



 **ANCAP**  
2022 ANNUAL REPORT



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## NEW MISSION AND VISION

In 2021, ANCAP began a strategic planning process that had as its starting point the Strategic Focuses presented in 2020 and that was consolidated in the new Strategic Guidelines for the ANCAP Group. Within this new framework, it was considered appropriate to analyze the validity of ANCAP's Mission and Vision and its consistency with the outlined strategy, from which a series of adjustments were made in 2022.

The new Vision of ANCAP, highlights its position as a diversified energy company, with an emphasis on its core business. At the same time, a vision of the future is introduced, oriented towards sustainability through innovation and the development of renewable energies. The commitment to the productive and social development of the country continues to guide our plans and activities.

The core purpose of ANCAP, expressed in its Mission, is expanded to encompass our commitment to the development of new energies and the long-term energy transition. ANCAP assumes a relevant role in the energy evolution of the country, with the aim of providing accessible, safe and non-polluting energy.

This new ANCAP Mission and Vision will guide our activities and seeks to inspire our employees to participate and lead the transformation process faced by energy companies.

## MISSION

We are relevant actors to guarantee the availability of affordable and accessible energy for the population, with a focus on the promotion of energy efficiency and the reduction of carbon emissions. We guarantee the provision of our energy products based on the highest quality standards and society's needs. We work in the development of new forms of energy and the constant search of efficiency, competitiveness, and integral development of our staff, respecting the environment and being committed to our role in society.

## VISION

To be a State-owned diversified, innovative and efficient energy company, leader in the Uruguayan market of fuels, and committed to the incorporation of renewable energies, sustainability, and the productive and social development of the country.

## VALUES AND PRINCIPLES

### HONESTY

To act always based on truth and justice, giving everyone their due, including oneself, with integrity and uprightness.

### COMMITMENT TO SAFETY, HEALTH, AND ENVIRONMENTAL PRESERVATION

To guide the management of the Company so that its activities are carried out in conditions of safety for both the individuals and the material assets which are their responsibility. To ensure high standards of health for all workers. To guide the plans, programs, activities, and operations of the Company in all their stages, through the best practices available regarding environmental conservation and protection.

### EFFICIENCY AND EFFECTIVENESS

To meet the objectives set by means of the optimized use, both in time and form, of the available resources, to get the best results for the owners, customers, and employees.

### INTEGRITY AND RESPECT

To act with uprightness, integrity, and honesty, maintaining an unquestionable ethical behavior and promoting a rigorous coherence between our actions and values. To recognize the dignity and rights of others, avoiding all forms of discrimination.

### RESPONSIBILITY

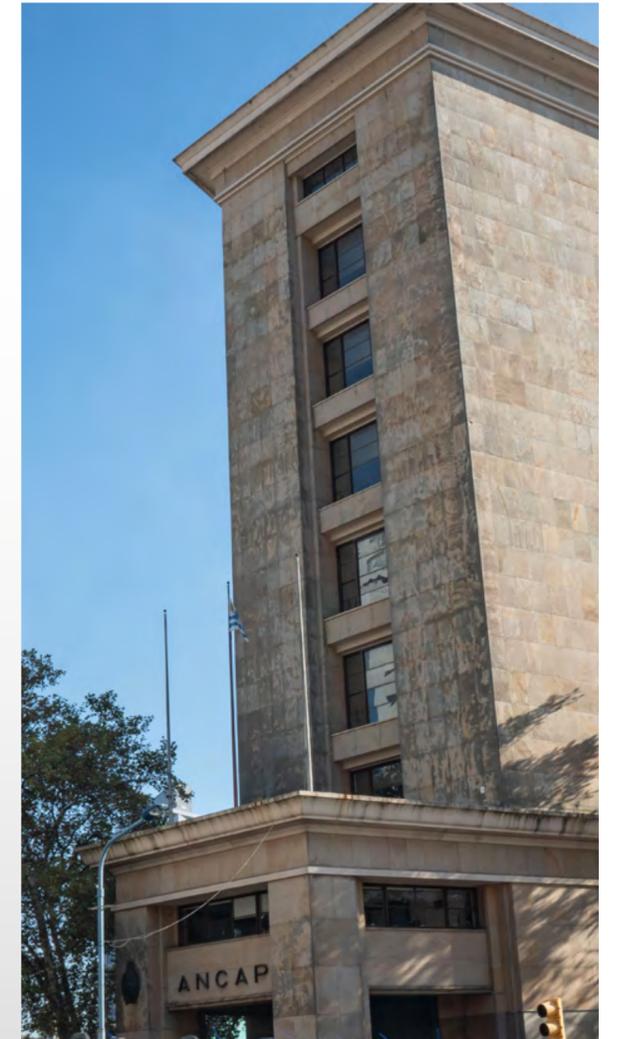
To act diligently and with knowledge in the performance of the functions, duties and obligations entrusted, anticipating and assuming the consequences of the actions and decisions taken, making use of all our capacities.

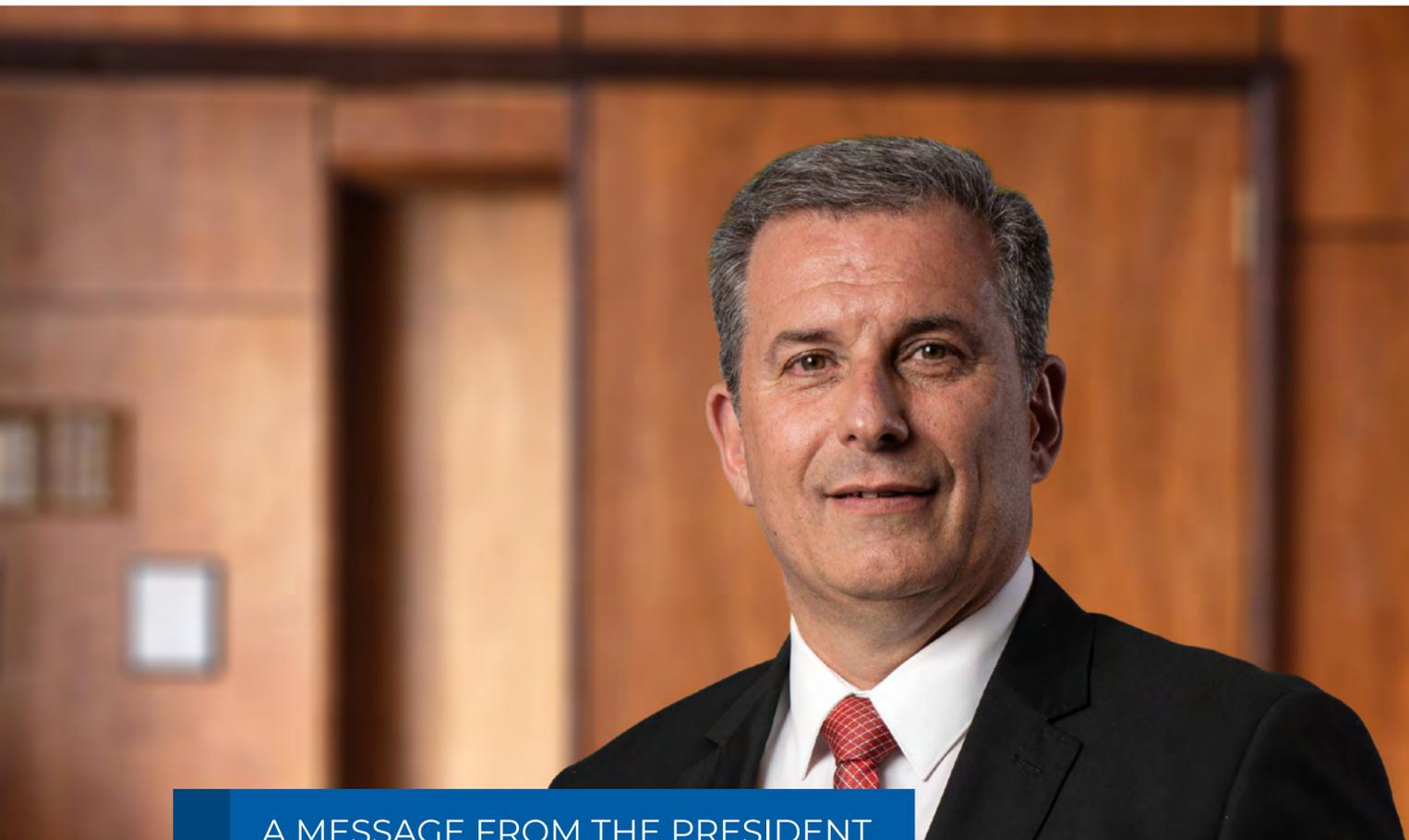
### TRANSPARENCY

To be committed and willing to act in a clear, unambiguous manner, in accordance with known rules, disseminating appropriate data and information in a timely, faithful, and verifiable manner, facilitating control activities, both internally and externally, and in accordance with both the internal rules and the legislation in force.

### INTEGRAL STAFF DEVELOPMENT

To promote the integral development and training of the people who make up the Company, developing and strengthening a work environment of trust and commitment, that promotes and facilitates participation, teamwork, and respect, as well as equal opportunities, non-discrimination and balance between work, personal and family life.





A MESSAGE FROM THE PRESIDENT

MR. ALEJANDRO STIPANICIC, ENGINEER

Fiscal year 2022 closes with significant gains, not only in the economic area, but also in terms of important definitions of change that, without a doubt, reaffirm and ensure the leading role of our company in the next 30 years.-

In 2022, the Executive Power set fuel prices below import parity until December, when local prices were aligned with international prices for the first time. That meant that during the year, Uruguayan people would pay about 240 million dollars less than what they would have paid if the product had been imported.

Without prejudice to this significant decrease in revenue for ANCAP's coffers, the Company maintained a balanced economic result, demonstrating a prudent and responsible management of finances, and that the monopoly income was not captured by ANCAP or General Revenue, but that the extraordinary profit was destined to the economic activity of the country.

Despite strong international increases in the barrel of oil, LPG in Uruguay maintained its price in the last nine months of the year, gas oil maintained the same price during the last seven months, and gasoline maintained its price for the last three months.

During the year, as the Company has been doing since 2020, quarterly press workshops were held to inform on the results of the company both by market and by business segment. In each workshop, a different topic was also discussed, such as prices, margins and import mechanisms. All the concerns and doubts of the attendees are addressed in these workshops, in an exercise of transparency and accountability from a company that communicates with objective data on the context in which it acts and on the actions it undertakes to achieve the best results.

Fiscal year 2022 has shown the success of the change in the management model of ALUR. It was the first year of the new five-year contract for the supply of sugar cane to ALUR's factory in Bella Union and the agricultural yield was 8,500 kilos of sugar per hectare. This is a record number since the Company has a register, with the particularity that it was achieved thanks to a general increase in yield and the historical difference between the best producers and those who had difficulties was narrowed.

It is the first time since 2006 that producers have not generated debts for the advances they receive before the harvest. The contract signed in 2021 brought stability and certainty to a productive sector which has traditionally been very conflictive.

As for the integral partnership of ANCAP with an international private operator in the cement and lime business, the phase of dissemination and promotion of the initiative was completed, and the phase of competitive dialogue between stakeholders has begun. This is the phase prior to the launch of an international public tender in which all those who meet the eligibility requirements, whether they have participated in previous proceedings or not, may participate.

In this way, ANCAP faces a path of solution to 20 years of recurrent losses, in which all kinds of commercial actions were attempted, the hiring of new staff and investments that exceeded 400 million dollars. The association prevents the business from continuing to make a loss and being at risk of disappearance, while ruling out the closing of operations or the sale of assets. Whatever the business plan resulting from this process, ANCAP committed to the maintenance of labor sources or equivalent income for the workers involved.

On the other hand, ANCAP carried out an international public tender for the rental of the LPG bottling plants owned by the Company, and five companies participated. The award was decided in favor of the companies that had been operating the plants since their construction and the process allowed a smooth opting out of a set of contracts agreed in 2007 which established obligations that conspired against the efficiency of the system.

All the LPG consumed in Uruguay is produced or imported by ANCAP and from March 2023 will be marketed by the four authorized distributors, under a greater competition and freedom regime.

Beyond the firm and solvent management of the different lines of business of the Company, in 2022 focuses and strategic guidelines were defined, opening the way to the future that the Company will undertake. One of the most important definitions is that ANCAP should be the main reference for a responsible energy transition.

ANCAP has the ideal conditions to lead that process –which will be measured in decades– towards an increasingly sustainable energy generation. For this to be possible, the extension of the legal powers of ANCAP was defined and starting in 2023 the Company will have as an additional task the production, distribution, marketing, import and export of green hydrogen and derivatives, in a free competition regime.

In 2022, the terms and conditions for the launch of a bidding round process to allocate areas of the Uruguayan sea for the evaluation and eventual development of wind and solar farms for large-scale green hydrogen production for export were defined.

The project is part of the Green Hydrogen Route and positions Uruguay among the leading countries in the proposal for hydrogen production with renewable energy and ANCAP as the country's main partner in the matter.

Regarding the production of synthetic fuels, ANCAP and ALUR have launched a call for the capture of carbon dioxide produced in the distillation of cereals for the production of ethanol.

Through this initiative, the emission of biogenic greenhouse gases is reduced, taking advantage of the logistical capabilities offered by ANCAP, while the final destination is the production of renewable methanol, as a substitute for fossil fuels.

2022 was a year of multiple challenges, which tested the ability of the most important company in the country to meet its economic and management objectives in a very complex international context and, at the same time, project towards a more sustainable future, in a leadership role.

Everything that was achieved during 2022 has a lot to do with the commitment and great professionalism of employees from the most diverse areas of the ANCAP Group, and all of them, with the pride of working at the most important industrial group in the country, should be recognized and thanked.





## A MESSAGE FROM THE GENERAL MANAGER

MR. IGNACIO HORVATH, ENGINEER

A great year was closed from an economic point of view, with very good results for the Company, which knew how to take advantage of a favorable international context, since the refining capacity in the world has fell after the pandemic, which improved the margins.

ANCAP managed to capture very good margins, around between 20 and 25 dollars per barrel, which was reflected in two ways: In economic results and in sales prices, which have been consistently below import parity.

Thus, the value generated by the main business of the Company was a good result for ANCAP, while it was also a benefit for the population. In this sense, the work of the entire ANCAP structure is very remarkable, in a year that, at the end of the pandemic, presented several challenges.

On the other hand, because of the great work of the Exploration and Production team, in the offshore rounds of the May and November periods, the relevance of almost all the blocks of Uruguay was highlighted, with very good offers by world class companies, such as Shell, Apache and YPF.

2022 was a tough year for the Portland business due to the consolidation of the participation of a new competitor in the market, which means that currently in Uruguay there is an installed capacity that doubles local demand.

In that market competition, ANCAP obtained results above its own projections, which speaks of the quality of the product and the capacity of the commercial team of Cementos del Plata.

There is still, however, a cost problem that conspires against the sustainability of the business and, in this respect, the authorities have made firm progress towards achieving a strategic alliance that allows us to conquer markets abroad.

ALUR had to undergo a transformation in 2022 due to the entering into force on January 1 of the repeal of the obligation to mix 5% of biodiesel in diesel. For this reason, ALUR had to convert its oilseed unit and focus on the export of biodiesel or vegetable oils.

The commercial actions were successfully fulfilled, mitigating the impact generated by the disappearance of the business that was guaranteed by local demand. On the other hand, the unit in Bella Union had historically high levels of ethanol production, mainly due to improvement of contracts with sugar cane producers, signed in 2021.



As a result of DUCSA's commercial work and business management, 2022 has been a record year in terms of the volume of fuel sales, with an increase in the market share of the ANCAP network of gas stations.

Beyond the good economic results, 2022 was a year of strategic definitions with an eye on the future. At the end of the year, a new business organization was approved and the Energy Transition Management was created, combining the historical activity of hydrocarbon development with renewable energy production projects.

