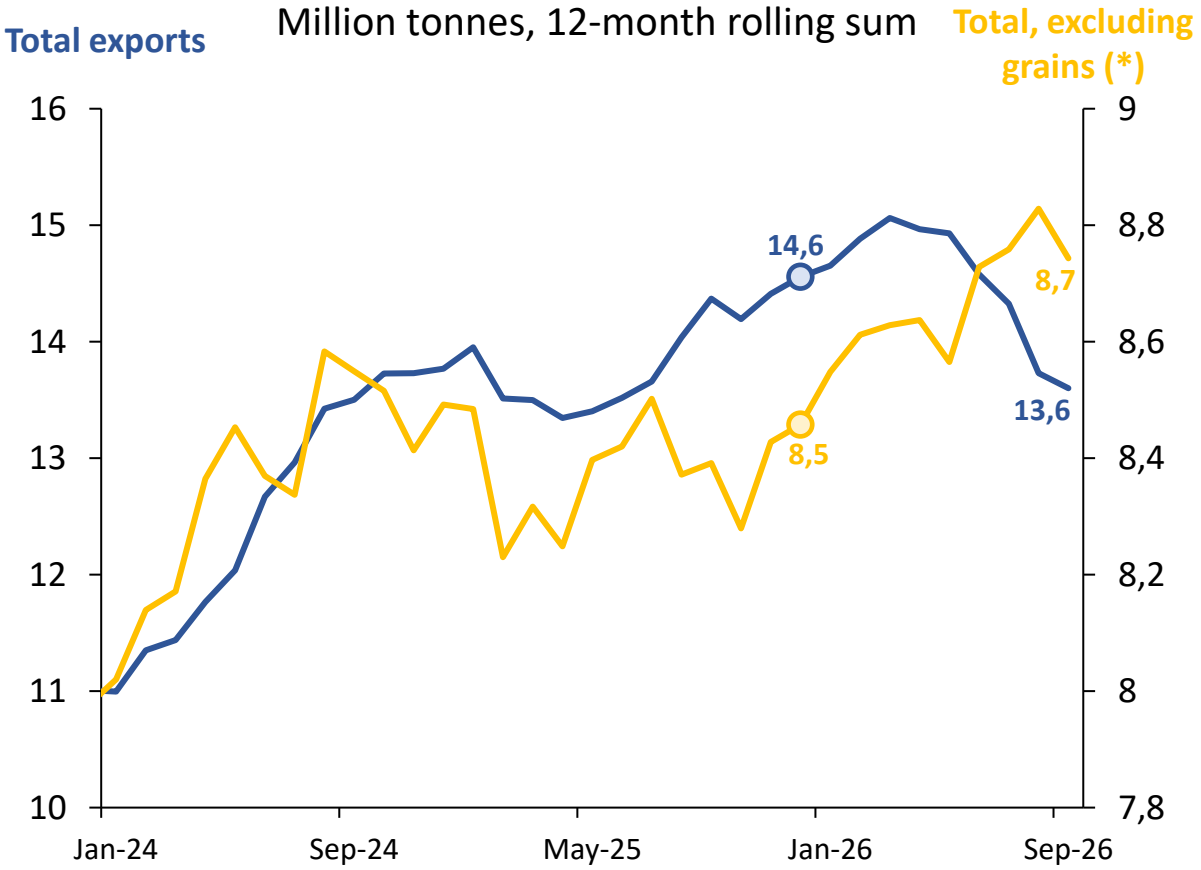


2 TRADE: DIVERSIFICATION UNDER TRADE FRAGMENTATION

Drought reduced crop exports, yet other sectors held up—underscoring the diversification of export markets and products.

Exports of goods

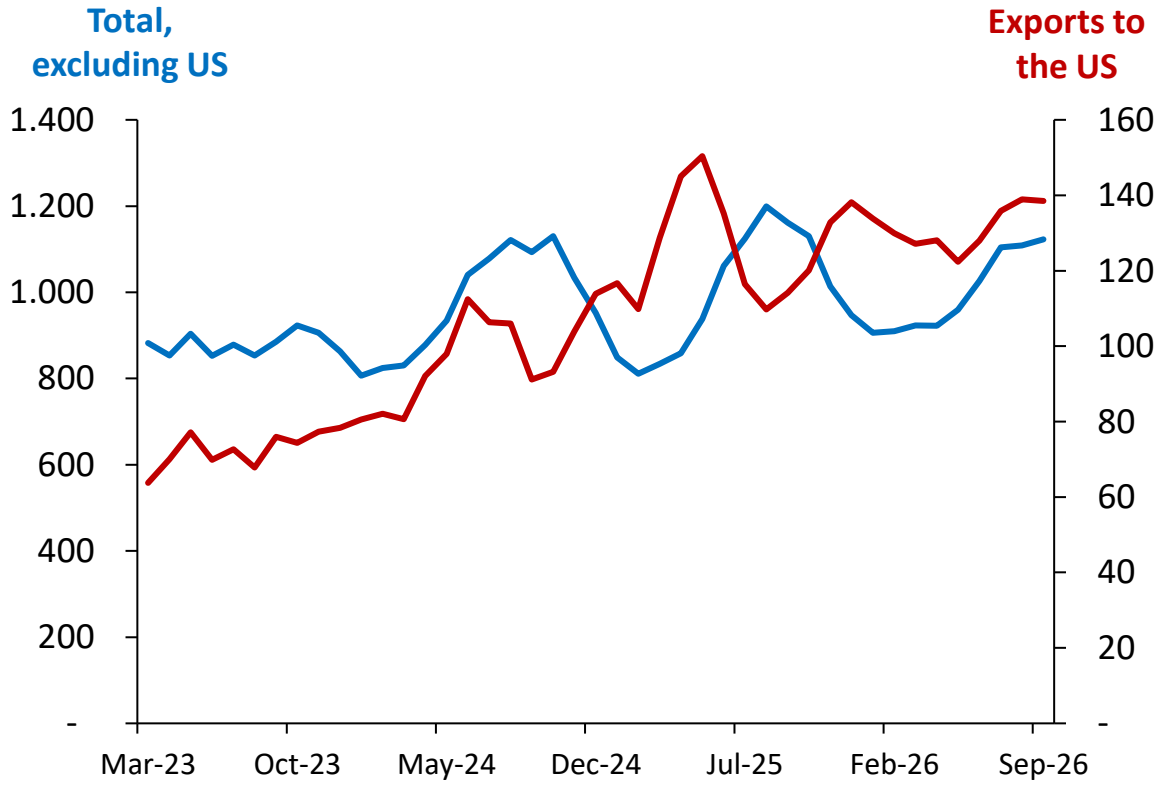
Million tonnes, 12-month rolling sum



Source: Uruguay XXI. (*) Excludes soybeans, rice, wheat, corn, rapeseed, and carinata.

Evolution of exports to the US

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



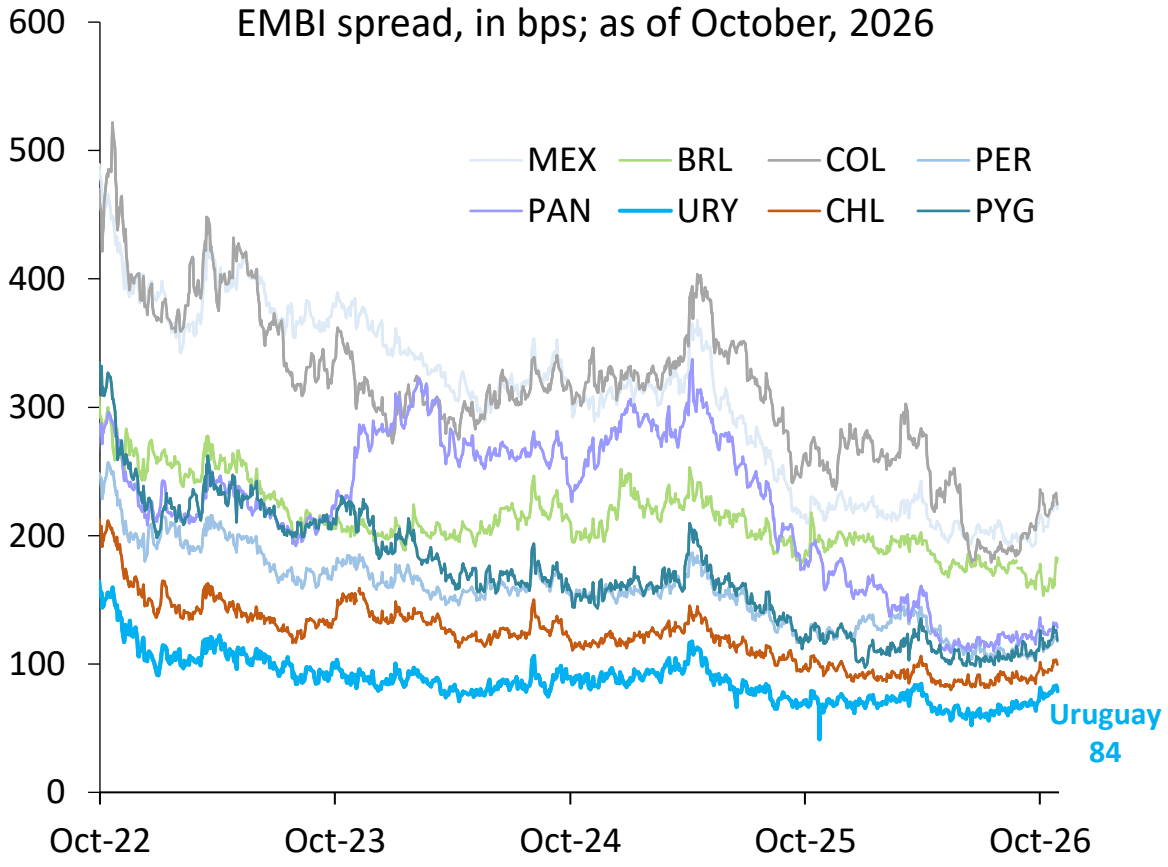
Source: Uruguay XXI.

3 FUNDING: CONTINUED MARKET ACCESS AT FAVORABLE TERMS

Uruguay has the lowest sovereign risk premium in Latin America and continued market access, with limited sensitivity to global risk-off episodes.

