

REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF SIDERURGICA VENEZOLANA
“SIVENSA”, S.A., TO THE ANNUAL SHAREHOLDERS MEETING TO BE HELD ON
DECEMBER 12 YEAR TWO THOUSAND TWENTY TWO (2022)

To our Shareholders:

Having concluded Siderurgica Venezolana “Sivensa”, S.A.’s (“Sivensa”) fiscal year on September 30, 2022, in compliance with legal statutory regulations, we are pleased to submit to the consideration of this Shareholder Meeting, the present Report and Financial Statements, together with the Reports of the Internal Auditors (*Comisarios*) and the Report of the External Auditors.

EXECUTIVE SUMMARY

During the fiscal year started on October 1st, 2021 and culminated on September 30, 2022, Sivensa continued its strategy, deemed appropriate and opportune before the measurements of expropriation, nationalization and similar effects adopted by the National Executive, in relation with the subsidiary companies Siderurgica del Turbio, S.A. (“Sidetur”), Venezolana de Prerreducidos Caroni, S.A. (“Venprecar”) and Orinoco Iron S.C.S., Sociedad en Comandita Simple (Limited Partnership) (“Orinoco Iron”).

On November 6th, 2019, SUNAVAL issued the Official Letter No. 01464, by means of which it instructed the issuers of securities submitted to public offer, that in accordance with the Law of Capital Market, the financial statements submitted must be inflation adjusted, considering the indices published by the Central Bank of Venezuela (BCV). Said Official Letter points out, among other aspects, that if the BCV does not publish the Consumer National Price Index (INPC), the effects of the inflation must be included taking into consideration the methodology foreseen in the BA VEN-NIF No. 2, in its 4th version “Criteria for the recognition of the inflation in the financial statements prepared according with the VEN-NIF”. Said Circular Letter replaces the Circular Letter No. 0744 of July 27th, 2016. By the time of this report, the last INPC published by the BCV is the one corresponding to September 30th, 2022. Accordingly, the Sivensa’s consolidated financial statements at September 30th 2022 and 2021 are presented in accordance with the SUNAVAL’s norms and instructions.

As regards the macroeconomic environment, it should be noted that as of the date of this report, the BCV has not published figures about the performance of the Gross Domestic Product (GDP) of Venezuela during the year 2021. The latest published figure was up to the first quarter of 2019, reflecting a fall in GDP of 26.8%, vs the same quarter of the year 2018. Inflation up to 30 September 2022 was also published, reflecting a cumulative inflation for the last 12 months, of 157.43%.

The exchange rates of the Exchange Market System and inflation significantly affected Sivensa's consolidated financial results.

1. PROCESS OF EXPROPRIATION OF THE ASSETS (MOVABLES, REAL ESTATE PROPERTY AND IMPROVEMENTS) OF THE SIDETUR AFFILIATE, PREVENTIVE MEASURE OF "OCCUPANCY AND TEMPORARY OPERABILITY" ISSUED BY THE EXTINGUISHED INSTITUTE FOR THE DEFENSE OF THE PEOPLE'S ACCESS TO GOODS AND SERVICES (INDEPABIS). APPOINTMENT OF TEMPORARY ADMINISTRATIVE BOARD OF SIDETUR BY THE MINISTRY OF THE PEOPLE'S POWER FOR INDUSTRIES.STATUS OF SIDETUR'S EXTERNAL DEBT.

As we have been reporting, on October 31, 2010, the former President of the Republic announced the expropriation of plants and other industrial assets owned by the subsidiary Siderurgica del Turbio, S.A. "Sidetur" ("Sidetur"). On November 3, 2010, Presidential Decree No. 7786 dated November 2, 2010 was published in the Official Gazette No. 39,544 (the "Expropriation Decree").

In late October 2012, as promptly informed, the National Executive adopted the following measures: (i) the appropriation and transfer of available funds in bolivars in Sidetur's bank accounts to the account of the State-owned company "Complejo Siderurgico Nacional, S.A." at Banco de Venezuela; and (ii) the occupation of the industrial assets of said subsidiary by the aforementioned State-owned company. Such measures were taken in violation of the provisions of the Law of Expropriation for Public or Social Purpose (Ley de Expropiación por Causa de Utilidad Pública o Social, "Expropriation Law") and, in any case, without a court order or any authorization or judicial proceeding.