Projects such as the offshore hydrogen production and the generation of synthetic fuels from biogenic CO<sub>2</sub> at the Paysandú plant, have placed Uruguay in an advanced position on the road to a future with more sustainable energy.



MR. RICHARD OMAR CHARAMELO  
**DIRECTOR**

MR. IGNACIO HORVATH,  
ENGINEER,  
**GENERAL MANAGER**

MR. VICENTE IGLESIAS,  
ENGINEER,  
**DIRECTOR**

MR. ALEJANDRO STIPANICIC,  
ENGINEER,  
**PRESIDENT**

MR. DIEGO DURAND,  
LAWYER,  
**VICE PRESIDENT**

MR. JOSÉ LUIS ALONSO  
**DIRECTOR**

MANAGEMENTS

**General Manager**

Mr. Ignacio Horvath, Engineer

**Under General Management Corporate Issues**

Mr. Hubert Arbildi, Economist

- **Management Control Manager**  
Ms. Laura Campos, Accountant

**Under General Management Strategic Issues**

Mr. Ruben Schiavo, Engineer

- **Strategic Alignment Manager**  
Ms. Claudia Velásquez, EngineerR
- **Energetic Transition Manager**  
Mr. Santiago Ferro, Engineer

**Energy Products Production Manager**

Mr. José Pastorino, Engineer

- **Refining Manager**  
Ms. Claudia Kalamar, Engineer
- **Planning and Control Manager**  
Ms. Ventura Croce, Engineer
- **Maintenance Manager**  
Mr. Mario Rodríguez, Engineer
- **Engineering Manager**  
Mr. Diego Irabedra, Engineer
- **Lubricants Manager**  
Mr. Rafael Palombo, Engineer

**Business Manager**

Mr. Mauricio Aguadé, Engineer

- **Foreign Trade Manager**  
Ms. Nunzia Spagna, Engineer
- **Domestic Market Sales Manager**  
Ms. Sylvia Borghini, Engineer
- **Business Development Manager**  
Mr. Miguel Rabosto, Engineer

**Supply Manager**

Mr. Ernesto Bastarrica, Engineer

- **Provision Manager**  
Mr. Sergio Sierra, Expert Engineer
- **Logistics Manager**  
Mr. Nicolás Spinelli, Engineer
- **Facilities Management Manager**  
Mr. Daniel Sosa, Engineer

**Portland Products Manager**

Ms. Denise Akiki, Engineer

- **Portland Operations Manager**  
Mr. Fernando Acuña, Engineer
- **Portland Development and Control Manager**  
Ms. Silvana Pastorini, Engineer

**Digital Transformation Manager**

Ms. María Nela Moreno, Engineer

**Economy and Finance Manager**

Mr. Gustavo Mayola, Accountant

**Human Resources Manager**

Mr. Juan Romero, Engineer

**Environment, Safety, Health, and Quality Manager**

Ms. Mariela Fresia, Engineer

**Secretary General**

Mr. Rafael Brum, Lawyer and Notary Public

**Under Secretary General**

Ms. Claudia Saralegui, Lawyer

**Institutional Communication Manager**

Ms. Natalia Arralde, Graduate

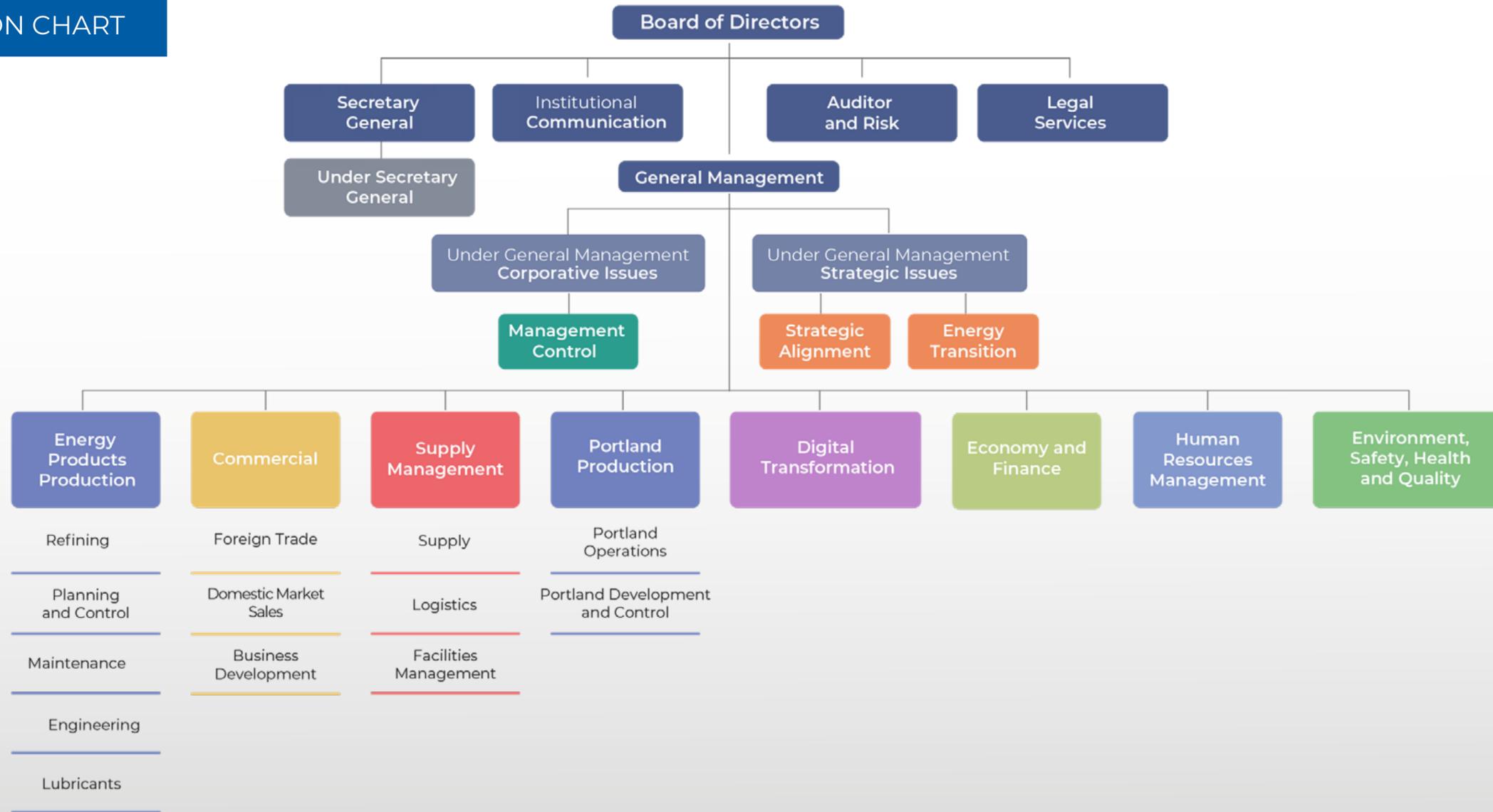
**Audit and Risk Manager**

Ms. Estela Machín, Accountant

**Legal Services Manager**

Mr. Leonardo Bianchi, Lawyer

## ORGANIZATION CHART





Regional Leadership



CONFERENCIA  
**ARPEL 2022**

6<sup>a</sup> edición

16 al 18 de noviembre de 2022  
Centro de Convenciones,  
Hotel Westin | Lima, Perú

Mr. Alejandro Stipanovic, President of ANCAP, was elected Chairman of the Board of Directors of ARPEL, the Association of Oil, Gas and Renewable Energy Companies of Latin America and the Caribbean.

ANCAP has been one of the founding partners, in 1965, of which was initially the Regional Association of Latin American State Oil Companies (ARPEL) and which has then turned into an association of energy and services companies.

At the company's shareholders meeting held in 2022, Mr. Stipanovic was elected to lead the Association, whose next congress will be held in Montevideo, the city where ARPEL's headquarters are located.

Mr. Stipanovic's appointment is consistent with the transformation of ARPEL, which is no longer limited to being an area of reciprocal assistance and cooperation among its members but has adopted the role of transmitter of good industry practices outwards, especially with regards to the energy transition.

ARPEL is a voice in different international forums as a reference for societies about the responsibility of energy suppliers regarding security of supply and equitable accessibility, in addition to sustainability.



## A Strategic View

In 2022, the Strategic Focuses and Guidelines of ANCAP were determined, leading to a 23 projects agenda.



Four major Strategic Focuses were identified: Sustainability; Corporate Alignment; People; and Management Processes.

Regarding Sustainability, the aim is not only that ANCAP consolidates its position as a responsible player regarding the environment, with sustainable development objectives, but that it also contributes to the improvement of the competitiveness of national production in a sustainable way.

It was also defined as of great importance to promote a vision as part of a regional system of refineries and logistics, with strategic alliances, as well as to maintain financial independence and permanently evaluate the business portfolio.

Corporate Alignment encourages the adoption of a governance model that redefines processes and the organization of related companies to achieve efficiency and synergy between them, ensuring coherence and transparency in the management of companies.

The focus on People is essential to the success of the company. We are committed to a fair and flexible working environment, which encourages the integral development of our staff without disregarding the fulfillment of corporate objectives.

The objective is to guarantee the culture of merit, the due consideration of the professional career and career path, the development and retention of talents, and the fairness of processes associated with people, as well as their health and safety.

Regarding the Management Processes, both productive, commercial and administrative, they will undergo a transformation with a focus on the reformulation of the decision-making process.

Strategic Focuses result in management projects, such as Somos ANCAP, which aims at the corporate alignment of the Group and others that have to do with preparing the company to address the energy transition, incorporate new technologies and develop actions that aim at the sustainability of the business.

The following pages will address as highlights the projects that derive from the energy transition, as well as Somos ANCAP, the adoption of the SAP S/4HANA program, and the management of environmental liabilities.

## A Responsible Transition

In 2022, ANCAP defined its position as a reference in the energy transition of the country and created a new management the main purpose of which is to develop low-carbon energy.

It is important to consider that the energy matrix at a global level has two main characteristics: it has always grown, along with the increase of the world population and the growth of economic activity, and it has also evolved, whether for technological reasons, for the availability of resources or for policies to reduce environmental damage.

While there is a consensus on the need to find solutions that reduce the environmental impact of energy, it is clear that these solutions should be scalable and will not be produced overnight, but it is rather a process that is measured in decades, in which various forms of energy will coexist.

The new Energy Transition Management will articulate the Green Hydrogen business and the development of renewable energies with hydrocarbon exploration and production businesses, maximizing synergies between them.

Its objectives include the promotion and development of energy resources in Uruguay, through different projects:

- Contracts for the evaluation of feasibility and potential production of H2 and derivatives, from renewable energies generated offshore with leading companies in the global energy sector. These are contracts in which the investment is made by the private company, entirely at its cost and risk.
- To reactivate hydrocarbon exploration throughout the Exclusive Economic Zone, at the full cost and risk of private energy companies, through the signing of contracts for the offshore areas that have already received offers.
- To generate knowledge for the production of sustainable fuels and other disciplines or operations related to the energy transition.

Another very important energy transition initiative of ANCAP involves providing technical support to the ALUR project to capture biogenic carbon dioxide produced at the Paysandú ethanol plant, to develop and produce sustainable fuels, such as methanol, when combined with green hydrogen.



## Institutional Communication

The leadership role that ANCAP assumed in the energy transition of the country was an important part of the communication effort of the company, which focused on working with national and international media and explaining the role of ANCAP in this process, as well as the energy trilemma and the bet on green hydrogen.

These ideas were reinforced in conferences, exhibitions and communication platforms, and the actions of ANCAP were disseminated on the path that oil companies are already going through worldwide, transforming into energy companies.

One of those communication platforms – the one that has captivated the greatest audience of different ages – was the Expo Prado 2022, the most important event of the year for exhibition and establishing a closer relation with society.

In the Expo Prado 2022, ANCAP had the opportunity to explain its projection to the future and to present the products that are the energy that moves the country forward. The Company also presented The Oil Route, a video for children that shows the trajectory of the oil from José Ignacio's buoy to the gas pump.

On Heritage Day, the Capurro Industrial Pole received hundreds of people who visited the museum and the lithotheque, while dozens of elementary schools and high schools visited the ANCAP museum and the La Teja refinery throughout the year.

Another area where communication was emphasized during the year was the positioning of the ANCAP Group, highlighting the strengths of all the companies in the group and how they contribute to the brand identity.

The focus was the same in every activity: ANCAP is the energy company that promotes the development of the country and plays a key role in the energy transition of Uruguay.





## Somos ANCAP

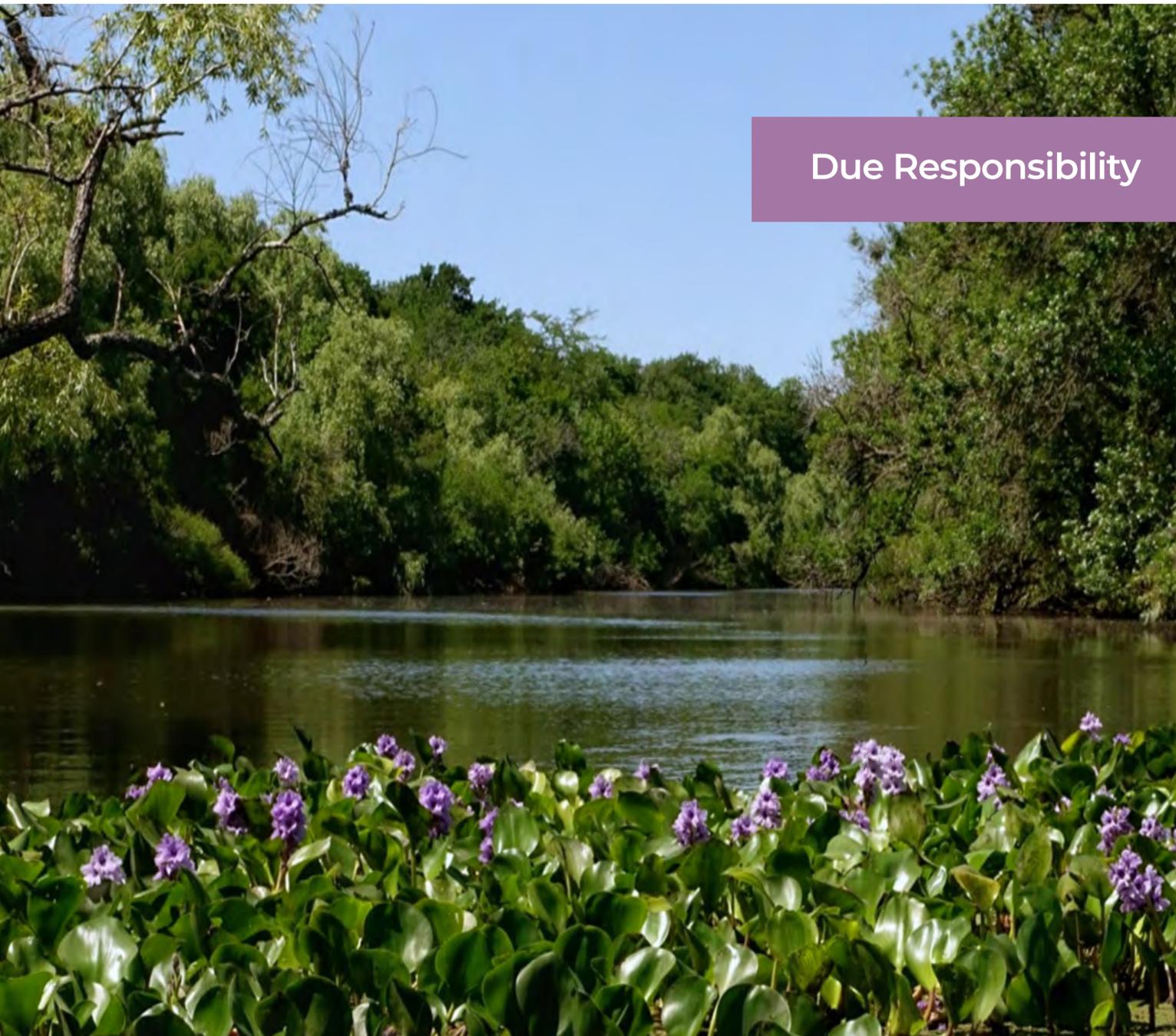
One of the strategic focuses defined by ANCAP is Corporate Alignment, which involves redefining processes and organization of linked societies to achieve efficiencies and synergies between them.