Sovereign risk premia in LATAM

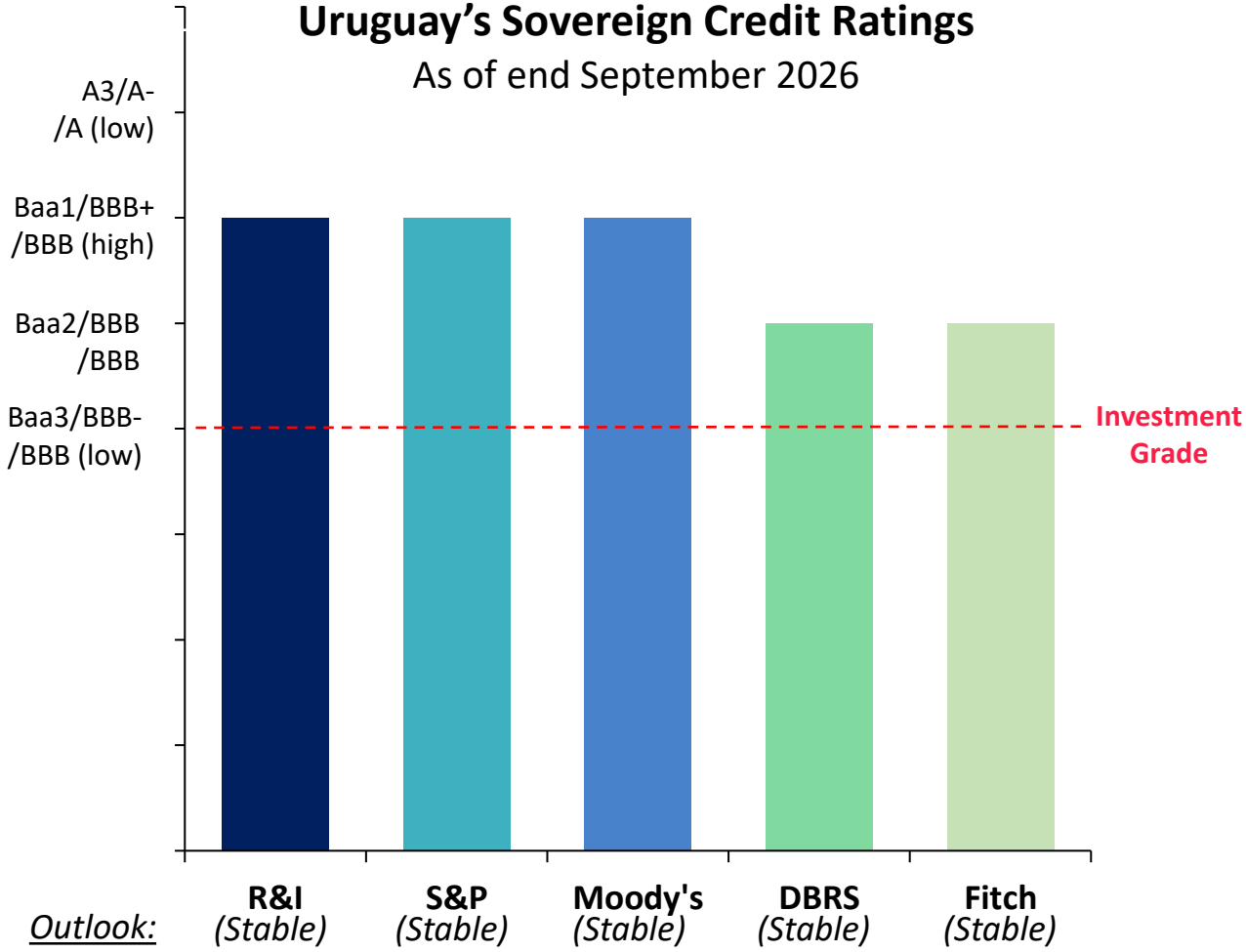
EMBI spread, in bps; as of October, 2026



Source: Bloomberg.

Uruguay's Sovereign Credit Ratings

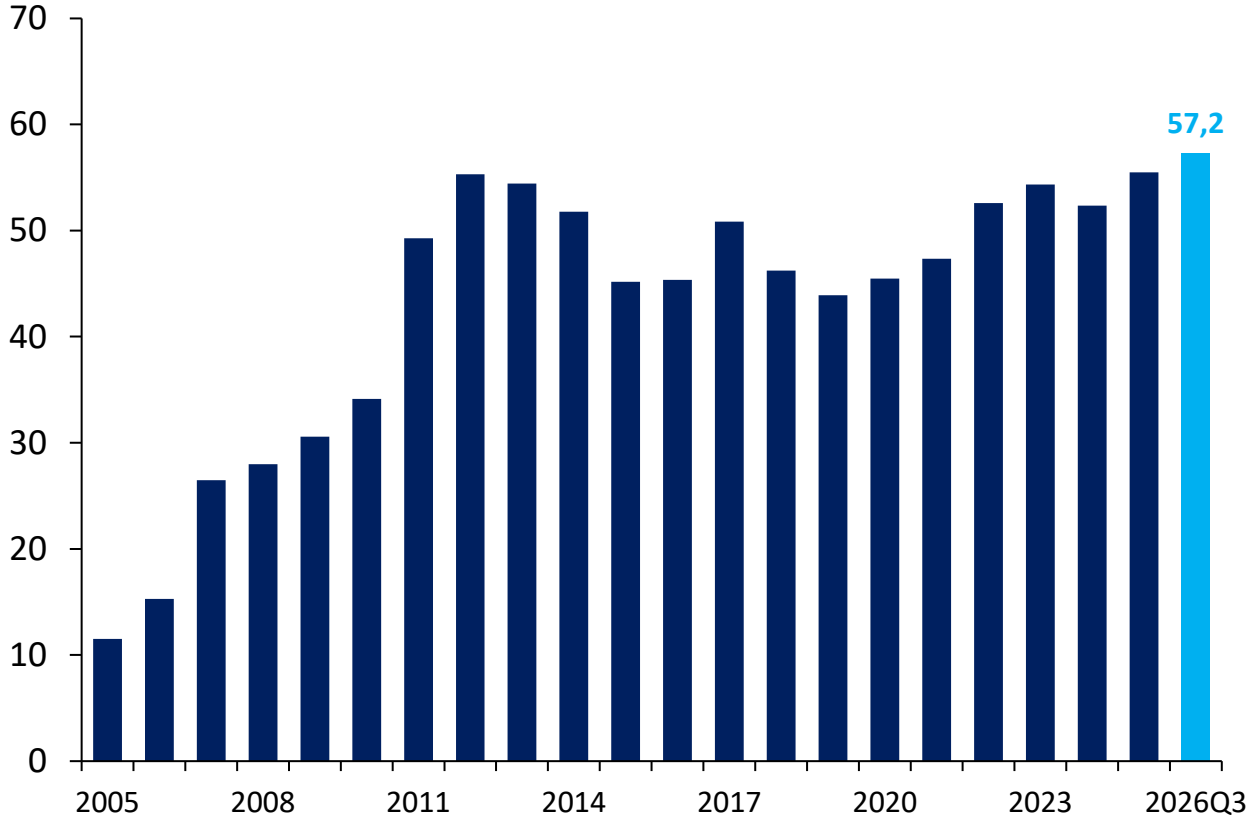
As of end September 2026



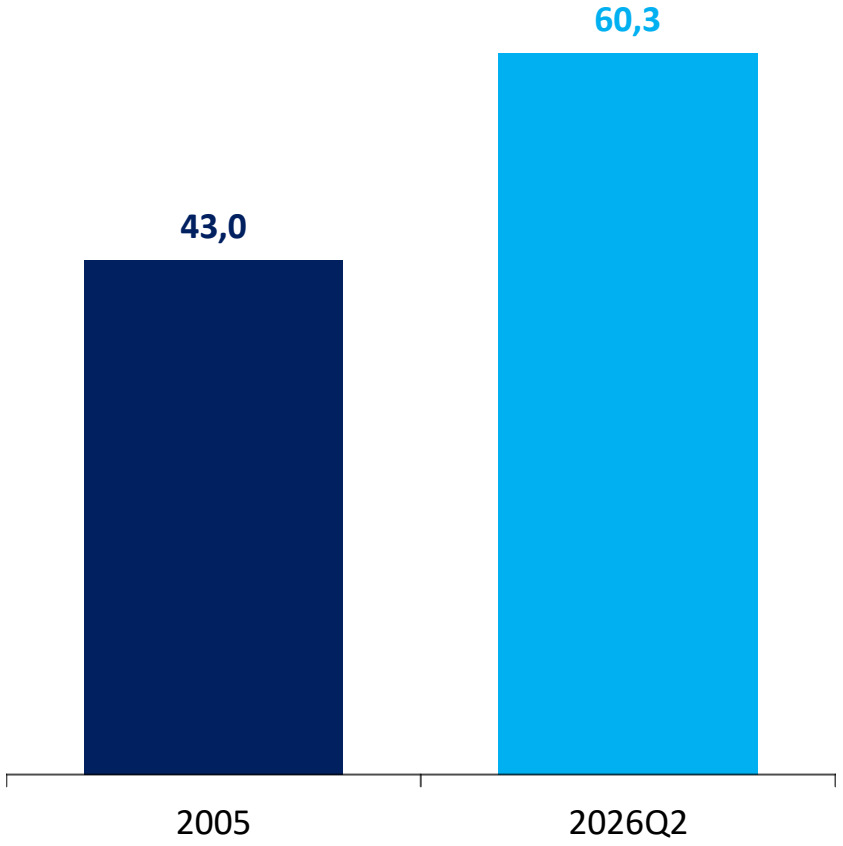
DEBT STRUCTURE: STEADY DE-RISKING

Government debt continues to de-risk, supported by greater reliance on local currency funding in the domestic market and a relatively long average maturity.

Government Debt in Local Currency
(% of total)



Government Debt held by Residents
(% of total)



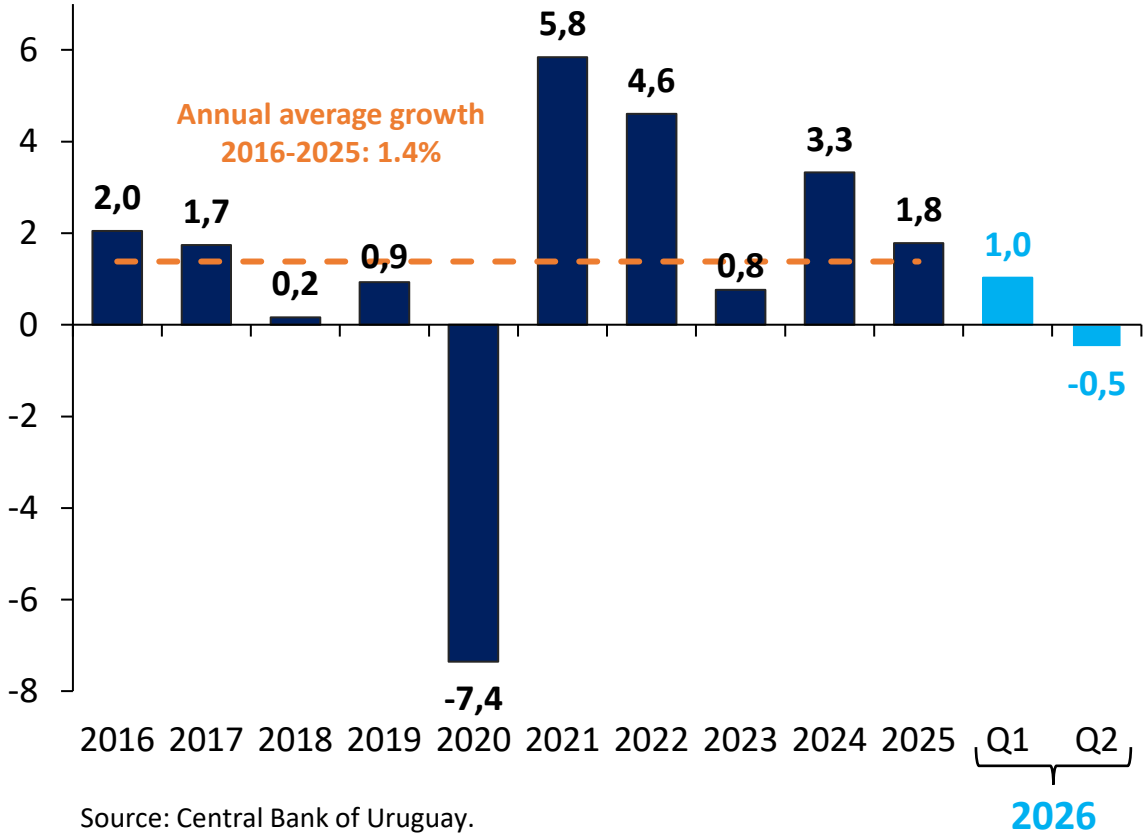
Source: MEF.