On November 6, 2012, in the Official Gazette of the Bolivarian Republic of Venezuela No. 40,044 Resolution No. 089 of the Ministry of the People's Power for Industries ("MPPI"), dated October 25, 2012, was published, such resolution appoints the new members of the Temporary Administrative Board for the subsidiary Sidetur, in execution of the Preventive Measure of

"Occupancy and Temporary Operability and Appointment of Administrative Board" agreed by the extinct Institute for the Defense of the People's Access to Goods and Services (Instituto para la Defensa de las Personas en el Acceso a los Bienes y Servicios "INDEPABIS").

On July 26, 2013, Deutsche Bank, acting as Trustee, notified the bondholders as well as Sidetur (i) that there had been a default due to the non-payment of the principal installment due on July 20, 2013, (ii) that there had been a default due to the lack of sufficient funds in the Reserve Account, (iii) that the issuer had defaulted in the payment of interest due on July 20, 2013, which will become a default if such payment does not occur within the following 30 days, and (iv) that, for the moment, it would not take further actions unless certain holders, defined as "Required Note Holders", would require it to do so, noting that in order to act, following any request or instruction, such holders should furnish to the Trustee security or indemnity reasonable satisfactory to it against the cost expenses and liabilities that might be incurred by it. Later, on April 29, 2016, the referred to Bank, through a letter dated April 27, 2016, notified holders of the 2016 Bonds guaranteed by Sidetur (i) that a new event of default had occurred due to the non-payment of the last principal installment corresponding to such bonds, payable on April 20, 2016, and (ii) that, for the moment, it would not take further actions unless certain holders, defined as "Required Note Holders", would require it to do so, noting that in order to act, following any request or instruction, such holders should furnish to the Trustee security or indemnity reasonable satisfactory to it against the cost expenses and liabilities that might be incurred by it.

On February 11, 2014, the First Contentious Administrative Court issued a ruling stating that it had jurisdiction to review the lawsuit filed on December 17, 2013 by the Office of the Attorney General of the Bolivarian Republic of Venezuela, for the expropriation of the movable assets, real property and improvements of the subsidiary Sidetur. In the referred claim, the Office of the Attorney General, also requested an innominated judicial measure of "Occupation, Possession, Use and Administration" over Sidetur's real property, movable assets, consumable inventories, warehouses, vehicles and improvements, which was granted by the aforementioned Court.

On June 7, 2016, the Political Administrative Chamber of the Supreme Court published a judgment in the website of the Supreme Court of Justice, whereby said Chamber accepted jurisdiction, declined in its favor by the Superior Court of Civil and Contentious Administrative Matters for the Midwestern Region, to hear and decide upon the lawsuit filed by Banco Nacional de Credito ("BNC") against the subsidiary Sidetur, for the purpose of instructing o condemning

payment (in Bolivars) of capital and interest of a Promissory Note issued on July 13, 2012, by the referred to subsidiary to the order of such bank, for three million dollars (USD 3,000,000.00).

On December 14, 2016, the Political Administrative Chamber of the Supreme Court issued a judgement dismissing the appeal filed by the attorneys of Sidetur against judgement No. 2012-0039 of January 26, 2012, issued by the Second Court of the Contentious Administrative Jurisdiction, with respect to the annulment lawsuit filed against Administrative Providence No. 422 of November 2, 2010 issued by the extinct INDEPABIS.

At the end of July 2019, Sivensa received information regarding the filing of two (2) lawsuits against Sidetur Finance B.V. and Sidetur before the Supreme Court of the State of New York of the United States of America on July 19, 2019, for the non-payment of the financial obligations derived from the bonds issued in 2006. The sum of the aforementioned claims, as a whole, amounts to nine million two hundred seventy thousand three hundred seventy-five dollars of the United States of America (US \$ 9,270,375.00) for unpaid principal; interest and other concepts derived from the Indenture of the aforementioned bonds and/or applicable law are also demanded. Subsequently, Sivensa received information that on December 3, 2019, the Supreme Court of the State of New York issued a judicial decision with regards to one of the lawsuits filed, for a total of US\$12,101,618.70 (which includes US\$7,389,750.00 for unpaid capital and US\$ 4,711,218.70 for interest), establishing, in addition, post-judgement interest at the statutory rate of 9% per annum.