Each company within the ANCAP Group used to establish its own strategy and in some cases there was the deliberate will of some company within the Group not to be influenced by ANCAP's management.

This situation begins to change when ANCAP defines Corporate Alignment as one of its Strategic Focuses, in order to ensure coherence and transparency in the management of the companies.

In 2022, a new Business Approach of the ANCAP Group was developed, establishing that the strategies of the linked companies should be aligned with the Group's strategy, focusing on the following actions:

- Developing innovative solutions in the markets in which the Group participates, generating a more competitive and differentiated offer.
- Trying to differentiate from the competition through the concept of a basket of products of the Group, enhancing the attributes that the competition does not have. Generating a unified offer of products and services for each client, concentrating commercial efforts.
- Developing new products and services taking advantage of the commercial, logistical, and operational synergies of the Group companies, and adopting a group approach in the development of each new product and service.



## Due Responsibility

ANCAP is the only Uruguayan company that recognizes an environmental liability in its balance sheet and that has developed a plan to solve it.

Environmental liability is the cost of remediation of a contaminated system, as a result of operations that were carried out on the site for years. ANCAP has established an environmental liability for the La Teja refinery in its 2021 balance sheet and has developed a work plan to solve it, by resolution of the Board of Directors of February 2022.

This is a milestone not only for the Company but also for the country, since it is the first time that a Uruguayan company takes such a measure, which is already a common practice among large companies working with polluting materials around the world.

To determine the liability, a diagnosis was made according to international standards, with a specific methodology consisting of different stages, including an inspection, taking soil and groundwater samples, processing of the data obtained, and determination of the volumes of soil to be improved.

Then, an estimate of the cost that the necessary works to remedy this situation will have is made and that is the figure that is established as a liability in the balance sheet, which in this case was USD 26 million.

The plan approved in 2022 established a ten-year deadline to complete the remediation. During the year, the process of awarding the international specialized company that will be responsible for the work starting in 2023 has begun.



## Better Management for the Whole Group

The adoption of the SAP S/4HANA program for ANCAP and the companies of the Group shall be the culmination of the Corporate Alignment efforts.

During the year, the first phase in the implementation of the program was completed, which involved a sizing of what was needed in terms of infrastructure and also in terms of definition of the processes to implement the program in ANCAP, DUCSA, Cementos del Plata, ALUR and Matriz.

It was determined that the process will take six years and cost approximately USD 30 million. This is an extraordinary effort, as it involves changing management practices in terms of economic financing, sourcing, purchasing and materials, sales, primary and secondary logistics, production, maintenance, human resources management, oil and gas, environmental and risk management.

It will require a review of all business processes to adapt them to SAP standards – equivalent to best practices in the market – in each of the areas of the company and will require a unification of processes to obtain consistent information at the ANCAP Group level.

Infrastructure will also be changed: the current On premise infrastructure will turn into a cloud infrastructure.

The culture of the five companies that make up the ANCAP Group should change substantially in the coming years, as it is not a question of adapting the program to the customs of the companies, but of modifying the practices to adopt the excellence demanded by the program.

The effort will be rewarded with improved processes with fewer resources, resulting in higher quality management in the five companies.



## Towards a Profitable Future

The search for a partner for a comprehensive alliance of ANCAP’s cement and lime business is moving forward at a steady pace.

En 2022 se promovió ante el Tribunal de Cuentas de la República (TCR) y la Agencia Reguladora de Compras In 2022 a special procedure was promoted before the Court of Auditors of the Republic (TCR) and the Regulatory Agency of State Procurement (ARCE) to carry out the integral association of the cement and lime business of ANCAP with the aim of reversing the economic situation of the business and maintaining labor sources.

The procedure was approved by both the TCR and ARCE and was subsequently approved by the ANCAP Board of Directors to kick off the launch of the first stage of the procedure which is the call for “Expressions of Interest and Competitive Dialogue”. The call for this first stage closed in November and 11 companies showed interest.

During the first months of 2023 the Competitive Dialogue with the interested companies will take place, a procedure through which inputs will be obtained to develop the bases for the second stage of the procedure: the Contracting Stage. The publication of the bases is expected in the second quarter of 2023. Among the offers received at this stage, the company with which the association will be established shall be chosen.

In 2021 ANCAP had determined the need to develop a comprehensive alliance of the cement business by seeking a partner to make the necessary investments to carry out production at competitive costs.

The cost of production of ANCAP is much higher than that of the competition, which is why very important investments are needed and a regional market is required to justify these investments.

From an analysis of the sustainability of the business, several scenarios were studied, and it was decided to look for a partner that shall maintain the production of the three plants (Minas, Paysandú and Treinta y Tres), offer to take as many of the employees that are working in those plants as possible, and propose making the necessary investments to produce at costs according to international standards.

ANCAP undertakes to supply limestone from the quarries of which it has a right of exploitation – for a fee to be determined – and makes the current facilities available.

The alliance will be carried out through a special procedure that must have a favorable report from the Court of Auditors of the Republic, with the advice of the Regulatory Agency of State Procurement.



## Management

### Human Resources Management

#### Staff Distribution

In 2022, a set of actions related to transformations, rearrangements and adjustments in the responsibilities of the organization was completed. The most relevant was the study of all the budget credits available in ANCAP in terms of staff and their distribution and allocation to different areas of administration.

To accomplish this task, a committee was created to study ANCAP's role and vacancies. This committee was composed of the Chairman of the Board of Directors, the General Manager, the Deputy General Manager of Corporate Affairs, the Human Resources Management Manager, and the President of the Human Resources Committee.

Additionally, changes were defined in the structures and responsibilities of different sectors of the organization, in order to materialize in actions what was established by the Strategic Focuses and Guidelines of ANCAP. In this sense, Energy Transformation Management was created.

On the other hand, over the year, an income plan was developed for the administration, prioritizing the selective processes in areas that had undergone a significant decrease in staff and generating the corresponding external calls. In a complementary way, an income plan was developed for the year 2023, which will allow to recompose staff endowments in different managements of the Company.

Summary Number of Employees by Professional Category and Sex

Professional Category	Women	Men	Grand Total
Administrative with Technical Base	83	110	193
Administrative without Technical Base	95	68	163
Advisors and Assigned Employee	2	10	12
Assistant to Professional	77	123	200
Interns and Trainees	14	8	22
Contracted	4	11	15
Managers Professional and Business Areas	13	17	30
Heads	51	91	142
Skilled Workers	18	388	406
Production Workers	52	353	405
Non-skilled Workers	8	76	84
Non-professional technicians	10	4	14
Staff on Call ("EE" and out of the structure)	1		1
Service and Security Staff	2	15	17
Presidency and Directors		4	4
Professionals	107	118	225
Secretary General and Under Secretaries		1	1
Supervisors	38	143	181
Staff other agency	2	2	4
<b>Grand Total</b>	<b>577</b>	<b>1,543</b>	<b>2,120</b>

Summary Number of Employees by Professional Relation and Sex

Professional Relation	Women	Men	Grand Total
Interns and Trainees	14	8	22
Yo Estudio y Trabajo intern	9	6	15
INAU SIRPA trainee		2	2
Law 17296 trainees	5		5
Contracted	4	11	15
Contracted Art 23 Law 17556	4	11	15
Directors		4	4
Director		4	4
<b>Staff</b>	<b>556</b>	<b>1,495</b>	<b>2,051</b>
Public Work Contract	14	49	63
Permanent	542	1,446	1,988
Staff other agency	2	2	4
Staff other agency	2	2	4
Substitutes	1	23	24
Trip substitutes	1	18	19
Trip Sup terminal		5	5
<b>Grand Total</b>	<b>577</b>	<b>1,543</b>	<b>2,120</b>



### Professional Career

The Strategic Agenda incorporates a set of initiatives in the field of Human Resources Management that define important aspects for the coming years. Particularly important is the initiative oriented towards the development of a professional career in ANCAP. It will require a review of the salary scale and a revaluation of all management positions, with the aim of creating the appropriate mechanisms to allow the growth and development of staff in management.

### Telework

In April 2022, after the declaration of the end of the pandemic, the Telework Regulation began to operate, after having been studied, elaborated and approved in the course of 2021.

In this way, greater labor flexibility is provided to a good part of the staff, while progress continues in the digitization of processes and actions, facilitating the fulfilment of various tasks.

A positive effect of the pandemic was that it accelerated the development of the training platform available at ANCAP. It is a tool with multiple utilities, that is widely used and has become a management tool of great value for ANCAP.

### Agreement with the Union

Regarding the union, it should be noted that apart from different conflicts that took place throughout the year, an agreement was reached with the ANCAP Federation regarding Logistics, which includes aspects of improvement which are relevant to the administration.

On the strictly economic field, the agreement makes it possible to capture a series of savings based on a new logistics system in the transfer of fuels. On the other hand, the agreement has allowed the extension of dispatch hours in La Tablada, the main fuel distribution plant in the country.

### Technology

#### Electronic Travel

During the year, the electronic fuel agenda was strengthened, with a focus on La Tablada and La Teja. The main results have to do with functionalities such as Schedule of Shifts, Virtual Queues or Lists and Product Quota.

In La Tablada plant, the Single Window, the Drivers App and the ID Totems have allowed to speed up the service, despite the high demand for dispatch. In La Teja, almost everything is ready to start in 2023 a Virtual List pilot program for Marine Gas Oil, which will allow to evaluate important aspects to incorporate other changes in the plant.

#### Telecomunicaciones

Several lines of work have been developed during 2022 to strengthen the services dependent on telecommunications systems and data networks.

At the perimeter network level, work was carried out on updating the operating equipment that reaches the end of its life cycle and on the expansion of the traffic capacity in that area of the network, in order to adapt to the current and future connectivity needs.

The Company has also worked on an initiative that analyses changes in the architecture and allows to increase the availability of our network by implementing intersite redundancy to achieve a better adoption of cloud services and Internet connectivity.

In parallel, work was carried out on the telecommunications update in Yañez Pinzón, which involved increasing the wireless network, as well as the bandwidth of the links that connect to the corporate network, improvements in the wired network, low service of the local telephone exchange, replacement of traditional phones with MS Teams extensions, IP phones or cell phones, as well as the equipment of a meeting room with video conferencing devices.

### Cybersecurity

According to CSIRT/SOC (IT Incident Response Center/Security Operations Center) indicators, the latest quarterly report submitted to the company's senior management showed that 86% of incidents occurred via this route.

During the year, worked was done on the technical analysis of the needs for the protection of the email solution, taking into account the evolution of the tools involved toward a cloud-based scheme and with a special focus on having greater security controls, considering that malicious email incidents are the more frequent ones.

As a result, it was possible to determine the definition of requirements and capabilities necessary for the computer solution. During 2023 the contracting and implementation of the cybersecurity solution for cloud mail will be carried out.

On the other hand, during the year there has been an increase in the detection of cybersecurity incidents in corporate web applications, which motivated the efforts to analyze, define and implement tools to record suspicious activity in connections to these applications and have a mechanism to be able to apply specific blocks on connections in case of a targeted cyberattack.

### Extended Networks

Regarding Extended Networks, work was carried out with ANII to launch two calls for proposals for the Energy Sector Fund during the year. In reference to the Company's relation with academic or knowledge-generating settings, attention was paid to the joint work on ANCAP's problems with the Information and Communication Technological Center (ICT4V) and the UCU Business School.



### Data Challenge

In the area of Innovation and Knowledge Management, activities are structured within two main areas: Promotion of innovative culture and extended networks.

In the first category, the carrying out of a new edition of the Data Challenge 2022 data science competition stands out, where seven teams presented solutions and 16 experts from the field outside the company gathered.

As part of the same event, five courses on innovation tools were given, aimed at company employees, while innovation tools supported initiatives or innovation projects of the Company (3D printing and study of the material storage problem.)



## Audit and Risks

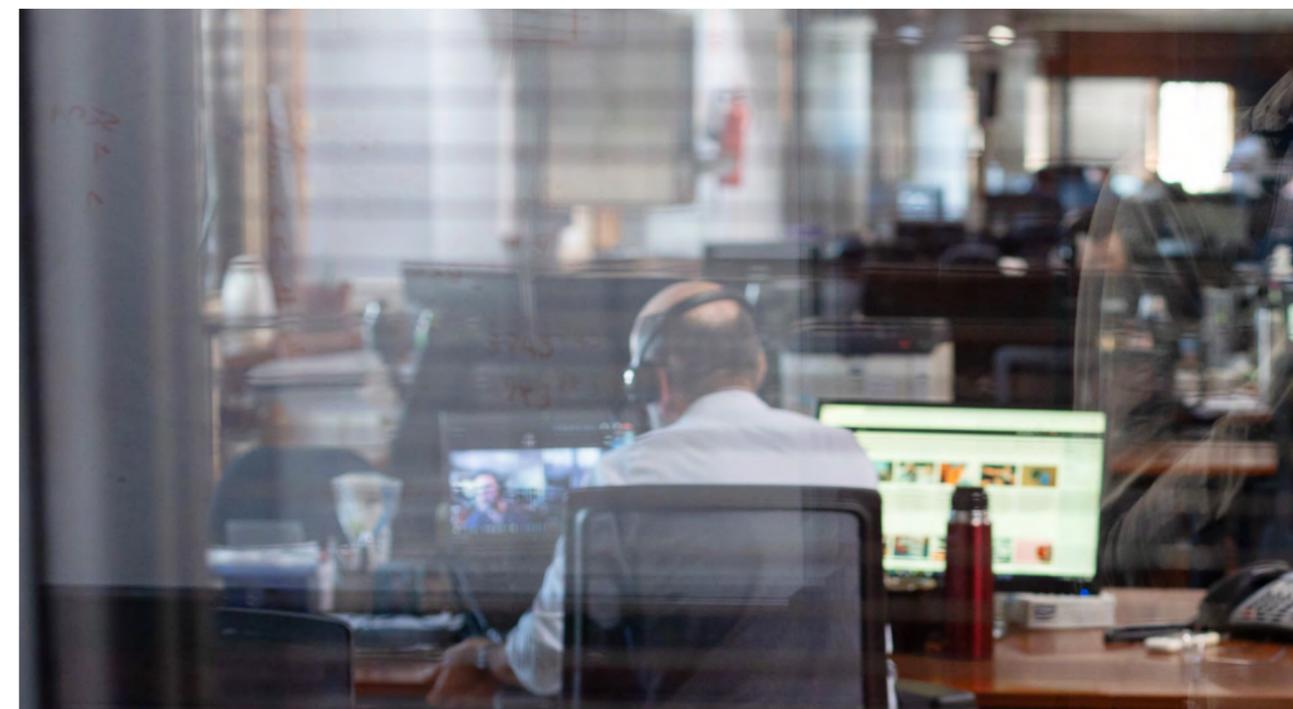
Work continued during the year on the consolidation of internal audit, comprehensive risk management, information security, governance and compliance processes.

During the year, progress was made on the following topics:

- Active participation in 25 Committees: 13 in Risk Committee, 10 in Audit Committee, and 2 in Ethics and Compliance Committee.
- Internal Audit carried out 15 audits (excluding periodic audits, such as carrying out the physical counts of inventories at the end of the year, reports of syndicates and the verification of the budget execution balance) that resulted in 58 relevant recommendations.
- Within the framework of the Anti-Money Laundering and Financing of Terrorism Policy, the areas where the risk is born were identified and the controls to be implemented were proposed. Contacts were established with other public bodies to learn about other realities.
- The Corporate Information and Communication Security Policy was updated.
- Participation in the steering committee of the project for the migration to the SAP Hana system.
- Performance as a Compliance Officer regarding information requirements by potential suppliers and customers (Know Your Customer.)
- An analysis and proposal were developed to improve compliance with regulations of Controlling Agencies, in particular TCR, where significant progress was registered.
- Analysis and proposal regarding the scope of the compliance area in accordance with ISO 37301 (Compliance Management.)
- Permanent support to the eight Management Directors regarding their staff and the development of the bases for the replacement of the staff leaving the company.