IDIOSYNCRATIC WEATHER SHOCK

Growth slowed in the second quarter of 2026 as the drought hit agricultural output.

Real GDP change

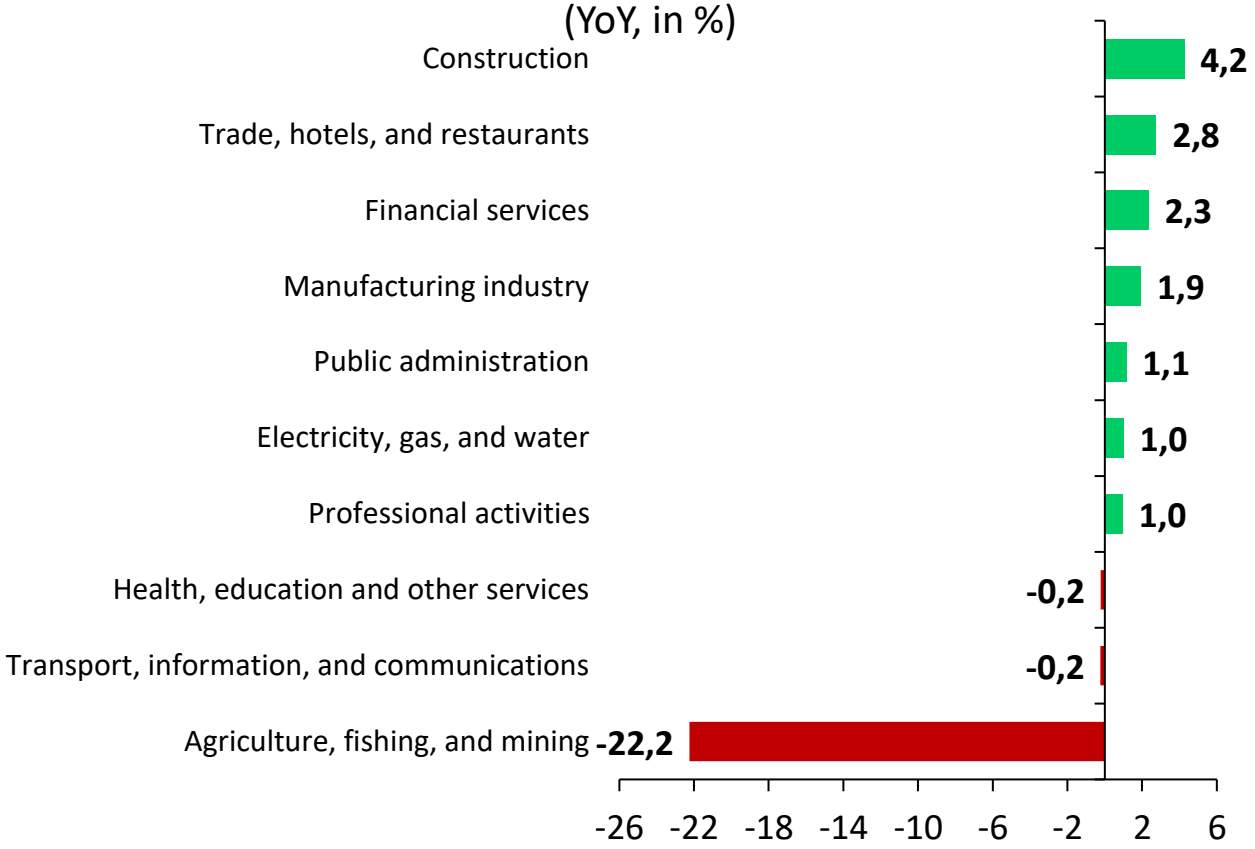
(YoY, in %)



Source: Central Bank of Uruguay.

Real GDP change in the second quarter of 2026

(YoY, in %)

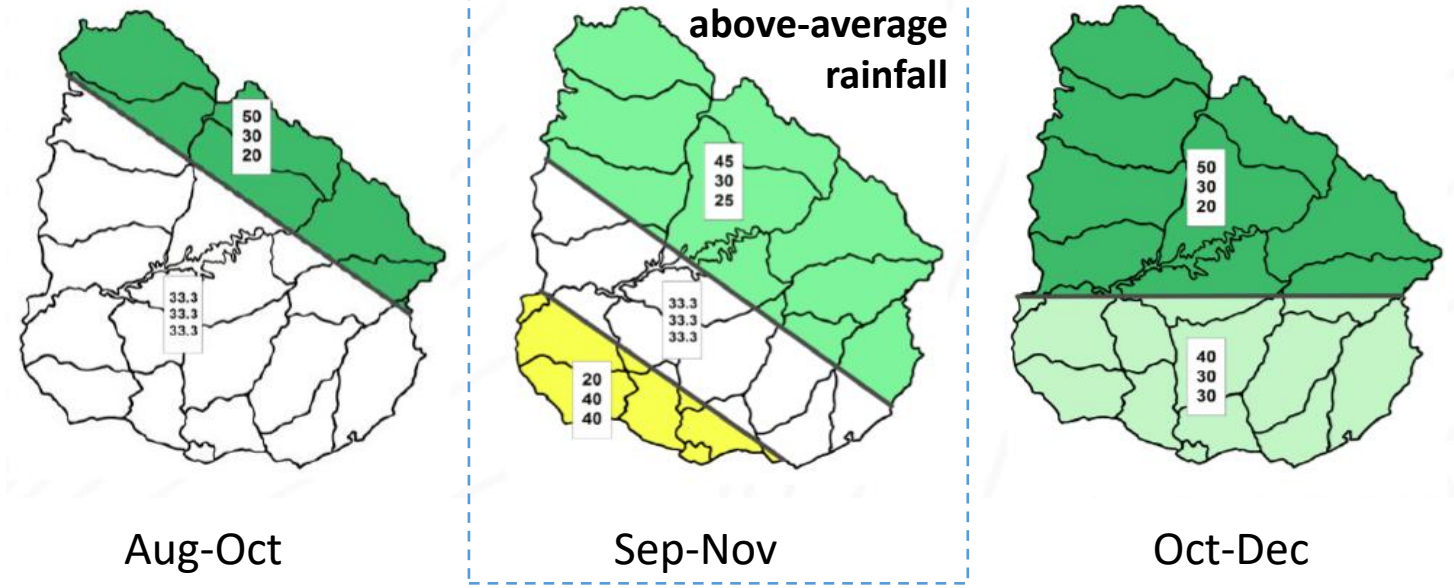


Source: Central Bank of Uruguay.

WEATHER SHOCK

El Niño is the near term weather risk

Climate trends for 2026



Source: INUMET

Numbers in each box indicate the probabilities (%) of rainfall being above (top number), near (middle number), or below (bottom number) the historical average for the indicated region and period.

Focus priorities

- Population
- Infrastructure
- Production

Policy response

- Coordination among the different levels of National Emergency System and early on-the-ground action.

Financing Instruments

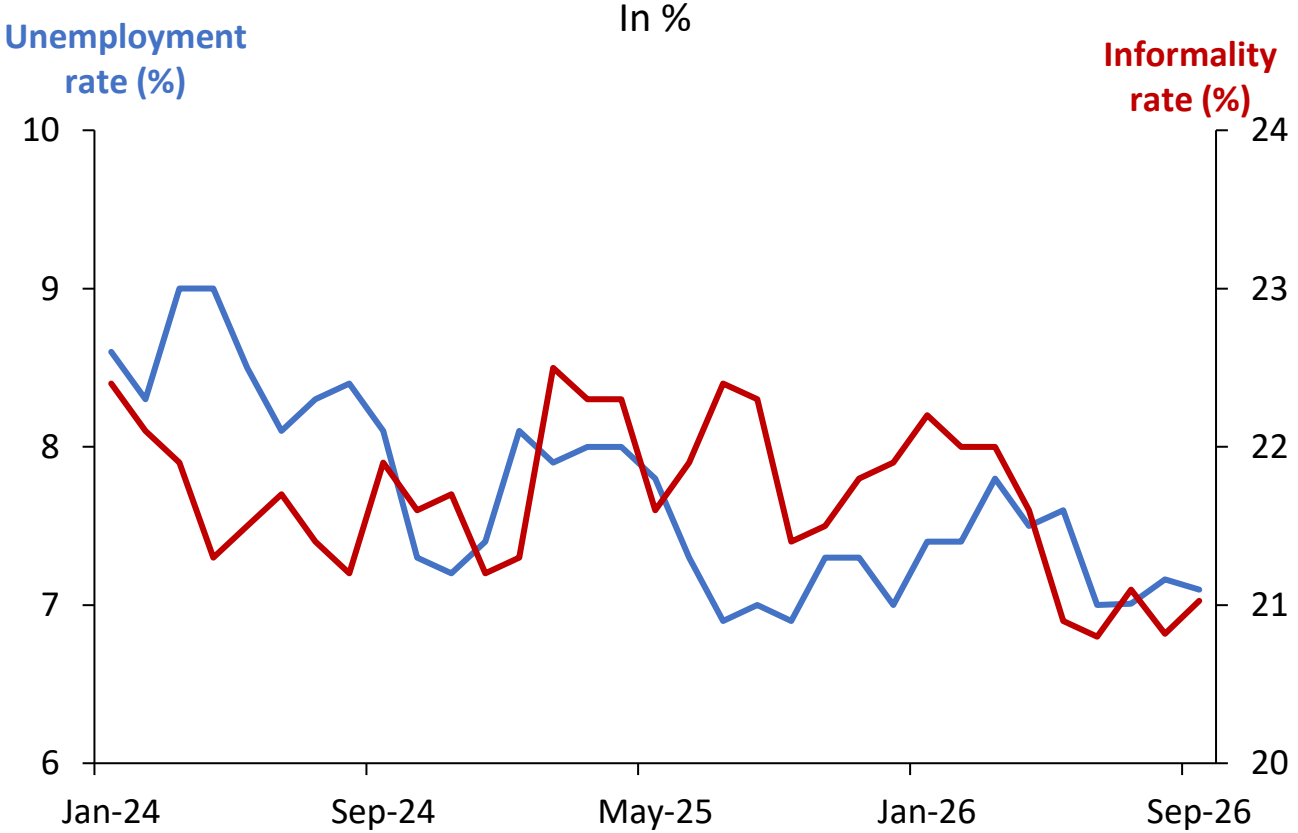
- Contingent credit lines from multilaterals for emergency response financing, guarantee programs (SIGA), and producer support.