2. NATIONAL ECONOMIC ENVIRONMENT

At the time of elaborating this inform, the BCV has not published figures about the behavior of the Gross Internal Product (GIP) of Venezuela during the year 2022. The last figure published was until the first quarter of 2019, where a GIP drop of 26.8% vs the same quarter of the year 2018 is reflected. It was also published the inflation until September 30th, 2022, with an accumulated inflation of 157.43% for the last 12 months.

In August 2021, the National Government promulgated the Decree No. 4553, published in the Official Gazette No. 42185, through which it announces the new monetary expression, consisting of the elimination of six zeroes from the monetary system in force for that date, in order to simplify the transactions and accounting systems of computation and registry. Said expression will come

into force on October 01, 2021, and every amount expressed in the national coin will be converted to the new monetary unit, by dividing by Bs. 1,000.000. The effects of rounding, a consequence of this process, were registered in the results of 2022. The management of the Company will adapt its systems to comply with this norm.

3. ACCOUNTING TREATMENT OF THE OPERATIONS OF SIDETUR

The consolidated financial statements of Siderurgica Venezolana “Sivensa”, S.A. referred to in this report, include the accounts of the Sidetur subsidiary and its subsidiary companies on a consolidated basis.

The events occurred at the end of October 2012, specifically the occupation, possession and control by the company Complejo Siderurgico Nacional, S.A., of the industrial assets been utilized by Sidetur in the operations and activities aimed at the production and marketing of the steel products, caused that as of said occupation, the subsidiary Sidetur has not been able to continue performing the same operations and activities with the assets that were occupied. Accordingly, on September 30th, 2022 and 2021, Sivensa presents in the consolidated statement of financial position, separated from the rest of assets and liabilities, the assets that were occupied, other assets object of appropriation and the liabilities considered as borne by the state company Complejo Siderurgico Nacional, S.A., which are classified as an available investment for sale and are stated in the account “Net assets in process of expropriation and assets object of appropriation”.

The industrial assets of Sidetur that were occupied, other assets object of appropriation and the obligations which had to be assumed by the state company Complejo Siderurgico Nacional, S.A., correspond to Property, Plant and Equipment, inventories, cash in local currency, trade account receivables, net of accounts payable to suppliers and others, advances received from customers, profits, holidays and other accruals and social benefits payable. Likewise, the rest of assets and obligations of Sidetur, including the financial debt, are included in the consolidated statement of financial position of Sidetur which sent opportunely the due communications to its creditors, and official and regulatory bodies, to inform about the events mentioned of late October 2012.

On September 2022, in accordance with the applicable accounting rules, the management obtained an update of the appraisal values (depreciated replacement cost) of the real property,

machinery, equipment and facilities of Sidetur, realized in September, 2009. Said update indicates that the total amount of Property, Plant and Equipment at September 30th, 2022 is Bs. 2,744,310,598 which is a greater amount than the book value of the net assets in process of expropriation and assets object of appropriation, which is Bs. 322,340,599.

For purposes of an additional analysis, Sivensa presents as a supplementary data, the consolidated statement of financial situation at September 30th 2022, expressed in US dollars, in accordance with the accounting presentation basis set out by the Company, which consist of translating the Company's consolidated balance sheet, expressed in constant Bolivars as of September 30, 2022, into US dollars, utilizing the exchange rate of Bs. 8.2 per 1 US\$ upon that date, and it includes the value in US dollars of the valuation made updated September 30, 2022, of the fixed assets which conform the item of net assets in process of expropriation and assets object of appropriation.