- In October 2022, the control of distilled alcoholic beverages and alcohols was transferred by law from ANCAP to the Ministry of Industry, Energy and Mining. As a result of the above, as of March 31, 2023, ANCAP should make the transition and subsequent transfer of responsibilities to the Ministry of Industry, Energy and Mining.

- Work will continue in 2023 to strengthen interaction with front-line managements to ensure the implementation of audit recommendations, to speed up the processes of preparing and sending of responses to the observations made by external control bodies, and to support the managements in order to anticipate the risks they face.





## Production

### Production of Energy Products

This area concentrates the production activities of ANCAP's primary business, with the aim of achieving operational excellence, greater productivity, and continuous improvement of the quality of the products.

The quality of gasolines and 10S gas oil/diesel produced by ANCAP meets the most demanding European standards. Bioethanol mixing pattern remained in 2022 at the same level as the previous year. As of January 1, 2020, ANCAP supplies international quality IMO 2020 marine fuel.

2.5 million cubic meters of crude oil and 300,000 cubic meters of other raw materials were processed during the year. Both values are among the highest in the historical series.

A safety valve change stop was scheduled for September 2022 to comply with the requirements demanded by the reinsurance companies. This stop was carried out in due time and form. However, for different reasons related to the time that has passed since the last maintenance shutdown (5 years), the Catalytic Cracking unit recorded a high number of operating days lost.

Despite the problems registered, a high use of refinery units was achieved.

Several goals related to operational performance were set for the year, the evolution of which is reported to the Management on a monthly basis.

- Units Usage: The goal was set at 69% and the value reached is projected to be 72%.
- Mechanical Availability of the Units: The proposed goal of 98% was met.
- Energy Intensity Index: The goal of 122% was met; this is explained by the expected meeting of the goal regarding units usage.
- Crude and products inventories: A goal of 620 thousand cubic meters of crude and total products was set, and the value reached at closing was 590 thousand cubic meters.

A stop is scheduled for next year, for remodeling the Catalytic Cracking Unit and general maintenance of the units. Alternatives of blending automation and tank park management are being studied to minimize the time and costs of specifying products. Likewise, alternatives of configuration of units that allow greater availability of products such as asphalts at lower processing costs are being studied.

## Production of Portland

Until November 2022, the Group had sold 231,673 tons of cements in the domestic market, and only 3,827 tons corresponded to cement not produced by ANCAP. The actual sales volume was 5.33% lower than expected in that period because there is a new competitor in the domestic market.

The Minas plant continued to operate with the new quarrying contract, which meant a unit savings of about 50% compared to the previous contract.

On the other hand, the Paysandú Plant began operating with the new quarry exploitation contract in early 2022, obtaining a unit savings of approximately 30% compared to the previous contract.

Progress was made in strengthening the asset control environment and the elaboration of the mining permit portfolio optimization plan of ANCAP and PAMACOR S.A. continued.

Laboratory-scale tests were initiated with concrete customers in the south of the country, with the aim of moving the sale of bulk cement from CPN to CPF, which would mean a reduction in costs as well as in CO2 emissions. In 2023, we expect to move forward with concrete customers, passing 100% of the bulk sale from the Minas Plant to CPF.

Regarding Paysandú's bulk market, laboratory and production tests will be carried out during 2023, and if they are successful, 100% of the bulk sales are expected to migrate from that plant in 2024.

Progress was made on the competitive call to develop an Integral Alliance in the cement and lime business with the objective of reversing the economic situation and trying to maintain the sources of work. The phase of installation of a technical data room and invitation to companies to participate has ended, and the process is currently in the stage of registration for the competitive dialogue.

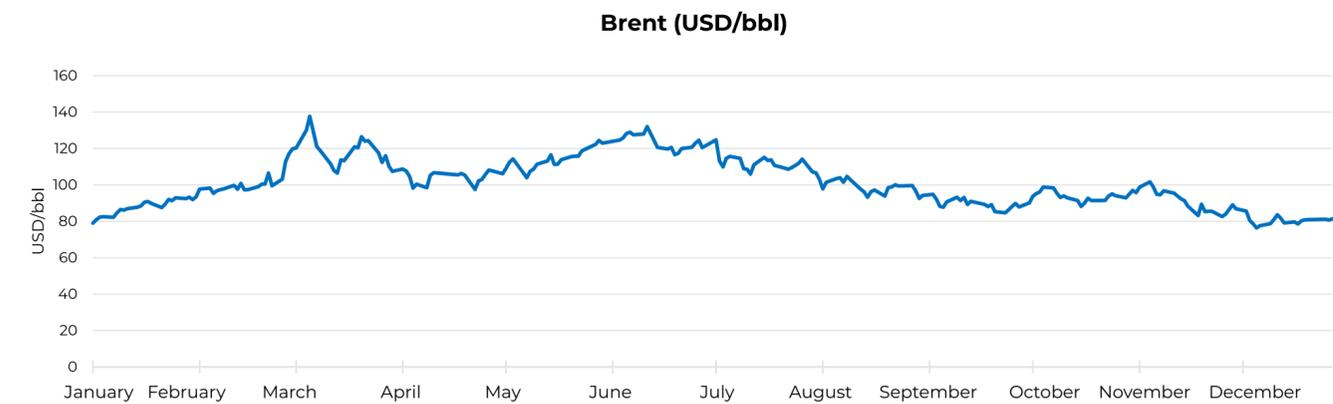
The UNIT 20:2017 product certification was maintained and the process of renewing the certificate of commercialization of structural cements for the domestic market has begun.





## Foreign Trade

In the international market, during the year, the values of Dated Brent reference crude fluctuated between USD 76.36/bbl and USD 137.64/bbl. This variation in the Brent indicator was due to the impact of the Russian invasion of Ukraine, the sanctions imposed by the United States and the European Union to Russia, and the weakening of demand from China, which is the main importer of oil in the world. but that in 2022, due to government intervention to contain the COVID-19 pandemic, it drastically reduced industrial and economic production.



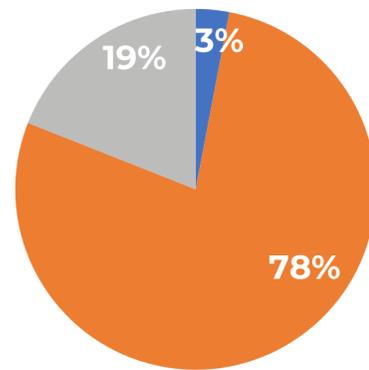
The average Dated Brent reference barrel price in 2022 was USD 101.32 versus USD 70.9 in 2021. The year started with a value of USD 78.99 per barrel, reaching a maximum value of USD 137.64/bbl on March 08 and the minimum value of USD 76.36/bbl on December 08. Oil derivatives prices accompanied the evolution of crude oil prices.

### Imports and Exports

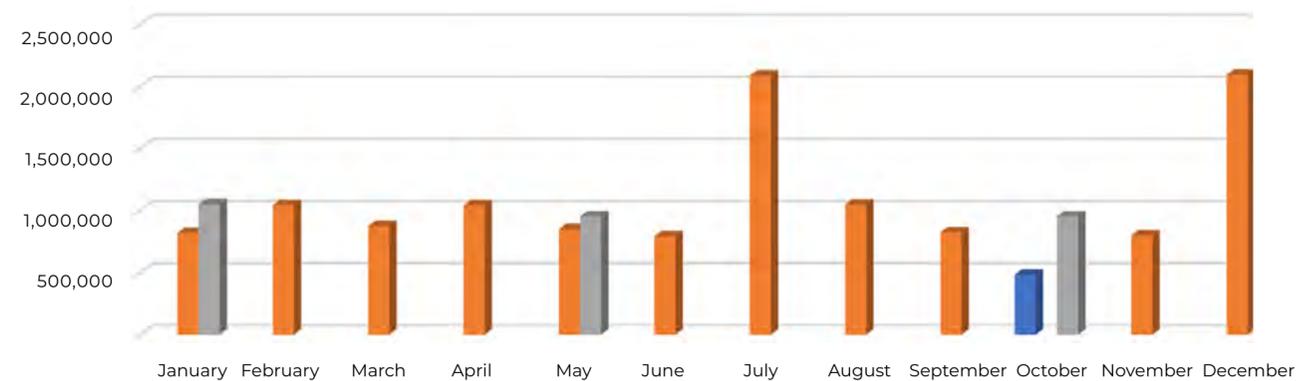
The supply of crude oil and derivatives to the country has been optimized through markets' diversification and expansion.

The volume of crude oil received during 2022 was 15,705,664 bbls. The origins of the crude oil supply were: Argentina, the United States, and Nigeria, all acquired in the spot market.

**Crude Imports per Origin (%)**



**Volume of Crude Imported (bbl) per Origin**



The average monthly price of crude oil received during 2022 (cost and freight) ranged from USD 77.87/bbl to USD 128.47/bbl.

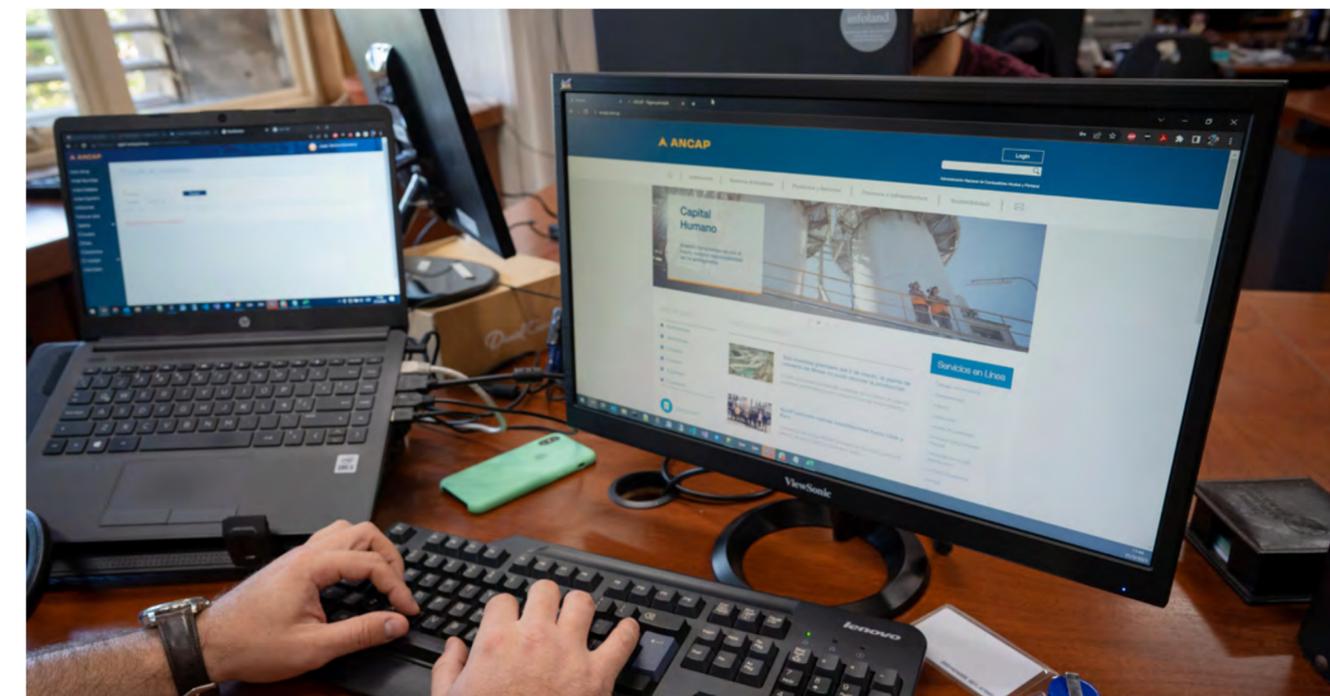
■ Argentina   ■ United States   ■ Nigeria

The volume of liquid derivatives was 464,366 m<sup>3</sup>. It is worth mentioning that the largest amount of this total corresponds to diesel, for a volume of 287,106 m<sup>3</sup>.

The amount of pet coke imported to ANCAP's Portland cement and lime plants and private cement plants in 2022 was 33,839 mt. Shipments arrived at the ports of Montevideo and Fray Bentos, being transported by truck to the Minas, Paysandú, and Treinta y Tres plants.

During 2022, a volume of about 620 mt of a propane stream with high propylene content was exported.

The Company will continue using the web portal's IT tool for issuance, reception, and internal management until the award of crude and derivatives imports and derivatives exports.

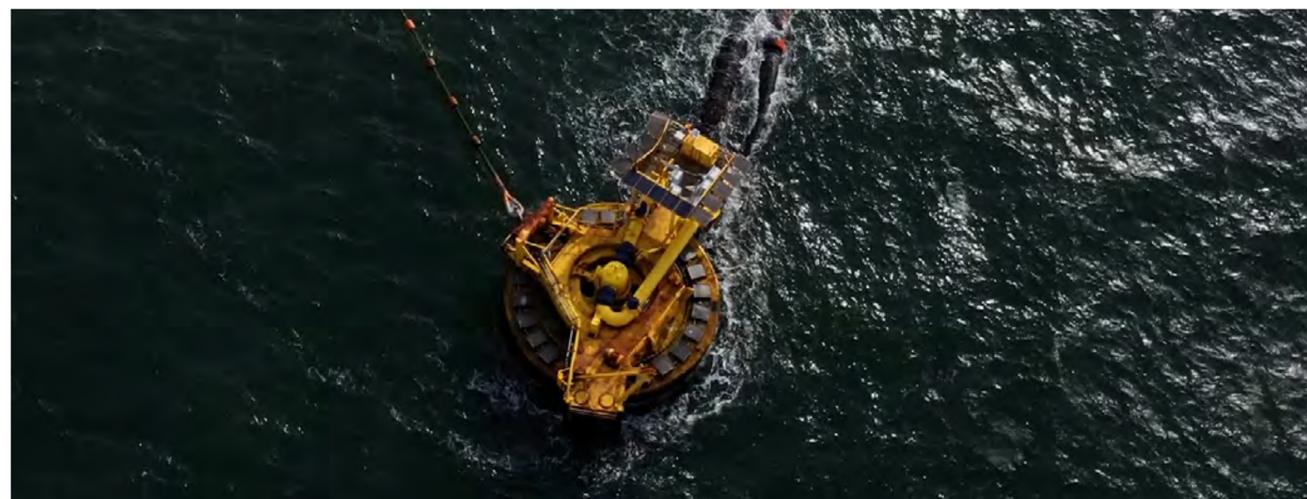


## Freight

No tankers were hired for the transport of crude oil since all deliveries were acquired under DAP José Ignacio and DAP La Teja condition.

### 2022 Crude Oil Imports

Origin	Volume (bbls)
Argentina	482,447
USA	12,268,051
Nigeria	2,955,166
<b>Total</b>	<b>15,705,664</b>



The following Tables show derivatives' imports by origin.

### 2022 Liquid Derivatives Imports

Product	Origin	Volume (m <sup>3</sup> )
Asphalt	Argentina / Spain / USA / Italy / Türkiye	51,753
AVGAS	USA	1,399
Butane	Argentina / Chile / USA	40,493
Deodorized Butane	Argentina	78
Fuel Oil	Argentina/Chile/USA	17,434
Gas oil	Bahrein / Belgium / UAE / USA / India / Netherlands / Russia	287,106
Gasoline	USA/Netherlands	32,370
Hexane	Argentina	417
Jet A1	Argentina	513
Propane	Argentina / Chile / USA	32,804
<b>Total</b>		<b>464,366</b>

### 2022 Pet Coke Imports

Origin	Volume (mt)
Argentina	839
Colombia	16,500
USA	16,500
<b>Total</b>	<b>33,839</b>



## Domestic Market

### Supply contracts

Supply contracts were signed with distribution companies and industrial customers, such as ALUR, DIKAMSA and CONAPROLE. New contracts were also signed with industrial fuel oil customers located in free-trade zones.