DOMESTIC ABSORBERS

Robust labor market conditions— higher employment, rising real wages and greater formality, support household income and private consumption.

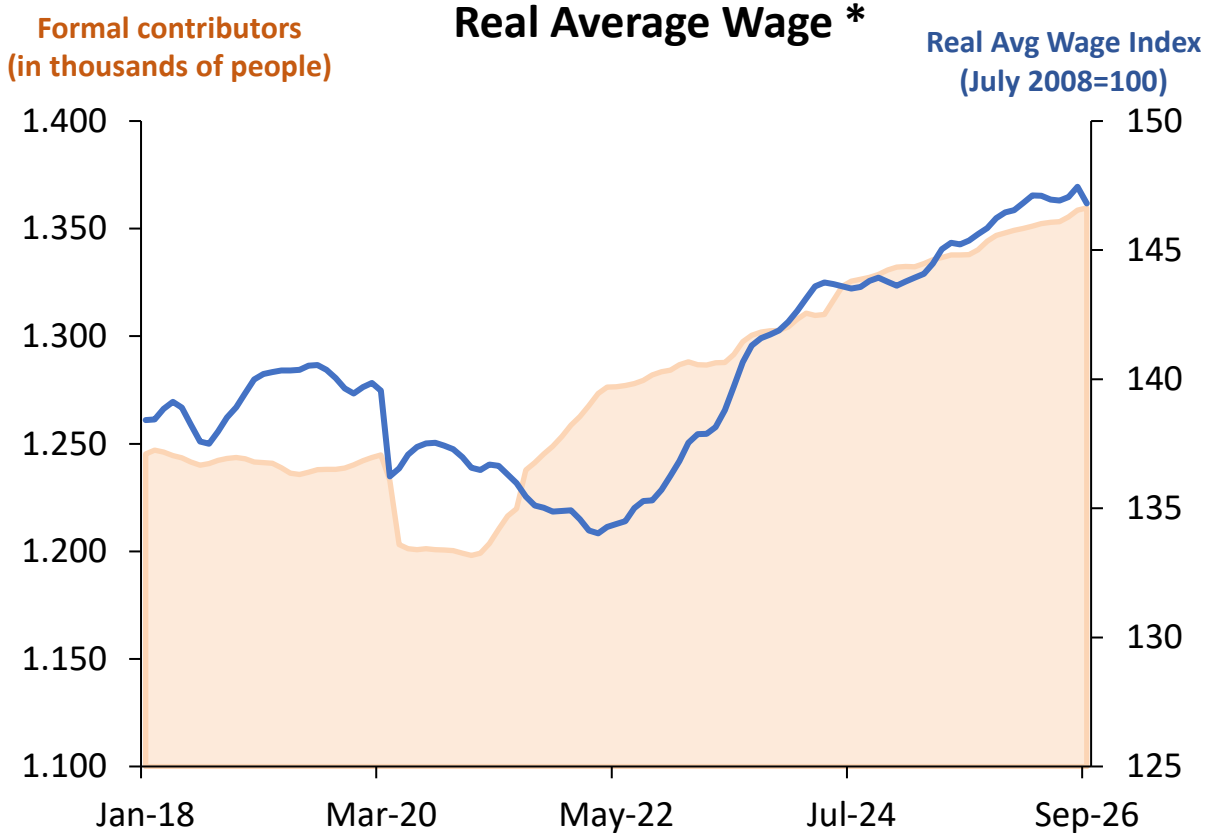
Unemployment and Informality Rates

In %



Source: INE

Contributors to the Social Security System and Real Average Wage *



Source: MEF based on BPS and INE data. (*) Both series are calculated on a trend-cycle basis.

MONETARY POLICY AND REGIME

Monetary policy framework has been strengthened

Inflation-Targeting Framework
Prioritizing price stability as the primary objective through the use of the short-term policy interest rate.

Refined Inflation Target
Transitioned from a target range to a single point target.

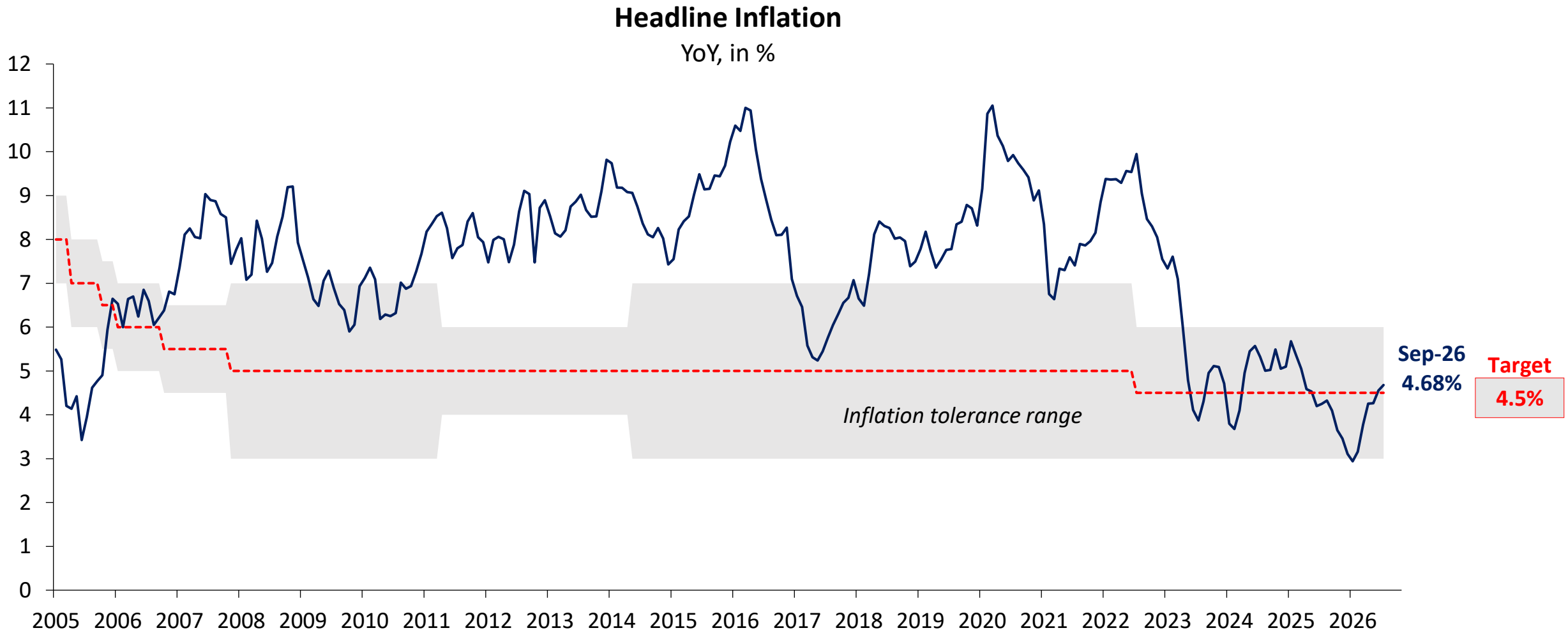
Enhanced Communication
Strengthening transparency efforts to better anchor market expectations.

Floating Exchange Rate
Maintaining a free-floating exchange rate regime.

Institutional Governance
Strengthening BCU's technical independence and policy coherence.

MONETARY REGIME

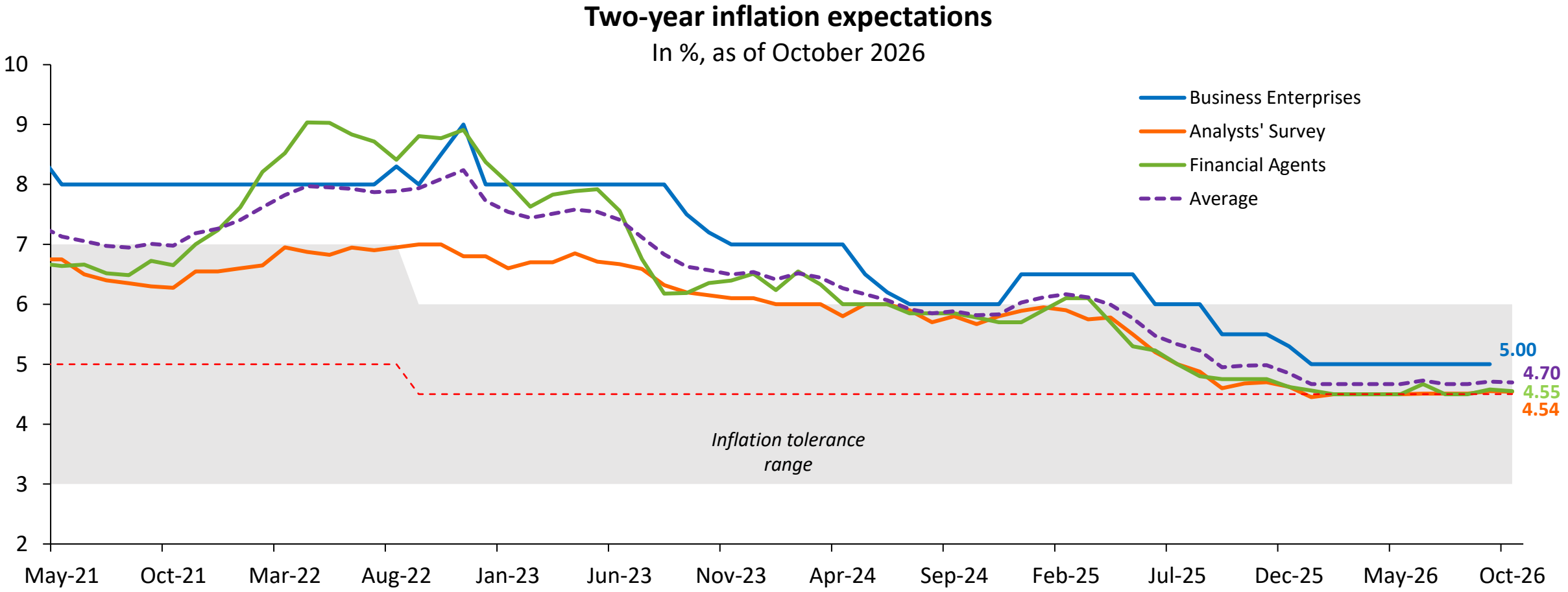
Inflation remains firmly contained below the levels recorded over the past two decades



Source: Central Bank of Uruguay.