A service contract was also signed for SISCONVE, with technological updates and performance improvements.

### Prices

Price calculations were made for the monthly mandatory report that is submitted to the Executive Power in order to comply with Decree 241/020.

Asphalt and diesel prices policies corresponding to the non-domestic market were established (Free-Trade Zone and bunker B/N.)

### Sales

In Bunker market, with the gradual opening of borders, Jet A1 sales increased by 71% compared to 2021. However, it is still 24% below pre-pandemic values.

As for the marine Bunker, Ifo sales values were slightly above those of 2021, although they are still in low sales levels due to unavailability of product. The B/E ship market was prioritized.

Regarding gas oil sales, there was a 6% increase compared to the previous year, due to a greater dynamism in productive activity, a greater cultivated area and planting growth, especially wheat and rice, as well as exports of rice, cereals, dairy products, beef and meat by-products.

Sales of asphalt products increased by 25% compared to 2021, due to an increase in the number of public works.

In terms of electricity generation, the total volumes of fuel oil and diesel sold to UTE fell by 39% compared to 2021.

Throughout the year, ANCAP continued supplying products to UPM and Montes del Plata paper mills. At the end of the year, negotiations began with both customers for the supply of 1% fuel oil during 2023.

### Lubricants

In the domestic market, ANCAP's lubricants have maintained their leadership, with a global share of 40% among the companies that are members of the Chamber of Lubricants of Uruguay.

The year closed with an operating margin of 31%, although ANCAP's volume of direct lubricant sales to its customers plus DUCSA's sales fell by 2.8% compared to the previous year, accompanying the fall of the global lubricants market.

During 2022, there was an increase in the cost of the raw materials to produce lubricants, so alternatives to produce with lower cost bases were sought and their purchase was completed at the end of the year, improving the business equation in 2023.

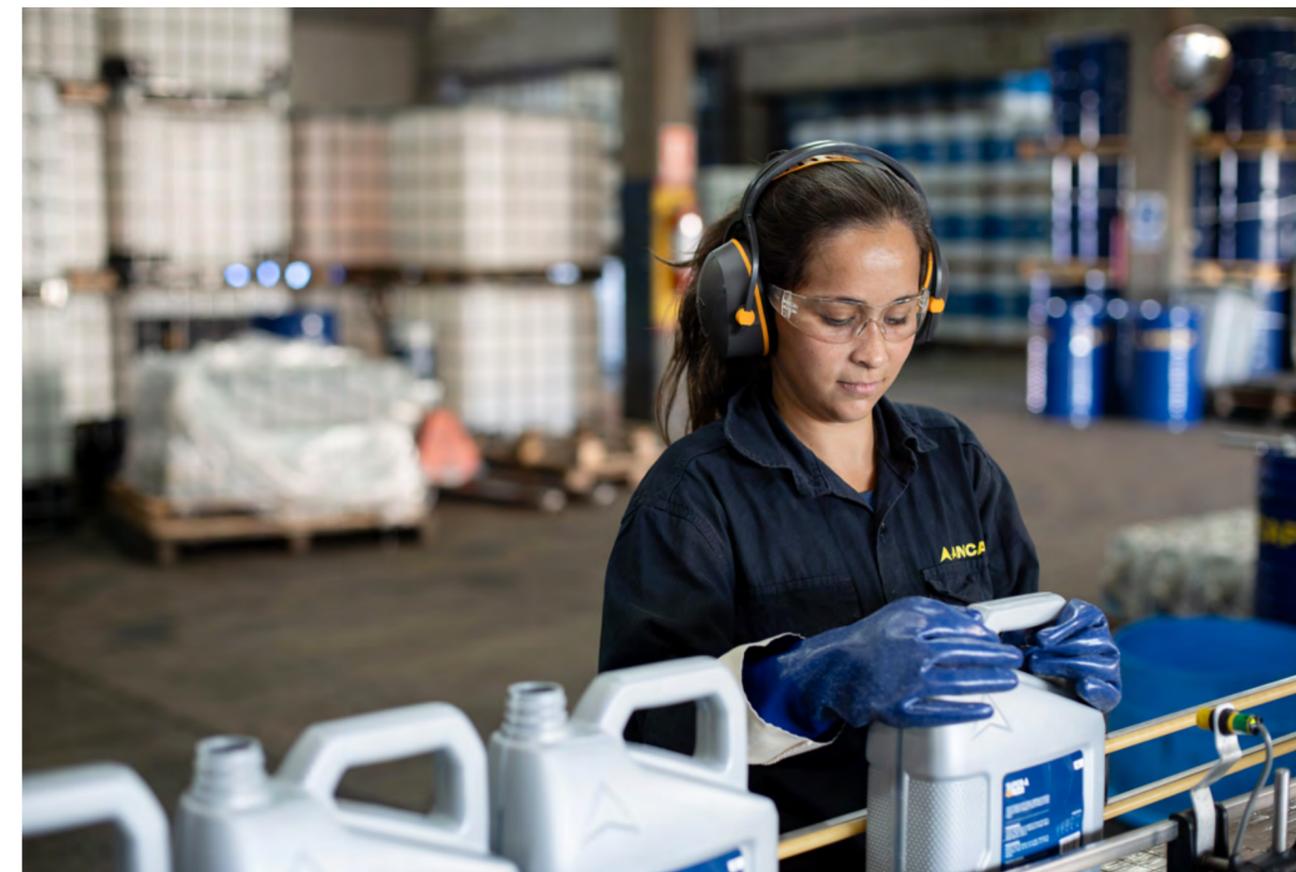
### Business Strategy

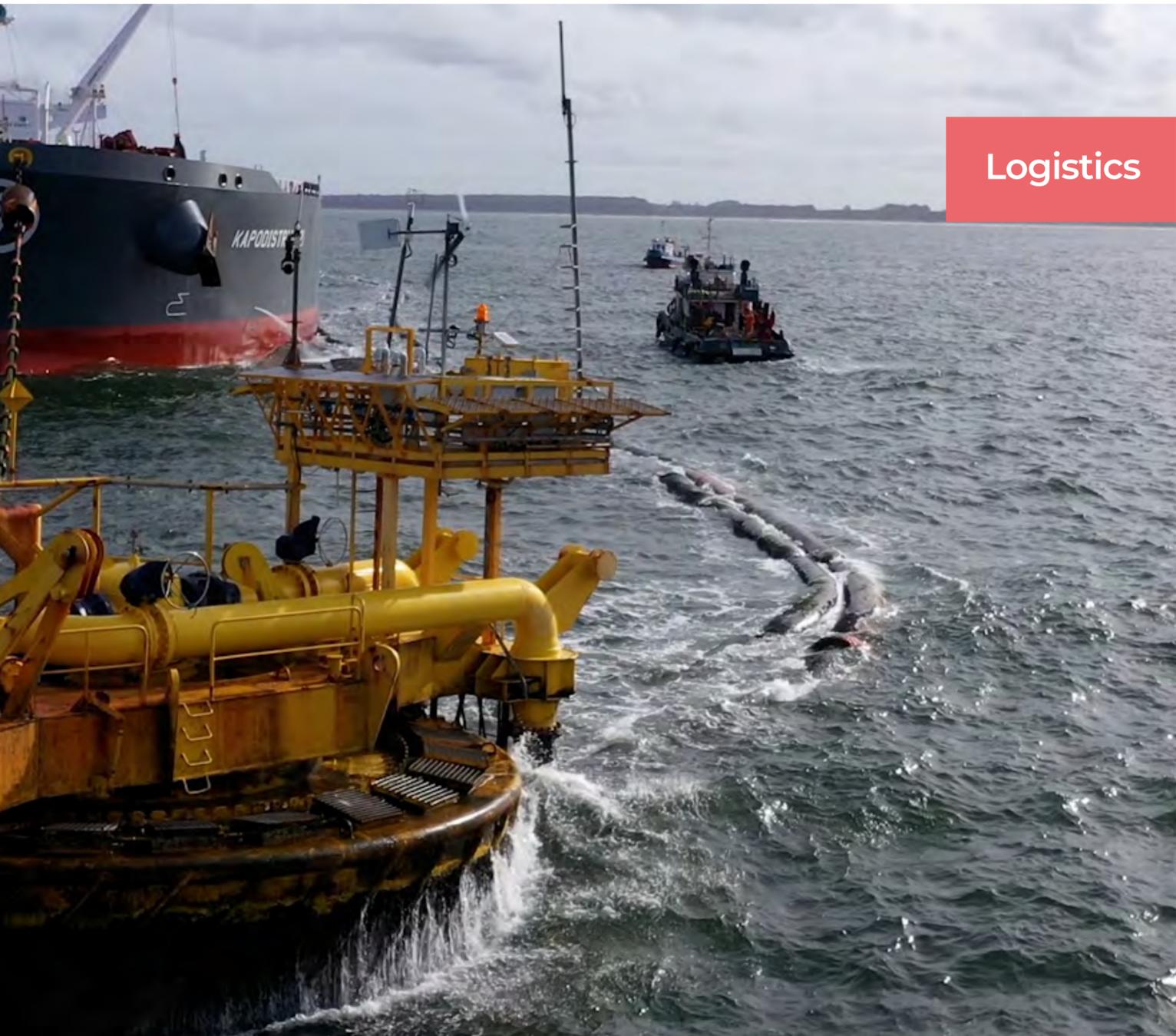
A business strategy was established between ANCAP and its related companies to achieve an integration in the sale of ANCAP's products.

Meetings were held with bunker distributors to strengthen commercial ties and update the market situation in Uruguay. Exchanges for better business planning have also taken place.

Research studies were conducted to measure customer satisfaction regarding bunkers, lubricants, asphalts, and SISCONVE. With the participation of several areas, work continued on the definition of asphalt, SISCONVE and bunkers positioning.

ANCAP's Commercial Assistance area has maintained UNIT ISO 9001:2015 standard certification, that endorses the continuous improvement of customer experience, referred, among other issues, to the technical assistance related to the uses, applications, and specifications of ANCAP's fuels and lubricants.





## Logistics

Following a successful negotiation with the workers of different areas and the ANCAP Federation, it was agreed to implement changes in the organization of work, which involved extending the dispatch hours at the La Tablada and Paysandú plants, to 10 p.m. and 6 p.m., respectively.

To achieve this, agreements regarding staff were developed based on the new operation schedule and positions were created to strengthen maintenance and boost investments in both plants.

Likewise, for the Paysandú plant, and in relation to the review of the system and its optimization, the Board approved the investment in a new dock for the transfer of liquids to enhance the plant and improve the robustness and safety of the facilities on the Uruguay river. The project, which will involve a USD 9 million investment, is in the phase of obtaining environmental permits for the beginning of the works.

Works have also begun at the Paysandú plant for the installation of a laboratory for basic analysis that would allow the authorization of batches without having to take them to Montevideo. In this way, approval is streamlined and interruptions in the dispatch to customers are avoided.

As a complement to the above, and in agreement with the workers, a new organization of work was defined for the fleet of tanker trucks. Replacement of the tractors and tankers fleet has also begun, and 70% of the light fleet was renewed.

In parallel, and as part of the negotiation with ANCAP Federation, the crew of the Malva-H tanker, which had been disengaged regarding the operation for ANCAP, was relocated as part of the review of the primary logistics system.

Works for effluents treatment began in the Treinta y Tres and Durazno plants. For the Juan Lacaze plant, work was carried out on the development of a business model to make storage capacity available to third parties, thus generating additional revenues.

At the Terminal del Este, work was completed to refurbish the fire network and the electrical system. Work on the maintenance and reconstruction of tanks progressed, along with work related to the buoy that will be launched in the second quarter of 2024, replacing the one that is currently in operation.

A proposal was made for this terminal regarding a new organization of work to guarantee the sustainability of the facilities and promote investments and the incorporation of technology. Regarding the river fleet related to this terminal, the technical bases were defined to bid for the construction of a new ship to replace ANCAP VIII.

Finally, with the support of an international consulting firm, work began on a business continuity plan for the La Tablada plant. The basic engineering of the first phase of the plan was developed, consisting on providing versatility to the wagons loading dock of the La Teja plant and ensuring that tanker trucks can carry out their loading on it.



## Environment, Safety, Health, and Quality

### Quality Management

Around twenty new management standards were developed, including analysis of the process or sub-process, such as:

- Management of the publication of standards. Review and update of 25 management standards, including corporate policies, procedures, instructions, and protocols.
- Advice, supporting operating activities, program management, internal audits, quality planning, treatment of non-conformities of audits, carrying out of management processes of the organizational context for the maintenance and improvement of quality management systems of the ANCAP lubricants business, implemented according to ISO 9001:2015 standard.
- Participation or advice in different projects and committees, including Risk Committee, Rationalization of Allowances Project, Project for the Improvement of Trucks' Dispatch at La Teja plant, Internal Working Environment Observatory – Gender Equity Sub-group.
- Advice, follow-up, and report on the management of incidents related to quality, focusing on ANCAP fuel products, including description, cause analysis, corrective actions, effectiveness evaluation and closure, based on the corresponding SEG module.
- Support for the development and implementation of risk indicators of the Environment, Safety, Health and Quality Management and in particular the quality incidents indicator regarding liquid and gaseous fuels.
- Participation in UNIT Quality Specialized Committee and conformity assessment and representation before the Uruguayan accreditation body. Review of several UNIT standards projects in public consultation.
- Carrying out of an internal audit in the Refining Laboratory, within the framework of its accreditation of tests according to ISO 17025:2017 standard.
- Management of the ANCAP fleet's Vehicle Control System.
- Delivery of the Procedures Development course, through the e-learning modality. Preparation of the Process Management course, incorporating it into the catalogue of e-learning courses in the Training area.

## Environment

The Environment area has participated in the action plans for energy transition in the identification of environmental aspects in the different projects since its inception. It has assessed different alternatives from an environmental point of view, identified the best available techniques and coordinated with the environmental authorities.

The strategic agenda launched in 2022 includes three projects led by the Environment area:

- Management of environmental liabilities
- Greenhouse gas emissions reduction plan
- Waste recovery

The following were the main activities carried out:

The ISO 17025 certification was maintained for the Environment Laboratory and a software for waste management information was implemented. The laboratory provided analytical services for monitoring of effluents from operating plants, classification of solid waste for its safe disposal, soil contamination analysis at La Teja refinery, La Tablada plant and Terminal del Este, and monitoring of quarry waters.

Offers were received within the framework of the direct purchase under exception to carry out remediation works on contaminated soils in two areas of La Teja plant.

A study of bids of the International Public Tender for BOOT contract of Blending Waste Plant to obtain liquid alternative fuel for Portland was carried out.

Documents were delivered to the Quality and Environmental Assessment National Directorate (DINACEA), required for the Special Environmental Authorization for La Teja Plant.

A contract was finalized with ESCO for reactive energy compensation at La Teja plant.

Important progress was achieved in the implementation of additional effluent treatment plants in the Durazno and Treinta y Tres plants.

The action plan for the management of environmental liabilities of ANCAP, approved by the Board of Directors, was implemented.



A collaboration was carried out with Refinery for the selection of alternatives for water reuse and work was performed regarding the operation and maintenance contract of the effluent treatment plant of La Teja Refinery.

Work was performed on contracts for waste management (sale of scrap metal, dump services, transport, and final disposal) and technical support was provided for the proper operation of the La Tablada effluent treatment plant.

Work was performed on maintenance contracts for air quality monitoring stations, located in the surroundings of La Teja, Portland Minas, and Portland Paysandú plants.

Advice was provided on environmental management of mining activities and environmental monitoring in operating fields.