MONETARY REGIME

Inflation expectations are at historic lows and aligned with the Central Bank's target



Source: Central Bank of Uruguay.
* Data for Business Enterprises is updated as of September 2026

EXCHANGE-RATE REGIME

The peso floats and is among the least volatile in the region

Non-intervention is the Central Bank´s operating rule

The BCU has stayed out of the spot market for five years.

Low realized volatility and relatively muted response during global risk-off episodes

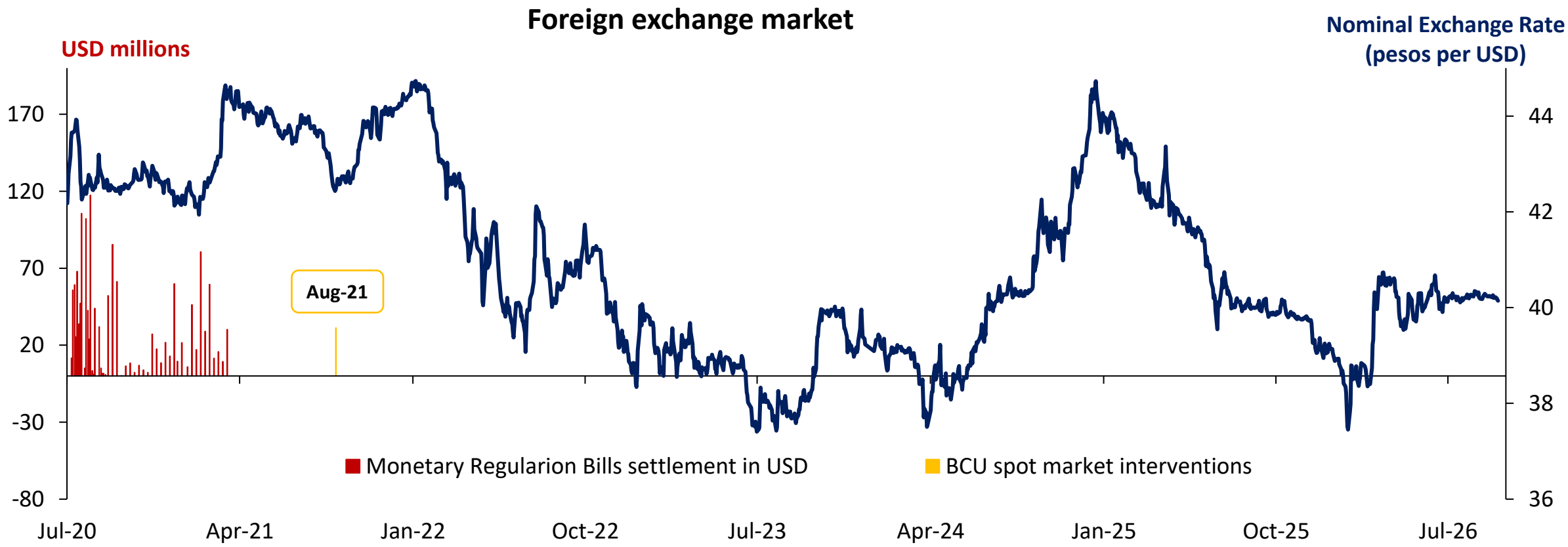
Annualized daily volatility of the peso has typically been at the low end of the LatAm set.

The USD-UYU derivatives market has caught up

Derivatives turnover has risen significantly over the past eighteen months, on-exchange and OTC.

EXCHANGE-RATE REGIME

Exchange-rate flexibility facilitates the economy's adjustment to evolving regional and global conditions, with low risk-off sensitivity

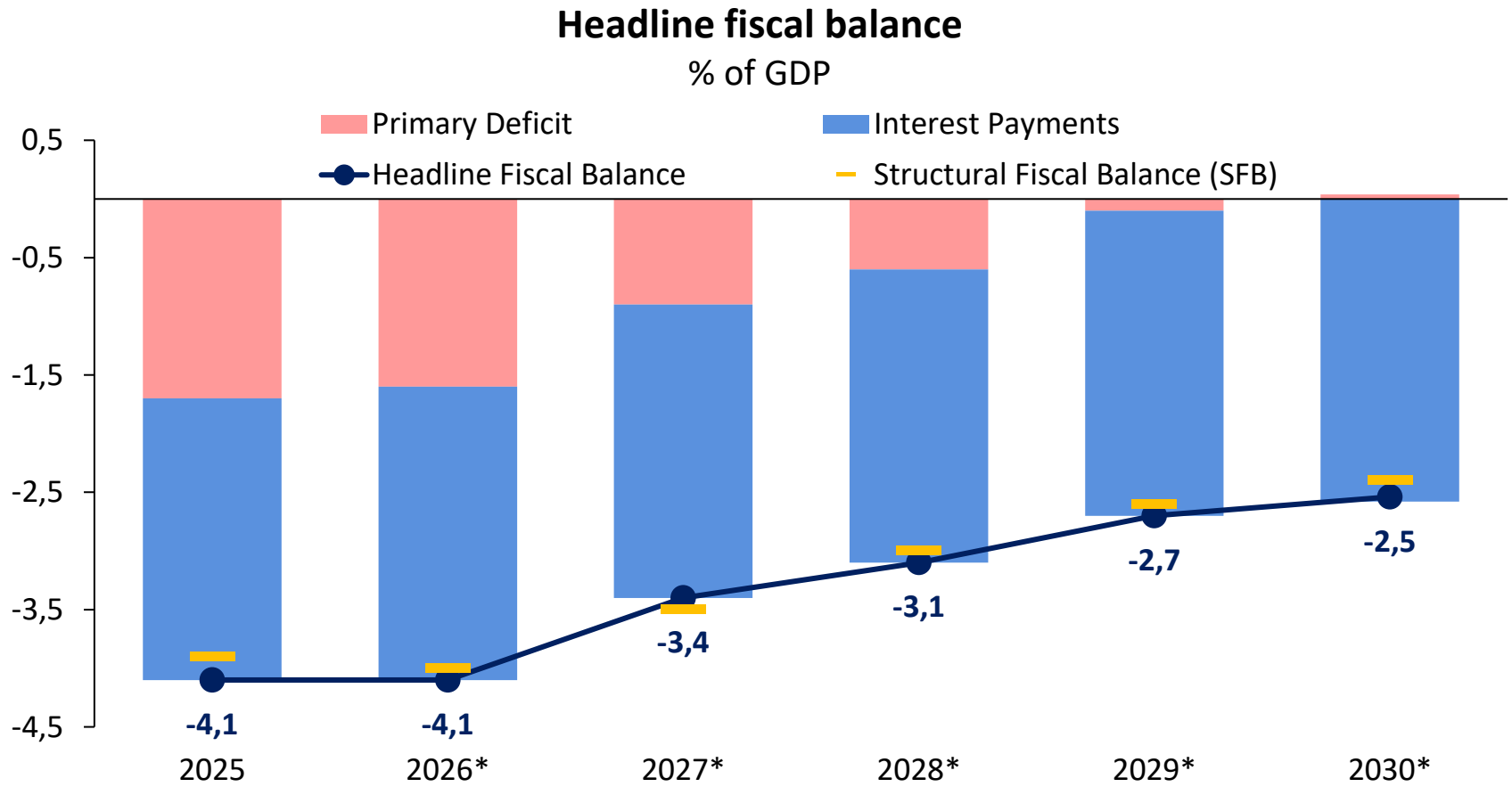


Source: Central Bank of Uruguay.

The BCU has not intervened in the foreign exchange market for the last 5 years.

PUBLIC FINANCES: FISCAL CONVERGENCE

The Budget Law sets a path toward a balanced primary fiscal balance, assuming real GDP growth accelerates toward potential.

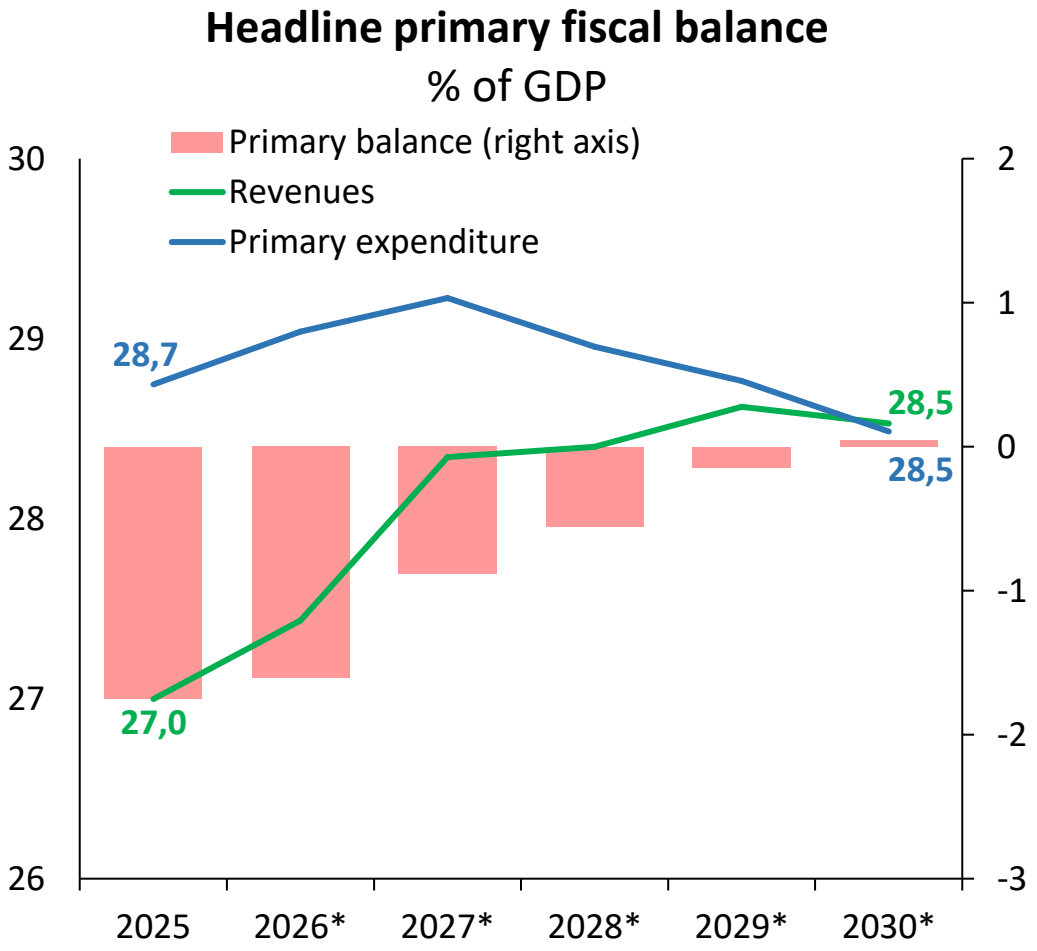


Real GDP annual growth (* projected)	1.8	1.6	2.1	2.4	2.4	2.4

Source: MEF.

PUBLIC FINANCES

Most of the planned fiscal consolidation rests on the revenue side and is built on a wider, more international tax base.



Source: MEF.

- **Tax measures (approved by law)**
  - ***Domestic Minimum Top Up Tax (OECD Pillar II) on Multinational Subsidiaries***
  - ***Personal Income Tax on External Asset Returns by Residents***
  - ***Amendments to the Non-Resident Income Tax on dividends and profits***
- **Improvements in tax administration (IMF technical assistance)**

FISCAL RULE: MITIGATING IMPLEMENTATION RISKS

The fiscal framework has been strengthened to improve compliance and accountability with the rule's targets.

1

Medium-term debt anchor (*stock*)

- A net debt / GDP prudent value of 65%.

2

Short-term fiscal targets (*flows*)

- Operational targets on net indebtedness (subject to legal limit) and structural fiscal balance.

3

Fiscal guardrails

- Automatic correction for fiscal slippages.
- More stringent escape clauses in electoral years.

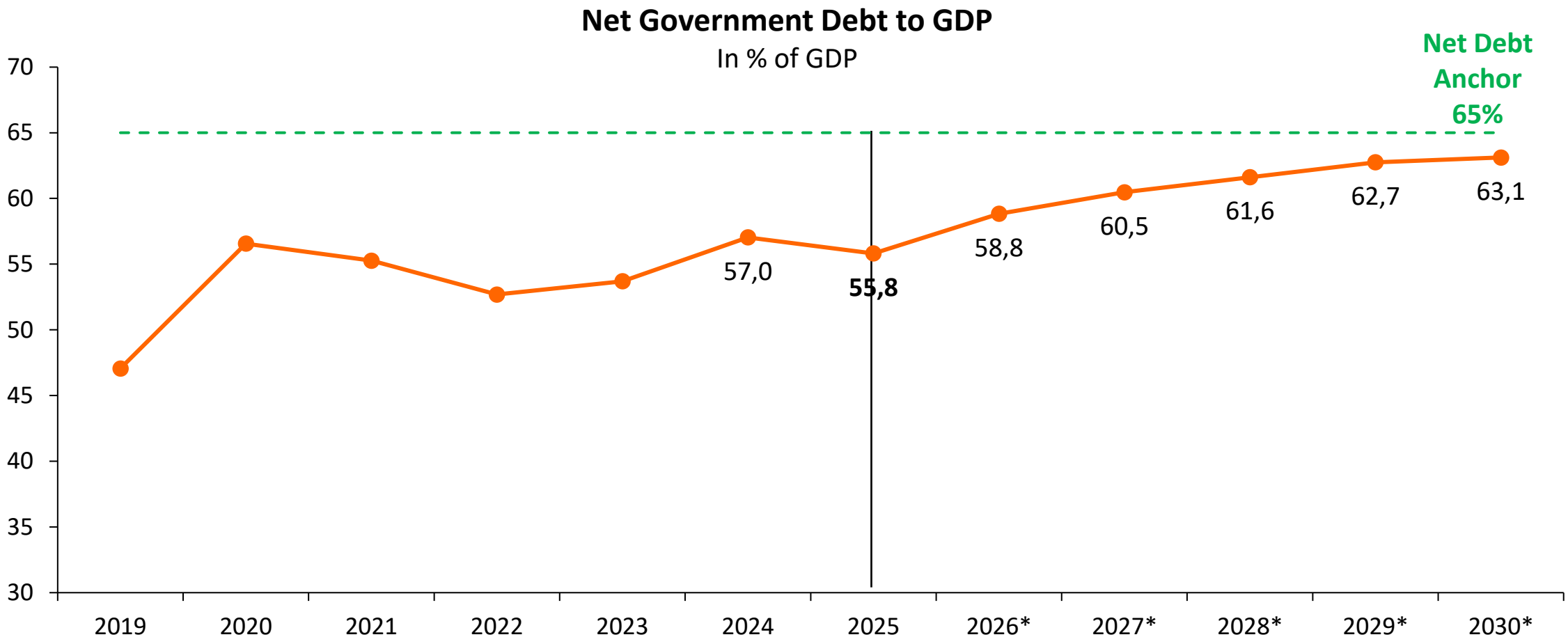
4

Institutional foundations

- The Fiscal Council is now autonomous, with a broader mandate to evaluate and enforce the fiscal framework.

DEBT DYNAMICS AND MEDIUM TERM ANCHOR

The fiscal strategy keeps net debt to GDP on a path consistent with debt sustainability, given assumptions on economic growth and relative prices.



Source: MEF.

SOCIAL SECURITY REFORM (I)

An early-retirement option, designed to be actuarially balanced.

The proposal

In October 2026, the Executive intends to send Congress a bill creating an early-retirement option: age 60 with 30 years of contributions.

65 years old remains the benchmark

The design keeps 65 as the standard age and includes incentives to remain in work. The option cannot be combined with simultaneous labor income.

Who it is for?

It is aimed at low- and middle-low-income workers who reach the end of their careers with greater physical wear and fewer opportunities to stay employed.

Expected fiscal cost close to zero

The Actuarial Advisory Office of BPS has designed the parameters to be actuarially balanced. The incremental fiscal cost is expected to be close to zero.

SOCIAL SECURITY REFORM (II)

The foundations of the individual-savings pillar are being preserved and improved; reform initiatives reaffirmed AFAPs as key institutional investors in sovereign debt markets.

Improve retirement outcomes for affiliates by increasing net returns on pension savings

Reduced commissions, diversified AFAP investment portfolios (expanding offshore eligible assets), and greater operational efficiency.

Strengthen the regulatory and competitive framework

Better align pension funds´ financial incentives with affiliates' interests.

Maintain individual accounts under Pension Funds' management

Preserving workers' freedom of choice to choose the AFAP.

Promote greater integration of the pension system

Ensure timely pension advice, and streamline retirement procedures through a single-window system.

ACCELERATING GROWTH: THE CENTRAL POLICY PRIORITY

Higher trend growth is needed to sustain Uruguay´s social cohesion model.

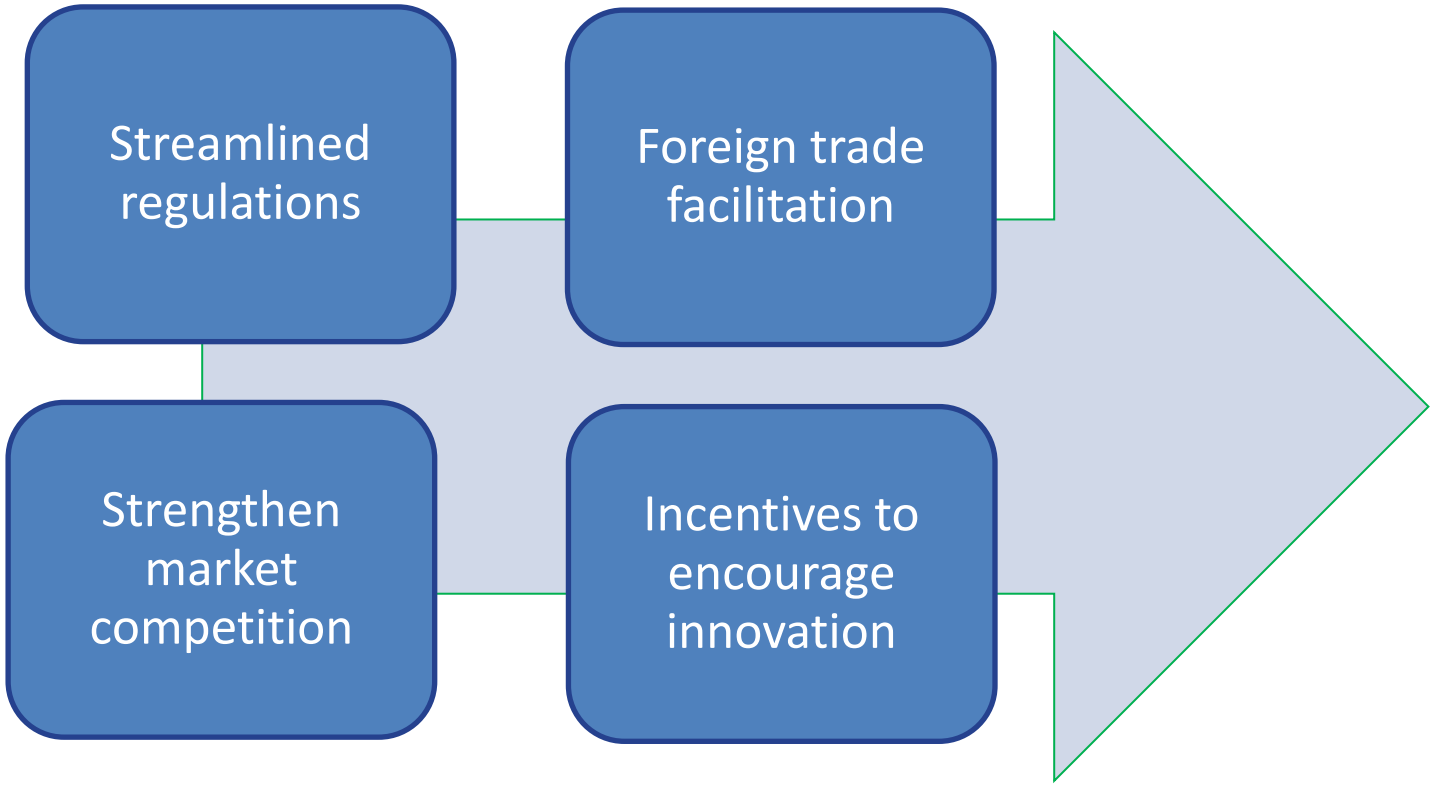
1.4%

Average annual real GDP growth of Uruguay, 2016–2025

- Low private investment rate and productivity
- High cost of doing business
- Energy and logistics costs
- Shallow capital markets
- Unfavourable demographics

1 · ENHANCE COMPETITIVENESS AND REDUCE COST OF DOING BUSINESS

The Competitiveness bill targets supply-side reforms: simpler regulations, less red tape, stronger competition, and incentives for innovation.



- Reduce production and logistics costs
- Help raise productivity
- Reduce barriers to investment
- Foster private sector dynamism

2 · GREATER TRADE OPENNESS AND INTEGRATION: A PATH TO SCALE

The EU-Mercosur agreement and other trade deals will broaden market access and attract foreign direct investment.

- **In Force**
  1. Mercosur- EU (27 countries) Trade Agreement (May 2026).
  2. Mercosur- Singapore.

- **Opening in 2026**
  3. Mercosur- EFTA (4 countries).

- **Under Negotiation**
  4. CPTPP Accession (12 countries).