The ANCAP-GEGRU agreement was finalized to promote circular economy actions and development of suppliers for waste recovery.

Important advances were achieved in projects to improve effluents management in La Tablada plant and adaptation of sanitary effluents in La Teja plant.

Mitigation measures for greenhouse gases emissions were defined at La Teja Refinery and Portland plants. A joint work was carried out with the Ministry of Industry, Energy and Mining, the Ministry of Environment, and the Ministry of Economy and Finance, for the inclusion of the measures in the Second Nationally Determined Contribution (NDC) under the Paris Agreement.

## Occupational Health

At the Occupational Health Area, objectives set in the different processes were met.

Until the end of the health emergency, the criteria that had been established by the Ministry of Public Health for the testing, isolation and follow-up of COVID-19 cases were maintained, with advice to the different areas.

Starting in April, a fixed weekly working day was established for multidisciplinary work in La Teja Refinery (occupational medicine, psychology, nursing, and speech therapy), which favored the integral evaluation and participation of officials, optimizing their time and the productive processes. In-person health controls to officials exposed to different risks in the Manga and La Tablada plants, as well as in those plants outside the capital city, were also resumed, according to a risk map developed by Industrial Security.

350 psychological consultations (face-to-face, telephone and virtual) were carried out for assistance, support, counselling, and referral.

Interventions were carried out in professional reintegration processes (at individual, group and Working Conditions and Environment levels). New indicators were incorporated into the absenteeism management process to address its causes earlier and act on them.

Evaluations were carried out after 60 days of continuous medical leave, applying the Bradford Index, which allows to identify those officials that make frequent use of medical leave, regardless of its duration.

The agreement with the Honorary Committee of Cardiovascular Health was renewed with new instructors for internal training on basic cardiopulmonary resuscitation and the use of an automated external defibrillator.

The agreement with Asociación Española was extended for the complete replacement of drugs for medical use at the La Teja plant, tugboats, and first-aid kits.

The area participation in the Occupational Safety and Health committees of all the offices and the headquarters, in the reference group of Gender-Based Violence and the Internal Working Environment Observatory.

## Industrial Security

During 2022, for the fourth consecutive year, there have been no accidents with serious consequences for people. Additionally, the frequency index of personal injury accidents was lower than the target value of the Variable Compensation System.

Within the framework of the Corporate Alignment strategic objective, DUCSA staff working at the La Teja and the Logistics plants was trained in Occupational Safety and Health management, Occupational Safety and Health corporate policy of the ANCAP Group and emergency procedures for each facility.

As part of the implementation of the safe working standard in the operation and maintenance of electrical equipment and installations, electricians continued to be trained on the NSID standard (theoretical-practical training) and on working with electrical tension in low voltage installations.

The recommendations of the external audit carried out by SSE consulting company to the Process Risk Management System (SARP) of La Teja plant were followed up and the evaluation of critical elements of the management system was also completed using a self-assessment tool in process safety developed in ARPEL.

The Annual Safety Inspections Program of the different plants was successfully complied.

The evaluation of compliance with legal requirements was initiated with the support of LATU-LSQA.

The refinery and Logistics plants complied with the fire safety inspections and audits program. 10 fire drills and 11 emergency response exercises were carried out at La Teja plant.

The certification program with the National Fire Department continued, adapting the regulatory requirements to the different sectors, and making consultations with the National Fire Department regarding implementation. Progress was made in the massive alarm works of La Teja plant and fire detection and alarm in rooms with electric systems at La Teja, related to the certifications.

Theoretical-practical training sessions for the handling of extinguishers in the different ANCAP facilities were coordinated with the National Fire Department.

The President of the Centre for Fire Safety Studies of Spain offered a training session on “New Methodology of Risk Analysis and Incident Management” applied to fire prevention, at La Teja, La Tablada and Terminal del Este plants.

More than 12,000 work permits were issued, including Safety Inspection Certificates and Liberation of Areas.

In the Hygiene area, all ANCAP plants complied with 100% of the monitoring of physical and ergonomic contaminants program, and 381 officials were supervised in relation to their exposure to hydrocarbon vapors.

The selection, purchase, review, and adjustment of profiles in PPE (Personal Protective Equipment) management continued.

The Portland business continues to work on the implementation of the Prevention Management Plan, within the framework of the ISO 45001 Standard.



### Occupational Safety and Health Statistical Indicators

44 accidents occurred in 2022, injuring officials in different ANCAP units, and 1,301 working days were lost, out of a total of 4,122,261 hours worked.

Accidents with injuries were distributed as follows:

	Hours Worked	Accidents	Days Lost
BOARD OF DIRECTORS AND GENERAL MANAGEMENT	1,375,470	3	39
ENERGY	2,244,396	32	1,016
PORTLAND	502,395	9	246
<b>ANCAP TOTAL</b>	<b>4,122,261</b>	<b>44</b>	<b>1,301</b>

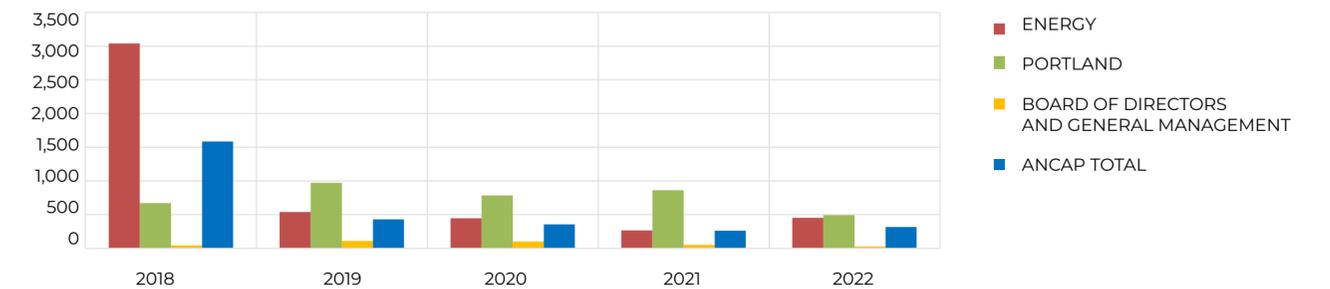
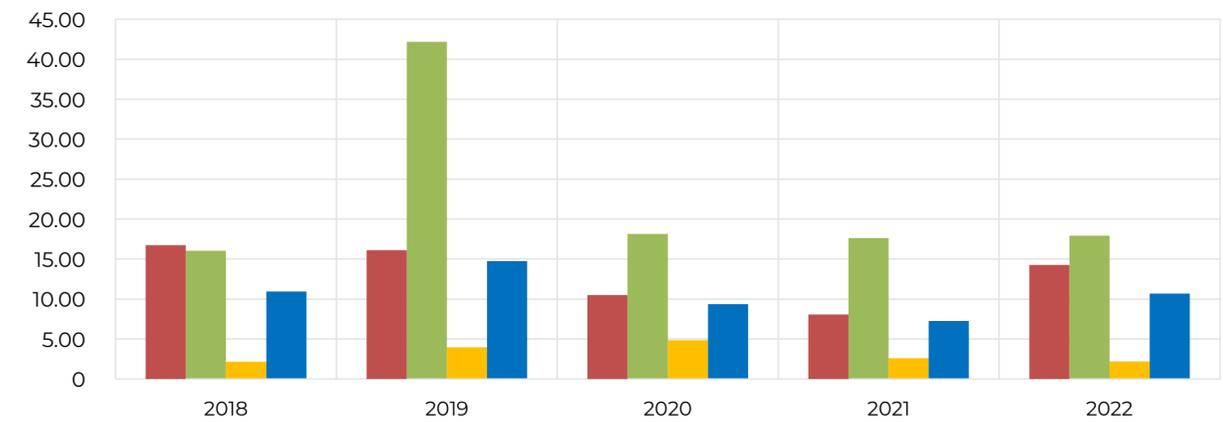
From this data, the statistical indexes for 2022 were as follows:

	Frecuency	Severity
BOARD OF DIRECTORS AND GENERAL MANAGEMENT	2.2	28
ENERGY	14.3	453
PORTLAND	17.9	490
<b>ANCAP TOTAL</b>	<b>10.7</b>	<b>316</b>

Frequency: Accidents with days lost per million of hours worked during the year.

Severity: Days lost due to accident per million of hours worked during the year.

The following charts show the indexes of the last five years:



## Strategic Issues

### Guidelines

The Company completed a new Strategic Planning cycle in 2022 that marks a turning point regarding the role of ANCAP in energy transition. The new Strategic Guidelines for the Business of the ANCAP Group were developed from the inputs generated in previous years (Strategic Focuses, Context Analysis and Trends, Strategic Business Analysis.)

The focus is on the role of ANCAP in a responsible transition, based on the use of strategic assets and know-how in the current business, which should continue to be strengthened to achieve sustainability in this transition process.

Another very important aspect included in the Strategic Guidelines has to do with the Corporate Alignment of the ANCAP Group companies to capitalize on synergies and generate an integrated product and service portfolio, which strengthens the competitive position.

The need to adjust the Mission and Vision was identified in that process to promote the addition of renewable energies to provide sustainability to the business as a diversified energy company. The concept of responsible energy transition is included, and energy efficiency and carbon emissions reduction are promoted, without neglecting our basic commitment to the provision of energy products.

The Corporate Strategic Map was reviewed and adjusted considering ANCAP's new Guidelines and Mission and Vision, and work began on the development of new indicators.

With all these inputs, ANCAP focused on the development of the Strategic Projects Agenda, thus closing the planning cycle. The results of the planning process were communicated to the entire organization and all the companies of the Group.

### Indicators

Regarding the monitoring of the strategy through indicators, a quarterly report of the performance of all the corporate strategic indicators was prepared during 2022. This is in addition to the quarterly follow-up meetings regarding ANCAP's main indicators (KPIs) with the participation of the Board of Directors and management team, high-level meetings to discuss strategic issues for the company.



### Priority Data

Phase II of the Priority Data Project was launched in 2022, consisting of automating the calculation of indicators from the information available in the Priority Data portal. The objective of this phase is to advance automation to make relevant information available in a reliable, timely manner, and ensuring the integrity of the information.

Progress continued in the development of new information reports, training sessions were carried out on the use of the platform and improvements suggested by users were implemented in its visualization. Some data included in the platform are public and, in this sense, they were incorporated into the Open Data menu published by ANCAP in 2022.

Work continued on generating an interactive and friendly visualization of some of the data included in the ANCAP website to be used by the general public (researchers, journalists or students.)

### Projects Office

During financial year 2022, the Strategic Agenda was developed and workshops on management and business were organized, with the participation of managers who are a reference on each topic, both from ANCAP and the Group.

The Agenda includes 23 initiatives that will contribute to carry out the objectives set and position the Company as a leader regarding the responsible energy transition in the country. It was presented and disseminated throughout the Group to inform not only on the main lines in which work will be carried out in the coming years, but also on the involvement of each collaborator.

### Investments

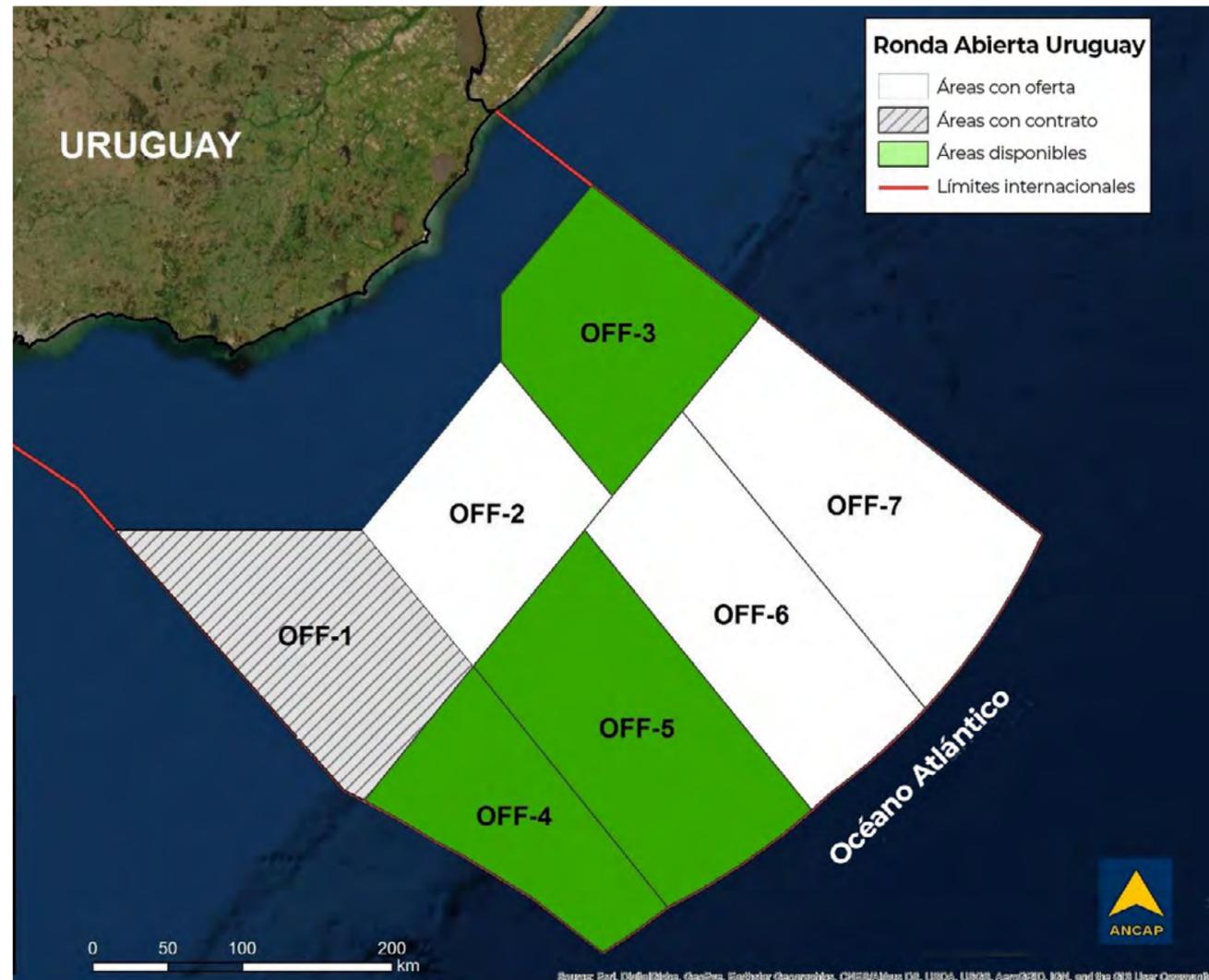
As for Investments, the survey and prioritization of the needs raised by the different areas for 2023 and the following years was carried out, according to guidelines received by the Office of Planning and Budgeting (OPP) regarding the Public Budget. The corresponding approvals were requested to the National Public Investment System (SNIP) according to current regulations.

From the identification of opportunities for improvement regarding the execution of investments, adjustments were designed and implemented in internal processes, such as the management of Order Requests and Authorization of Item Transfers.

With the aim of deepening the culture of project management, through the application of the project management methodology defined for the company, activities that contribute to its promotion continued to be promoted:

- Support regarding project conceptualization and formulation, team building, planning, implementation monitoring and closing activities.
- Monthly report to the Management, General Management and Sponsors on the progress in selected projects.
- Monthly report of the amount of execution and payment of investments, monitoring the caps agreed with the Office of Planning and Budgeting (OPP).
- Training and exchange activities with leaders, sponsors, and project teams, on topics of their interest. This year, the invitation was extended to members of the ANCAP Group.
- The office continues to form part of the Community of State Project Offices led by the Agency of Electronic Government and Information Society (AGESIC), with an active participation in different activities carried out during the year.





### Exploration and Production

Regarding the exploration of hydrocarbons offshore Uruguay, during 2022 USD 6,186,240 entered for the sale of E&P data, share part of ANCAP for the sale of multi-client data and the sale of specifications of Open Uruguay Round.