3 · EXPANDED INCENTIVES TO ATTRACT GLOBAL CAPITAL THAT INCREASINGLY PRICES CARBON RISK

A renewable electric power system in Uruguay is drawing foreign direct investment into data centers tied to AI and low-carbon manufacturing, such as green hydrogen projects.

GREEN HYDROGEN · HIF

- **HIF Global** plans an e-fuels plant in Paysandú, using renewable electricity and captured CO_2 from an existing biofuels plant and other sources.
- More than USD 5 billion if it proceeds. The electricity tariff with UTE remains under negotiation, and no final investment decision has been taken.

DATA CENTERS FOR AI

- **Solaria**. Plans to invest $5.7 billion in a data center technology park, including 500 MW of data center capacity and 350 MW of solar PV. Renewable energy will play a central role in the project's electricity supply.
- **Google**. Announced data center in Canelones, about USD 850 million — its second in Latin America.
- Antel. AI data center in Canelones, USD 70 million. Construction from 2027; operation targeted for 2028–29.

4 · OECD PROCESS

A path toward international best practices and, in time, a possible OECD accession process.

OECD Benchmark Assessment

Two-year comprehensive study assessing national public policies against international standards and OECD best practices.

Roadmap to global integration

Builds on Uruguay's ongoing adoption of international best practices in fiscal transparency, tax systems, and regulatory standards.

Institutional and investor value

Aims to enhance policy quality, reinforce legal and regulatory certainty, and strengthen long-term investor confidence



SOVEREIGN DEBT MANAGEMENT: RISK, COST AND LIQUIDITY

Balancing risk mitigation and cost efficiency while developing secondary bond markets and broadening investor base.

- Deepen local-currency financing in the domestic market.
- Diversify sources of international funding across currencies, markets, and investor pools.
- Keep refinancing risk low through proactive liability management operations.
- Promote depth and liquidity of Uruguay’s secondary bond markets.
- Access multilateral credit lines for precautionary financing flexibility.

BORROWING PLAN

Government's funding needs and financing plans for 2026

Central Government's Flow of Funds
(In USD million)

FINANCING NEEDS	**6,889**
Primary Deficit	1,488
Interest Payments	2,492
Amortization of Bonds and Loans	2,906
Accumulation of Financial Assets	2
FUNDING SOURCES	**6,889**
Loan Disbursements from Multilaterals and Financials Institutions	613
Total Issuance of Market Debt	**5,988**
Others (net)	287

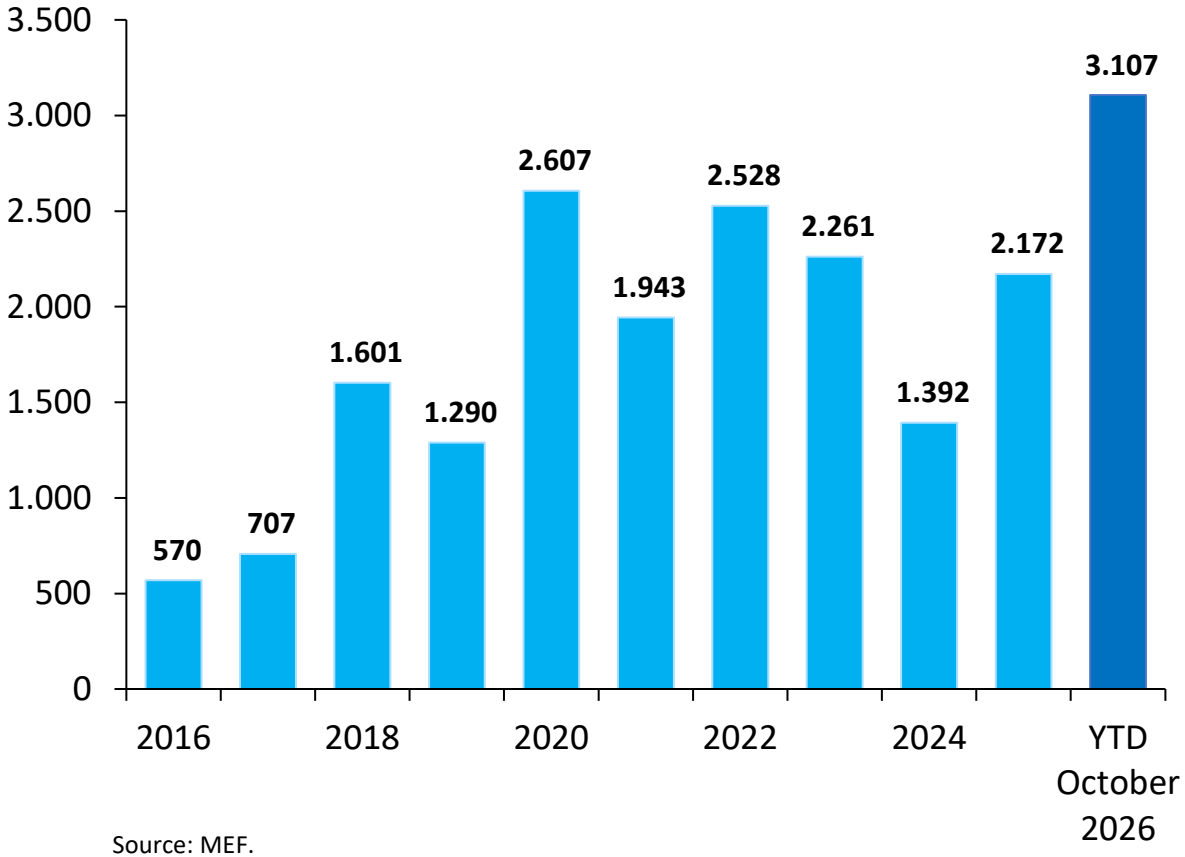
USD 4,802 million issued YTD as of October 2026

DOMESTIC MARKET FUNDING

The domestic market has become an increasingly important funding source, underpinned by a strong institutional investor base.

Sovereign funding in domestic bond market

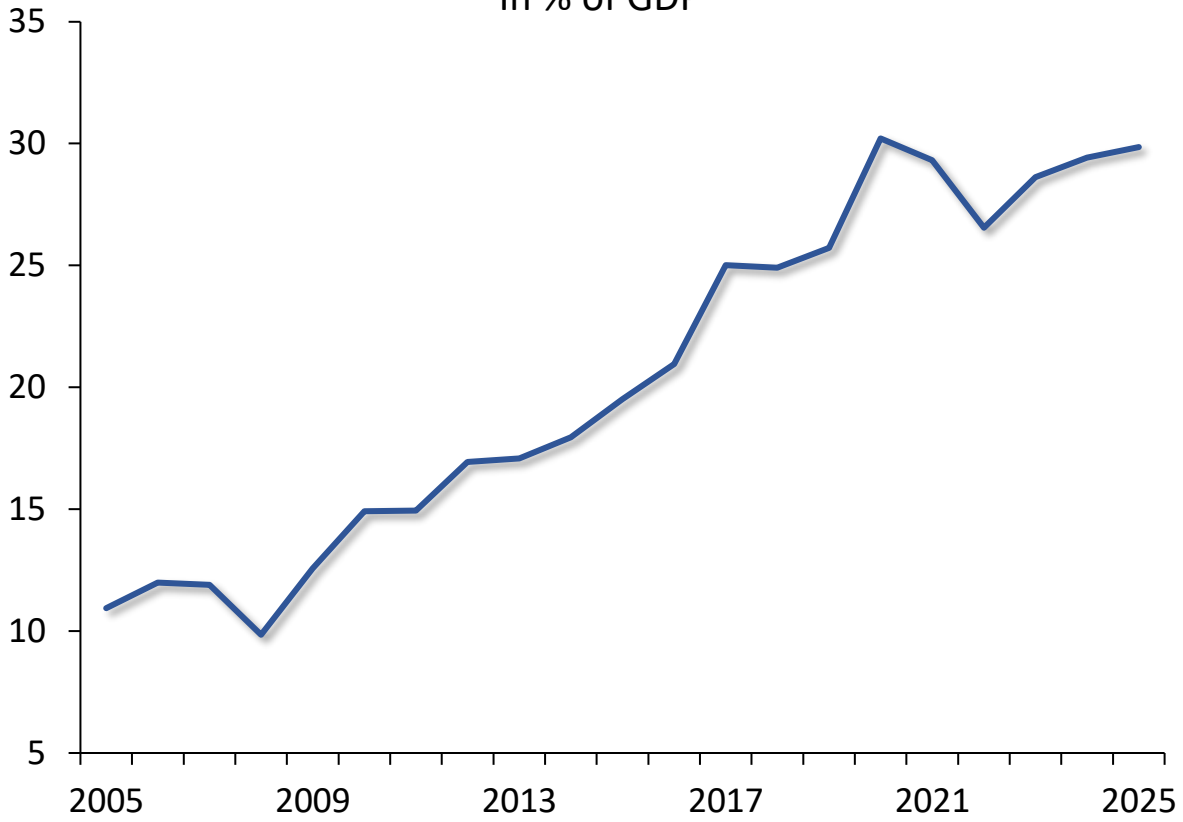
In USD million-equivalent



Source: MEF.

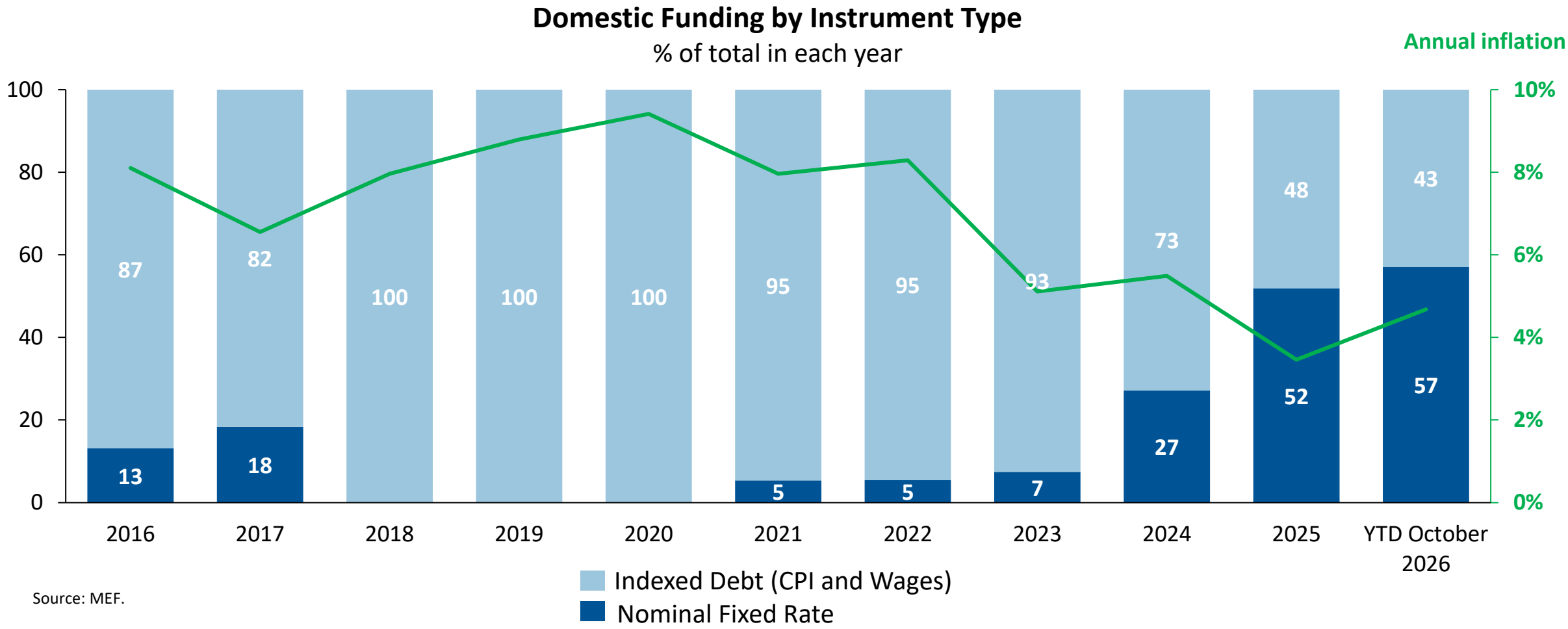
Pension Funds' Assets Under Management

In % of GDP



DOMESTIC MARKET FUNDING

Falling inflation expectations shifted demand toward fixed-rate nominal securities, and the DMO increased the supply of nominal peso Treasuries.