The hydrocarbon exploration and production contract was signed with Challenger Energy Group (CEG), corresponding to the OFF-1 area. CEG began to work on the exploratory program, specifically with the licensing and reprocessing of Sísmica 2D in the area.

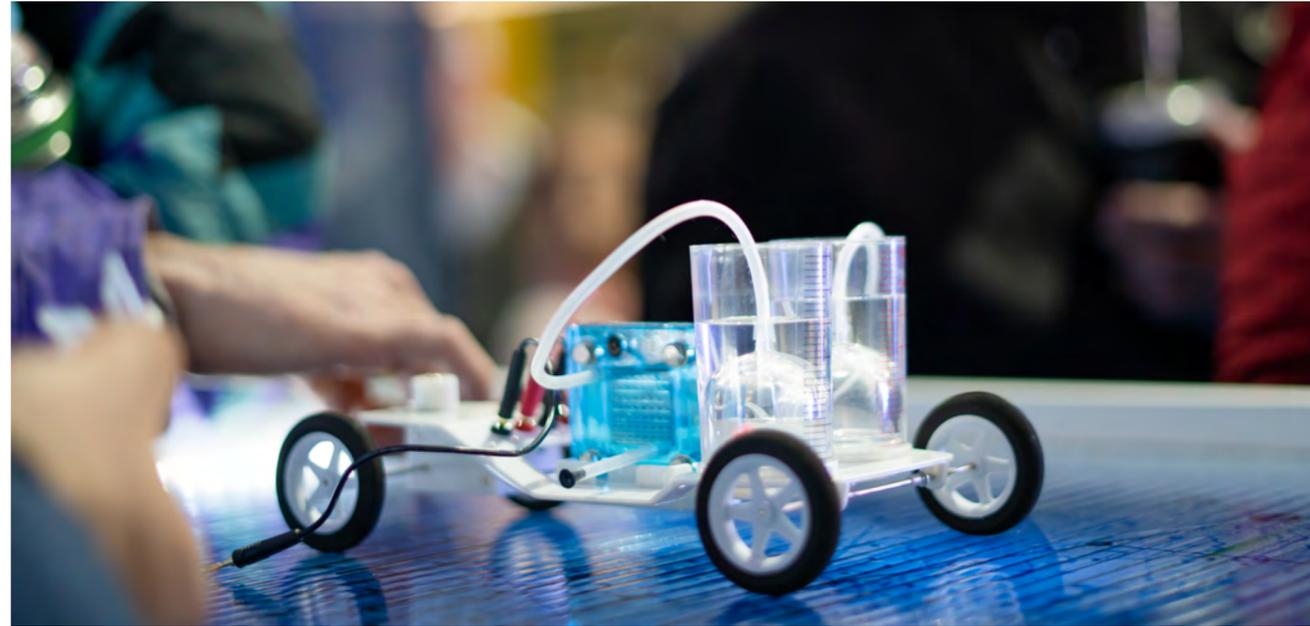
Also, within the framework of the Open Uruguay Round, seven bids were received for offshore areas, with five being awarded. APA and Shell, which submitted two offers each, qualified in the May instance. Based on the analysis, the OFF-6 area was awarded to APA and the OFF-2 and OFF-7 areas were awarded to Shell.

YPF, Total Energies, OXY, Qatar Energy and CNOOC took part in the second instance of November. YPF submitted two bids and the consortium formed by APA and Shell submitted another bid. Based on the analysis, the OFF-4 area was awarded to the APA/Shell consortium and OFF-5 was awarded to YPF. Among the works committed, the most important are the drilling of an exploratory well in the OFF-6 area, the development of 2,500 km<sup>2</sup> of Sísmica 3D in the OFF-4 area and the commitment of licensing data for about USD 15 million.

A multi-client, non-exclusive contract was also signed, entirely at the oil services company CGG cost and risk, for the offshore reprocessing of Sísmica 3D.

ANCAP signed with Schuepach Energy Uruguay (SEU) a transaction agreement limited only to the closing and abandonment of the Cerro Padilla X-1 and Cerro de Chagas X-1 exploration wells. SEU carried out the closing and abandonment operations, using the best practices of the oil industry and in accordance with the laws and regulations in force, following the technical guidelines of ANCAP and the Ministry of Environment, as stated in the Prior Environmental Authorization proceedings for its exploration project in the Piedra Sola and Salto blocks.

The evaluation of prospective oil and gas resources continues, based on ANCAP geological and geophysical data, with updates to the geological model and evaluation methodology. Since the beginning of this project, 29 prospects have been evaluated with a total resource estimate of 26,618.4 Mboe (million barrels of oil equivalent, net, unaffected by risks, value P50.) In 2022, eight of these leads and prospects were evaluated, resulting in a volume of 3,176.8 Mboe.



## Hydrogen

The Exploration and Production Management offshore H2U team worked on generating opportunities for the development and production of green H2 from offshore renewable energy, capitalizing on the management experience of previous E&P rounds. During the phase of exchange with the industry, more than 40 companies were contacted, which allowed the development in 2022 of the first draft of the bases and contract model of the H2U offshore Round.

Data rooms (both virtual and face-to-face) continue to provide access to data managed by E&P for companies in the energy sector, promoting business opportunities and contracts.

12 papers were presented at prestigious international conferences, six papers were presented locally at the Uruguayan Geology Congress and a technical article was published in *Geoexplor*, a specialized journal of the upstream industry.



## Sustainable Development Goals

In 2022, the joint work with the United Nations Development Programme (UNDP) was completed and the result of the analysis developed within the framework of the agreement signed by ANCAP and the UNDP was communicated to the Board of Directors.

This agreement aimed to identify ANCAP's contribution to the SDGs and also to generate a replicable methodology for the alignment, identification and management of the companies' contributions to the 2030 Agenda.

The following SDGs were identified as strategic: SDG 6 Clean Water and Sanitation; SDG 7 Affordable and Clean Energy; SDG 8 Decent Work and Economic Growth; SDG 9 Industry, Innovation and Infrastructure; SDG 11 Sustainable Cities and Communities; SDG 12 Responsible Consumption and Production; SDG 15 Life on Land; and SDG 16 Peace, Justice and Strong Institutions.

### Levelling Workshop

The Social Responsibility area, together with DERES, organized the Sustainable Development Levelling Workshop and Corporate Social Responsibility with the aim of integrating the perspective of sustainability in the different areas of ANCAP and the companies of the Group.

This training session addresses topics such as sustainable development, corporate social responsibility, ISO 26.000 standard, sustainability reports, environment, circular economy, triple impact, ESG (environmental, social and governance factors) criteria and ANCAP actions regarding social responsibility, focusing on the Sustainable Development Goals.

30 people received training in this session, including managers, directors and referents related to the topic.

### Corporate Social Responsibility Talk

Within the framework of the Corporate Social Responsibility Talk cycle of talks on topics of interest, a total of ten activities were carried out, with the participation of some 400 employees from ANCAP plants throughout the country.

The meetings dealt with the following topics: healthy eating, circular economy, oil recycling, mindfulness-based stress reduction, active breaks at work, prevention and care in the water.

When organizing this cycle of talks, various proposals of the annual plan were considered and the opinions of the participants on the topics of greatest interest were taken into account.

### Corporate Social Responsibility of the ANCAP Group

Work began in coordination meetings with the different Corporate Social Responsibility areas and referents of the ANCAP Group companies with the aim of generating instances of debate, communicating good practices, and promoting activities. This allowed us to align activities and generate synergies.

### Plants Open to the Community

Different education institutions resumed the visits to our plants: Basic technological cycle of C.E.A146; Llamas Station of the west of Montevideo; Crandon Institute; High School No. 71 of Capurro; Tertiary Technical Course of Prevention of the Cerro Technological Educational Pole; a group of students of Chemical Engineering (University of the Republic, UDELAR); and, in the interior of the country, sixth-grade students and teachers of Elementary School No. 75 visited our plant in Durazno. In total, more than 150 visitors, including students and teachers, visited ANCAP and were able to learn about its processes.

### Social Investment

Different actions were carried out in the framework of the Corporate Policy of Community Relations of the ANCAP Group, in support of other Uruguayan institutions, such as: National Emergency System (SINAE). ANCAP supported SINAE during the year with part of the fuel and portland needed to carry out its operations (14,100 liters of 50-S gas oil and 2,400 bags of portland.) ADES. During the year, ANCAP collaborated with 13,000 liters of 10S gas oil, 1,500 liters of super 95 gasoline and 200 liters of 15W40 lubricant for the carrying out of rescue and training operations. Uruguayan Antarctic Institute. ANCAP contributed fuels and lubricants needed in the amount of up to \$UY 545,160.

### Horizonte Center and Roosevelt School

ANCAP continued its long-standing support to the Roosevelt School and the Horizonte Center educational institutions, which care for children and young people with motor disabilities and cerebral palsy, providing the necessary fuel for students' transfer.



## RELATED COMPANIES


**ALUR**

ALUR is a public limited company in which ANCAP owns 90.79% of the shares and Petróleos de Venezuela S.A. Uruguay owns 9.21%. Its corporate purpose is to carry out, on its own behalf or on behalf of third parties or in association with third parties, the production, industrialization, fractioning, marketing, distribution, import and export of alcohol, sugar, molasses, bio-diesel and derivatives and by-products of the agro-industrial chains generated therefrom; to carry out, on its own behalf or on behalf of third parties, the installations, civil works and other activities related to the aforementioned purpose; to carry out representations and commissions and to distribute; to participate in other companies or societies operating in the aforementioned areas. ALUR owns 100% of the shares of AGROALUR S.A., which provides labor services in agricultural activities working as a rural contractor, and drivers' services for professional cargo transport.


**ANCSOL**

ANCSOL is wholly owned by ANCAP. Its main activity is participating in Argentina, directly or as part of other corporations, in the different phases of the oil operation: prospecting, exploration, production, refining, storage, distribution, transport and marketing.


**CABA**

CABA is wholly owned by ANCAP and is undergoing a liquidation process. It used to work on the production, industrialization, fractioning, marketing, distribution, import and export of alcoholic beverages, alcohols, sugar, molasses, grain alcohol, derivatives, and by-products.



CARBOCLOR is an Argentine company, controlled by ANCAP through ANCSOL S.A., which owns 84.11% of its shares. The other 15.89% is owned by private shareholders listed on the Buenos Aires Stock Exchange. The company works in port logistics and storage, on the banks of the Paraná river, in the city of Campana, Province of Buenos Aires.



ANCAP's stake in the shares package of CEMENTOS DEL PLATA is 99.831%, while Loma Negra owns 0.169%. Its main activity is the purchase, distribution and marketing of cements, clinker and other products produced by ANCAP's Portland Division, and the production and sale of lime in the Department of Treinta y Tres.



CONNECTA is a Uruguayan company composed by ANCAP (45%) and the Natural Gas Distribution Trust (55%). It is the concessionaire for the inland distribution of gas by pipeline, with a contract until the year 2032. It projects, builds, and operates pipeline gas distribution systems inland.


**DUCSA**

DUCSA is a public limited company in which ANCAP owns 99.77% of the shares, while 0.23% is owned by Petrouruguay S.A., also owned by the ANCAP Group. DUCSA is responsible for the distribution of liquid fuels, ANCAP and CHEVRON TEXACO lubricants, and ANCAP LPG, among other products, competing in every market in which it participates.



### GASODUCTO CRUZ DEL SUR

ANCAP owns 20% of the shares of GASODUCTO CRUZ DEL SUR. 40% of the shares belong to BG Netherlands Holdings B.V., 30% to Pan American Energy LLC and 10% to Wintershall Holding GmbH. The main activity of Gasoducto Cruz del Sur S.A. is the transportation of natural gas from Punta Lara, Argentina, to the Departments of Colonia, San José, Canelones, and Montevideo, supplying industries, distributors, and thermoelectric plants.



### GAS SAYAGO

ANCAP owns 20.65% of the shares of GAS SAYAGO, and UTE owns 79.35%. The company has been undergoing a liquidation process since February 2020.



### GASUR

GASUR is a company composed by ANCAP (40%), Acodike (30%) and Riogas (30%). Its main activity is the bulk supply of propane and the bottling of LPG through the management of two bottling plants owned by ANCAP.



### MATRIZ

MATRIZ is 99% the property of ANCAP and 1% the property of DUCSA. It provides consulting, advising, and technical assistance services regarding strategy, processes, organizational structure, culture and people, technical and behavioral competencies development, quality and continuous improvement management systems, business solutions development and implementation, and identification, analysis, and monitoring of financial flows, costs, indicators, and reports. The Shared Services Center began operating in MATRIZ in 2021, centralizing 22 processes from three of the ANCAP Group's main companies: ALUR, DUCSA and Cementos del Plata.



### PAMACOR

PAMACOR is 99% the property of ANCAP and 1% the property of Cementos del Plata. It works on prospection, exploration, and exploitation of mineral resources and their subproducts.



### PETROURUGUAY

PETROURUGUAY is an Argentine company, 100% owned by ANCAP, that works on the prospection, exploration, drilling, exploitation, elaboration, production, marketing, import, and export of gas and liquid hydrocarbons and their derivatives.



### TALOBRAS

ANCAP owns one third of the shares of TALOBRAS, another third is owned by DISA URUGUAY S.A., and the remaining third is owned by Golden Sails Corporation. It provides "into plane" services of aviation fuels, Jet A1 y Avgas at the Carrasco International Airport terminal, through the operation and maintenance of storage and dispatching plants, pipeline system, and mobile equipment such as re-fueling trucks, vans, and dispensers on the runway.



## SUMMARY OF EXPLANATORY ANNUAL REPORT OF THE MAIN VARIATIONS IN THE CONSOLIDATED FINANCIAL STATEMENTS OF ANCAP AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2022.

The *total assets* of ANCAP as of December 31, 2022, amounted to \$ 75,207,490,946, 6.35% higher than the assets registered at the closing of the previous year. This increase represents a \$ 4,492, 001,776 variation.

The total variation in assets is mainly explained by a 17.28% increase in current assets for an amount of \$ 6,343,288,510, while the non-current assets decreased by \$ 1,851,286,734 (5.44%).

The \$ 1,851,286,734 decrease in *non-current* assets, was mainly due to the decrease of \$ 2,127,825,151 in the value of Plant and Equipment Property, which was offset by the \$ 136,758,556 increase in the balance of the Deferred Tax Assets.

The reduction in the Properties, Plant and Equipment (PPE) chapter is primarily the combined effect of the \$ 1,558,738,027 increase in PPE, provisions for a net amount of \$ 448,054,124, net deterioration of \$ 605,552,822 (of which \$ 555,455,829 come from the analysis of the cash generating unit of the lime plant of Cementos del Plata S.A. and \$ 50,096,993 come from the assets related to the cash generating unit of the Portland Division of ANCAP), amortizations recorded during the period for \$ 1,988,936,874, and, finally, the net effect of conversion and adjustment due to inflation for \$ -638,686,972.

The variation in *Deferred Tax Assets* is caused by the temporary differences determined between the accounting and tax base of assets and liabilities.

In ANCAP it meant a \$ 186,860,135 increase, mainly due to the increase in the taxable difference of PPE. Cementos del Plata S.A. returned the \$ 84,801,084 balance as of December 31, 2021, because the tax projection showed that there are no estimated future taxable profits for the use of the asset.

The \$ 6,343,288,510 (17.28%) increase in *current assets* corresponds mainly to the increase in Inventories, Cash and Cash Equivalents, Trade Credits and Other Accounts Receivable, offset by the decrease in Other Investments, including Derivatives.

The \$ 3,081,140,553 increase registered in the Inventories chapter is mainly composed of the \$ 3,240,775,311 increase in finished products, mainly due to the increase of this chapter in ANCAP, both in physical units (33%) and unit value (11%).

On the other hand, there was a decrease in the Raw Materials chapter, registered mainly in crude oil, with a 11% decrease in the physical units stock in 2022 compared to 2021, and a 2.5% increase in the average unit value stock.

The \$ 2,883,114,926 increase in the Cash and Cash Equivalents chapter is largely due to the \$ 1,904,809,016 increase in ANCAP, mainly due to the increase in Public Values at the end of the year. ALUR S.A. showed a \$ 851,315,838 increase due to the provision of funds for the payment of financial and commercial debt maturing in the first months of 2023.

The cash flow statement shows the variations registered during the financial year in this chapter. Finally, the variation of the Trade Credits and Other Accounts Receivable chapter was \$ 781,770,258. The largest share corresponds to ANCAP due to the \$ 489,137,794 increase in the balance of Bunkers Debtors, because of the increase in operations, and the Tax Credits chapter by \$ 591,111,713.

The increase in current assets explained above was offset by the decrease in the Other Investments chapter, including derivatives, of \$ 421,964,003, originating mainly in the maturity of the SWAP quotas of ANCAP currency.

Total liabilities decreased by \$ 857,272,822 compared to the closing of the previous year, which, in percentages, equals to a 2.34% decrease. This variation is mainly due to the decrease in Financial Debts and Provisions, offset by the increase in Current Tax Liability and Commercial Debts and Other Debts.

*Financial debts* showed a \$ 2,787,222,846 decrease. The variation was mainly due to the payment of debts by \$ 1,863,771,715, as well as the decrease due to exchange differences and result by conversion of \$ 1,124,391,982.

*Provisions* decreased by \$ 266,083,984, which is explained by the adjustment in the Environmental Remediation Provision in ANCAP by \$ 188,209,937, and in the Provision for Indemnity Lawsuits by \$ 71,460,397.

*Commercial debts and other debts* increased by \$ 1,625,491,730. The variation corresponds to the Foreign Commercial Debts chapter, which shows a \$ 1,287,087,421 increase due to the increase in shipments pending payment by the end of 2022, compared to 2021. Additionally, Commercial Market Debts increased by \$ 961,228,741, mostly coming from ALUR S.A. in relation to the delivery of canola by producers in the last months of the year. Finally, there was a \$ 678,487,270 decrease in the balance of Advances from related parties, due to advances made by UTE at the end of 2021.

The Current Tax Liability increased by \$ 522,914,047 compared to 2021, due to the greater loss of current IRAE by that date, after discounting the Advances paid during the financial year.

## Equity

In compliance with Ordinance No. 89 of the Court of Auditors, we hereby inform that the reserves set forth under Equity and detailed in the Statement of Changes in Equity correspond to the following concepts:

The *reinvestment reserve* corresponds to the investment exemption reserve of Art. 447 of Law No. 15,903 and as of December 31, 2022, as at the closing of the previous year, amounts to \$ 1,252,629,057. During 2022 financial year no reserves were constituted under this concept since the exemption will only cover taxpayers whose income in the fiscal year immediately preceding the year to which the investment is carried out, does not exceed the equivalent of 10:000,000 IU (ten million indexed units.)

The \$ 2,091,816,988 conversion reserve includes all exchange differences arising from the conversion and restatement to the purchasing value of the currency, the financial statements of businesses abroad, including subsidiaries, associates and joint businesses with an operating currency different from the one of their parent company.

During 2022 financial year, no transfers were made to General Income.

Pursuant to Ordinance No. 89, it is hereby reported that the relationships between related controlled or controlling companies and the corresponding share rates are detailed in note 1.3 of the Financial Statements. Additionally, the detail of the balances and transactions between the companies of the Group are included in note 27.2 of the Individual Financial Statements and in note 30.2 of the Consolidated Financial Statements.

## Explanation or Guidance on the Perspective Regarding Future Operations

With regard to the economic and regulatory context of the fuel market, in 2021 entered into force Law No. 19.889, under which the so-called “transition phase” is still ongoing.

Regarding bottled LPG, a subsidy focused on the vulnerable population was implemented, with a 50% discount in 13 k bottles and ANCAP bearing the economic cost from January 2023.

ALUR is undergoing the reconversion of the Biodiesel business, implementing the so-called “Canola Plan” with the aim of selling biodiesel and oil to foreign markets.

As for the cement and lime business, ANCAP is seeking to associate, with the main objective of making these activities sustainable.

### Consolidated Balance Sheet as at December 31, 2022

In Uruguayan Pesos

	ER 31122022	ER 31122021
	40.071	44.695
<b>ASSETS</b>		
	Dec 2022	Dec 2021
<b>Non-current assets</b>		
Property, plant and equipment	23,888,892,092	26,016,717,243
Intangible assets and goodwill	708,448,841	730,182,186
Trade credits and other accounts receivable	204,971,719	231,707,124
Investment properties	76,253,133	76,253,133
Investments in subsidiaries, associated companies and joint businesses	762,923,599	693,768,058
Other investments, including derivatives	148,901,637	-
Deferred Tax Assets	6,292,120,161	6,155,361,605
Advance payments	70,507,615	100,316,182
<b>Total non-current assets</b>	<b>32,153,018,797</b>	<b>34,004,305,531</b>
<b>Current assets</b>		
Inventories	21,425,769,163	18,344,628,609
Other investments, including derivatives	407,261,491	829,225,494
Current Tax Assets (IRAE)	37,265,624	12,687,260
Trade credits and other accounts receivable	6,158,307,792	5,376,537,534
Advance payments	735,662,293	741,013,882
Cash and cash equivalents	14,290,205,786	11,407,090,860
<b>Total current assets</b>	<b>43,054,472,149</b>	<b>36,711,183,639</b>
<b>TOTAL ASSETS</b>	<b>75,207,490,946</b>	<b>70,715,489,170</b>

### EQUITY

	Dec 2022	Dec 2021
Capital	15,683,193,851	15,683,193,851
Reserves of conversion	2,091,816,988	2,846,184,049
Reserves of reinvestment	1,252,629,057	1,252,629,057
Cumulative results	13,193,421,127	9,245,637,339
Result for the year	6,527,893,312	3,936,375,660
Reserves of hedge	-	375,637,504
Equity attributable to the Company's owners	38,748,954,335	33,339,657,460
Minority holding	672,109,191	732,131,468
<b>TOTAL EQUITY</b>	<b>39,421,063,526</b>	<b>34,071,788,928</b>

### LIABILITIES

	Dec 2022	Dec 2021
<b>Non-current liabilities</b>		
Financial debts	7,293,225,448	11,919,577,042
Employees' benefits	176,209,313	183,108,318
Commercial debts and other debts	155,846,403	69,730,739
Provisions	889,821,313	1,270,113,669
Deferred Tax Liabilities	64,616,821	52,548,308
Investments in subsidiaries, associated companies and joint businesses	224,824,368	207,271,836
<b>Total non-current liabilities</b>	<b>8,804,543,666</b>	<b>13,702,349,912</b>
<b>Current liabilities</b>		
Bank overdrafts	-	-
Current Tax Assets (IRAE)	950,071,472	427,157,425
Financial debts	3,992,189,121	2,153,060,373
Employees' benefits	20,080,000	20,000,000
Commercial debts and other debts	21,511,057,281	19,971,681,215
Deferred income	137,273,404	112,447,213
Provisions	371,212,476	257,004,104
<b>Total current liabilities</b>	<b>26,981,883,754</b>	<b>22,941,350,330</b>
<b>TOTAL LIABILITIES</b>	<b>35,786,427,420</b>	<b>36,643,700,242</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>75,207,490,946</b>	<b>70,715,489,170</b>

### Consolidated Results Statement as at December 31, 2022

In Uruguayan Pesos

<u>Continued operations</u>	2022	2021
Net income	119,857,397,901	89,255,559,603
Selling cost	(104,078,711,279)	(74,572,209,404)
<b>Gross revenue</b>	<b>15,778,686,622</b>	<b>14,683,350,199</b>
Other income	940,837,281	961,742,907
Distribution expenses	(450,559,583)	(471,019,826)
Management and selling expenses	(8,666,470,051)	(8,249,858,565)
Other expenses	(1,119,383,691)	(956,422,604)
Result from impairment of trade receivables and other receivable accounts	(14,776,772)	11,647,009
<b>Operating result</b>	<b>6,468,333,806</b>	<b>5,979,439,120</b>
Financial income		
Financial costs		
<b>Net Financial Results</b>	<b>1,869,177,611</b>	<b>(1,256,728,300)</b>
Result from participation in associated companies and joint businesses	132,401,457	14,043,736
Result before taxes	8,469,912,874	4,736,754,556
Income tax expenses	(1,920,827,083)	(790,379,360)
<b>Continued operations result</b>	<b>6,549,085,791</b>	<b>3,946,375,196</b>

<u>Discontinued operations</u>	2022	2021
Result of discontinued operations, net of taxes	(16,257,801)	1,355,482
Result of the period	6,532,827,990	3,947,730,678
Result attributable to:		
Company's owners	6,527,893,312	3,936,375,660
Minority holding	4,934,678	11,355,018
<b>Fiscal year result</b>	<b>6,532,827,990</b>	<b>3,947,730,678</b>

## Profit and Loss Statement and Other Integral Results as at December 31, 2022

In Uruguayan Pesos

	2022	2021
<b>Fiscal year result</b>	<b>6,532,827,990</b>	<b>3,947,730,678</b>
<b>Other integral results</b>		
<i>Items that shall never be reclassified to results</i>		
Adjustments for benefits	11,928,999	(2,506,927)
Property, plant and equipment revaluation	<b>11,928,999</b>	<b>(2,506,927)</b>
<i>Items that are or may be reclassified to results</i>		
Reserves of business abroad-Difference by conversion	(819,844,887)	481,064,047
Reserve of hedge of flow and cash	(375,637,504)	(1,040,332,920)
	<b>(1,195,482,391)</b>	<b>(559,268,873)</b>
<b>Other integral results, net of income tax</b>	<b>(1,183,553,392)</b>	<b>(561,775,800)</b>
<b>Total resultado integral</b>	<b>5,349,274,598</b>	<b>3,385,954,878</b>
<b>Total integral result attributable to:</b>		
Company's owners	5,409,296,875	3,334,802,852
Minority holding results	(60,022,277)	51,152,026
	<b>5,349,274,598</b>	<b>3,385,954,878</b>

### Consolidated Balance Sheet as at December 31, 2022

In US Dollars\*

	ER 31122022	40.071
	ER 31122021	44.695
<b>ASSETS</b>		
	Dec 22	Dec 21
<b>Non-current assets</b>		
Property, plant and equipment	596,164,111	582,094,580
Intangible assets and goodwill	17,679,839	16,336,999
Trade credits and other accounts receivable	5,115,213	5,184,184
Investment properties	1,902,951	1,706,077
Investments in subsidiaries, associated companies and joint businesses	19,039,295	15,522,274
Other investments, including derivatives	3,715,945	-
Deferred Tax Assets	157,024,286	137,719,244
Advance payments	1,759,567	2,244,461
<b>Total non-current assets</b>	<b>802,401,208</b>	<b>760,807,820</b>
<b>Current assets</b>		
Inventories	534,695,145	410,440,287
Assets available for sale	-	-
Biological assets	-	-
Other investments, including derivatives	10,163,497	18,552,981
Current Tax Assets (IRAE)	929,990	283,863
Trade credits and other accounts receivable	153,684,904	120,293,937
Advance payments	18,358,970	16,579,346
Cash and cash equivalents	356,622,140	255,220,737
<b>Total current assets</b>	<b>1,074,454,647</b>	<b>821,371,152</b>
<b>TOTAL ASSETS</b>	<b>1,876,855,855</b>	<b>1,582,178,972</b>

### EQUITY

	Dec 22	Dec 21
Capital	391,385,138	350,893,698
Reserves of conversion	52,202,765	63,680,144
Reserves of reinvestment	31,260,239	28,026,156
Cumulative results	329,251,107	206,860,663
Fiscal year results	162,908,171	88,071,947
Reserves of hedge	-	8,404,464
Other reserves	-	-
Equity attributable to the Company's owners	967,007,420	745,937,073
Minority holding	16,772,958	16,380,612
<b>TOTAL EQUITY</b>	<b>983,780,378</b>	<b>762,317,685</b>

### LIABILITIES

<b>Non-current assets</b>		
Financial debts	182,007,572,76	266,687,035
Employees' benefits	4,397,427,39	4,096,841
Commercial debts and other debts	3,889,256,64	1,560,146
Provisions	22,206,116,97	28,417,355
Deferred Tax Liabilities	1,612,558,23	1,175,709
Investments in subsidiaries, associated companies and joint businesses	5,610,650,30	4,637,473
<b>Total non-current liabilities</b>	<b>219,723,582</b>	<b>306,574,559</b>
<b>Current liabilities</b>		
Bank overdrafts	-	-
Current Tax Assets (IRAE)	23,709,702	9,557,164
Financial debts	99,627,889	48,172,287
Employees' benefits	501,112	447,477
Commercial debts and other debts	536,823,570	446,843,746
Liabilities available for sale	-	-
Deferred income	3,425,754	2,515,879
Provisions	9,263,869	5,750,176
<b>Total current liabilities</b>	<b>673,351,895</b>	<b>513,286,728</b>
<b>TOTAL LIABILITIES</b>	<b>893,075,477</b>	<b>819,861,287</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,876,855,854</b>	<b>1,582,178,972</b>

### Consolidated Results Statement for the fiscal year ended on December 31, 2022

In US Dollars\*

	2022	2021
	ER 31122022	40,071
	ER 31122021	44,695
<b>Continued operations</b>		
Net income	2,991,125,699	1,996,992,048
Selling cost	(2,597,357,472)	(1,668,468,719)
<b>Gross revenue</b>	<b>393,768,227</b>	<b>328,523,329</b>
Other income	23,479,256	21,517,908
Distribution expenses	(11,244,031)	(10,538,535)
Management and selling expenses	(216,277,858)	(184,581,241)
Other expenses	(27,935,008)	(21,398,872)
Loss from impairment of bad debts	(368,765)	260,589
<b>Operating result</b>	<b>161,421,821</b>	<b>133,783,178</b>
<b>ResulNet Financial Results</b>	<b>46,646,642</b>	<b>(28,117,872)</b>
Result from participation in associated companies and joint businesses	3,304,172	314,213
<b>Result before taxes</b>	<b>211,372,635</b>	<b>105,979,518</b>
Income tax expenses	(47,935,591)	(17,683,843)
<b>Continued operations result</b>	<b>163,437,044</b>	<b>88,295,675</b>

### Discontinued operations

<b>Result of discontinued operations, net of taxes</b>	<b>(405,725)</b>	<b>30,327</b>
<b>Result of the period</b>	<b>163,031,319</b>	<b>88,326,002</b>
Result attributable to:		
Company's owners	162,908,171	88,071,947
Minority holding	123,148	254,056
<b>Fiscal year result</b>	<b>163,031,319</b>	<b>88,326,002</b>

## Profit and Loss Statement and Other Integral Results as at December 31, 2022

In US Dollars\*

	2022	2021
<b>Fiscal year result</b>	<b>163,031,319</b>	<b>88,326,002</b>
<b>Other integral results</b>		
<i>Items that shall never be reclassified to results</i>		
Adjustments for benefits	297,697	(56,090)
Property, plant and equipment revaluation	<b>297,697</b>	<b>(56,090)</b>
<i>Items that are or may be reclassified to results</i>		
Reserves of business abroad-Difference by conversion	(20,459,806)	10,763,263
Reserve of hedge of flow and cash	(9,374,298)	(23,276,271)
	<b>(29,834,104)</b>	<b>(12,513,008)</b>
Other integral results, net of income tax	<b>(29,536,408)</b>	<b>(12,569,097)</b>
<b>Total integral result</b>	<b>133,494,911</b>	<b>75,756,905</b>
Total integral result attributable to:		
Company's owners	134,992,810	74,612,437
Minority holding	(1,497,898)	1,144,469
	<b>133,494,911</b>	<b>75,756,905</b>

(\*) Amounts in Uruguayan pesos at the exchange rate at the closing of each fiscal year