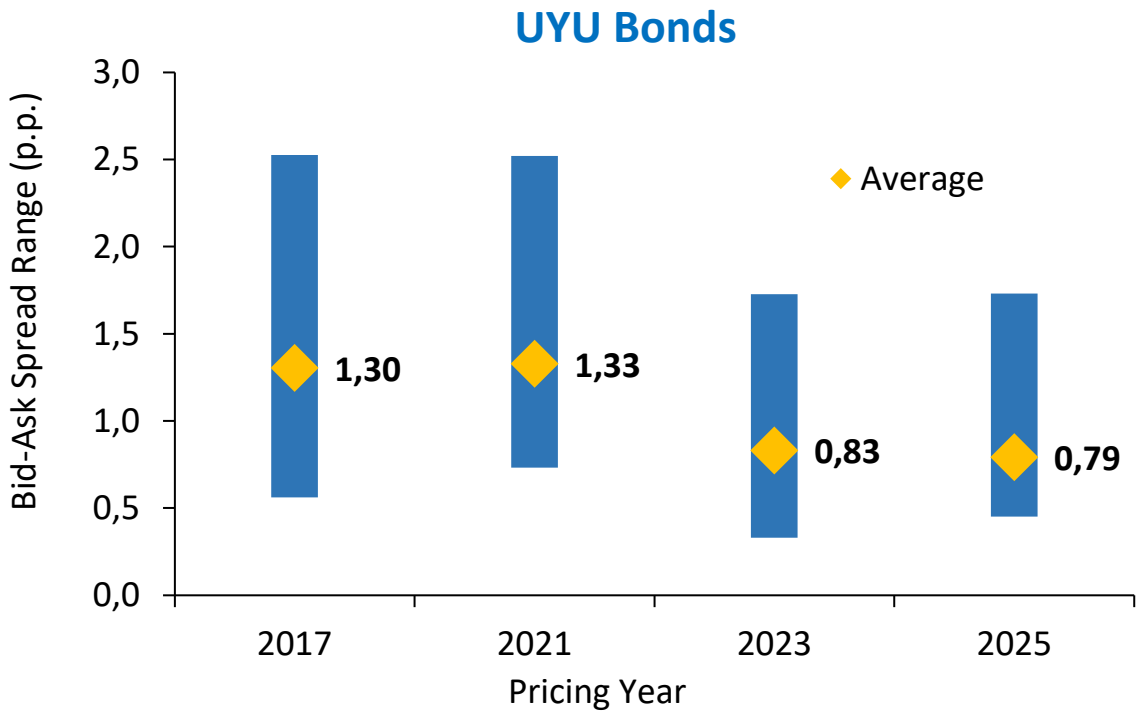
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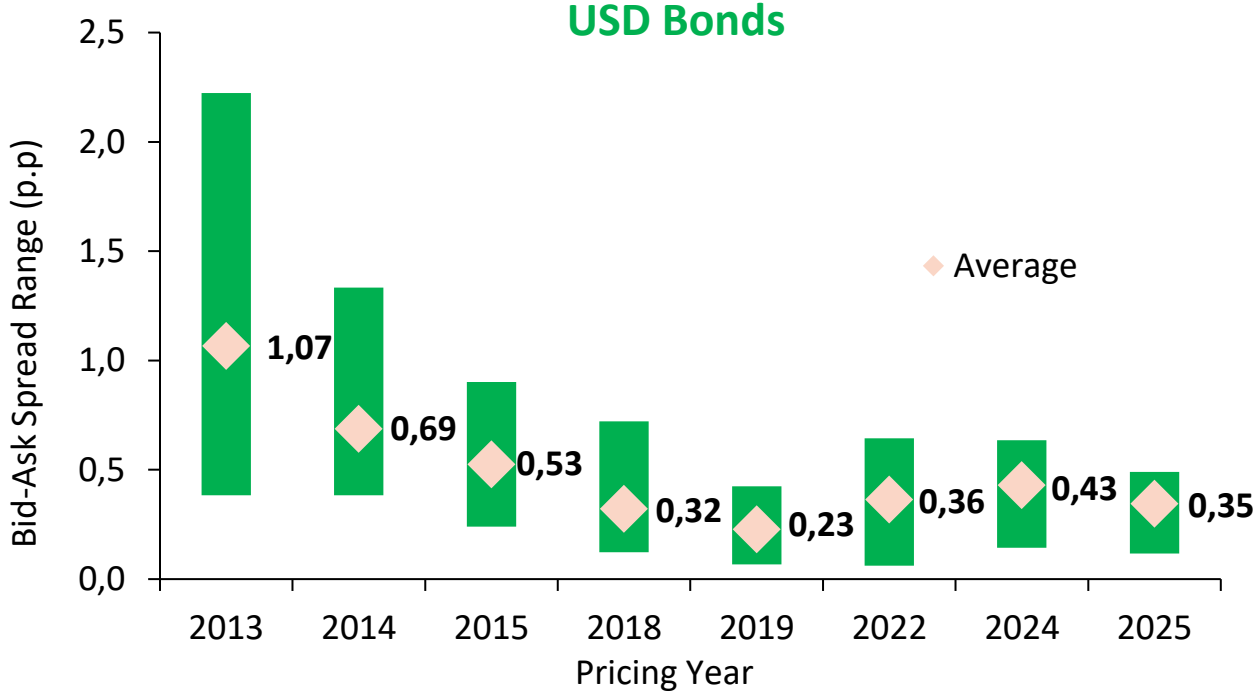
LIQUIDITY THAT LOWERS COST OF CAPITAL

Narrower bid-ask spreads in peso and dollar bond curves reduce the liquidity premium and make the bonds more attractive to hold and trade.

Uruguay´s Global Sovereign Bonds

Bid-Ask Spread, first twelve trading months since pricing

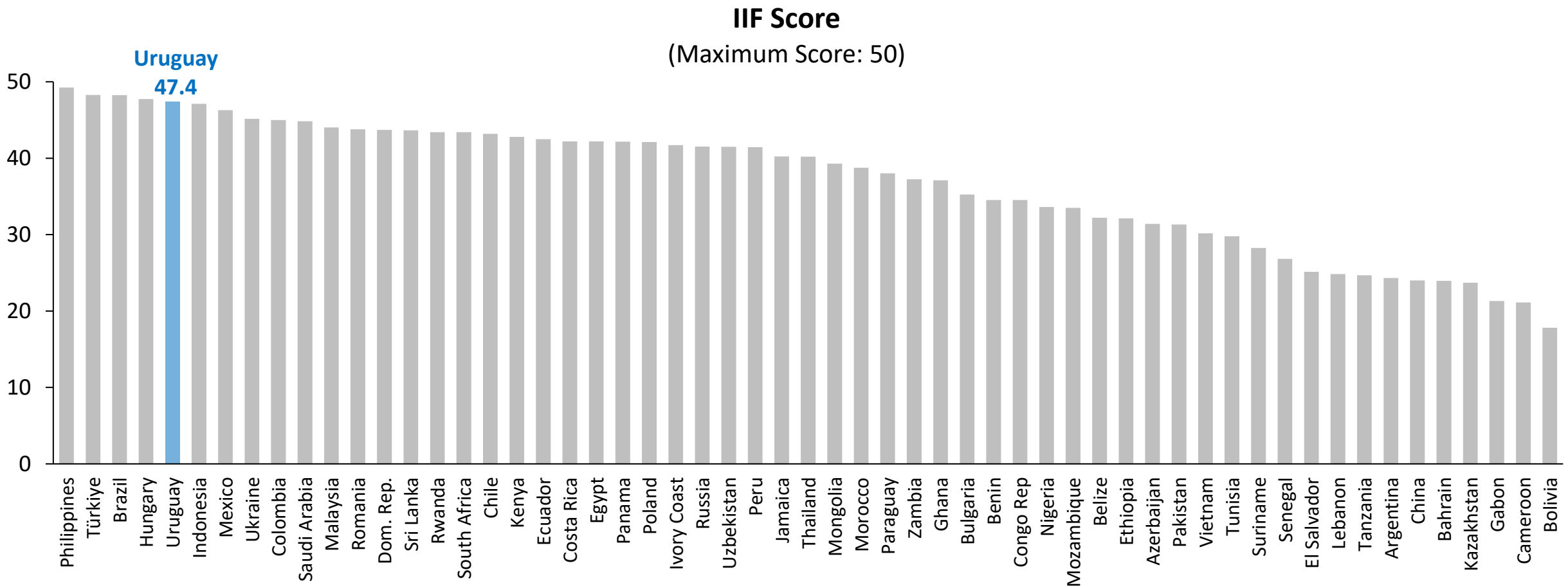




Source: Bloomberg, as of 09/18/2026

INVESTOR RELATIONS: NURTURE A BROAD AND DIVERSIFIED INVESTOR BASE

Uruguay achieved the top tier on the 2026 Sovereign Debt Investor Relations and Data Transparency ranking from the Institute of International Finance



Source: Institute of International Finance, 2026

KEY MESSAGES

Concluding Remarks

01 The Uruguayan economy has remained resilient to a cluster of international shocks.

02 A stronger fiscal framework is in place to support compliance and accountability with the fiscal targets.

03 Fiscal performance and debt dynamics remain a challenge, driven by modest growth and rigid public spending.

04 Anchored inflation expectations have expanded room for more local-currency funding.

05 With macroeconomic stability and policy continuity preserved, boosting potential growth is Uruguay's central policy priority.