4. PRESENTATION OF THE FINANCIAL STATEMENTS

On November 6th 2019, the National Superintendence of Securities (SUNAVAL) emitted the Circular Letter No. 01464, instructing the issuers of securities, object of public offer in accordance with the Law of Securities Market, about presenting their financial statements inflation adjusted, based on the indices published by the Central Bank of Venezuela (BCV). The aforementioned Circular Letter points out that if the BCV does not issue the National Consumer Price Index (INPC), the effects of the inflation must be included following the methodology planned in the Bulletin of Applications of Financial Information Norms No. 2 (BA VEN-NIF No. 2), named "Criteria for the Recognition of the Inflation in the Financial Statements prepared in accordance with VEN-NIF", in its 4th version. The aforementioned Circular Letter replaces the Circular Letter No. 0744 of July 27, 2016.

Considering the exchange agreements in force at the date of elaboration of this report, the transactions and balances in foreign currency of Sivensa and its subsidiaries (whose functional currency is the bolivar), mainly constituted by United States dollar, have been converted into bolivars, utilizing the exchange rate at the date of the transaction and the closure exchange rate, respectively, in accordance with the provision of the IAS 21. As of September 30th, 2022 and 2021, the closure rate utilized was the exchange rates of the Exchange Market System of 8.20 and 4.18 bolivars per 1 US\$, respectively, as the management considers that these rates reflect

the best estimation of the expectations of the future flows to be disbursed or received, to extinguish the obligations or to realize the assets in foreign currency as of said dates, utilizing legal mechanisms allowed by the State or the laws of the Bolivarian Republic of Venezuela. The exchange differences mainly resulting from the fluctuations of the bolivar with regard to the dollar, upon translating the balances in foreign currency at September 30th. 2022 and 2021, are presented in the results of the fiscal years ended on said dates, in the account "Exchange loss, net".

The translation into bolivars of the consolidated financial statements of the subsidiary IBH, elaborated in US dollars, which is its functional currency, has been realized according to the IAS 21, in the applicable to an entity whose functional currency and presentation currency are different, as follows: The assets and the liabilities are translated at the closure exchange rate and the equity at the historic exchange rates. As of September 30th 2022 and 2021, the closure rate utilized was the exchange rates of the Exchange Market System of 8.20 and 4.18 bolivars per 1 US\$, respectively. The exchange rate difference arising from the translation to bolivars of the consolidated financial statements of the subsidiary IBH, elaborated in US dollars as of September 30th 2022 and 2021, minority interest net, are presented in the consolidated statement of financial position, in the account "Result from translation of foreign subsidiaries". The result of translation of the affiliate abroad, as of September 30th 2022 and 2021 was Bs 5,078 million and Bs 6,663 million, respectively, which represents a decrease in the consolidated equity of the shareholders of Sivensa of Bs 1,585 million.

5. RESULTS OF THE FISCAL YEAR

The most significant aspects of the consolidated income statement are described below:

The Sivensa's consolidated results include the operations of its affiliates: SIDETUR, IBH and others, corresponding to the years ended on September 30th 2022 and 2021. The consolidated results of the year ended on September 30th 2022 (except the results of the affiliate IBH), were inflation adjusted, applying the INPC published by the BCV and for comparative effects, the Company adjusted the balances presented in the year ended on September 30th 2021, according to the inflation of the year ended on September 30th 2022, published by the BCV, which amounted to 157.43%.

- a. OPERATIONS PROFIT: In the exercise 2022, the operating profit of Sivensa was Bs 3,408,653 compared with the profit of Bs 5,702,461 in the exercise 2021. The unfavorable variation in Bs 2,293,808 is mainly due to the reduction of “Other Net Operating Income” in Bs 7,101,491 partially offset by the decrease of “General and Administrative Expenses” in Bs. 4,807,683, during the year 2022, compared with the exercise 2021.
- b. PRETAX PROFIT: During the economic exercise 2022, this profit was Bs 21,454,268 compared with the profit of Bs 103,188,179 in the previous exercise. The decrease of the pretax profit in Bs 81,733,911 is mainly explained by the net of: i) the decrease of the operating profit, as explained in the preceding paragraph; ii) the diminution of Bs 46,880,123 in the “Financial Expenses” of the year, primarily denominated in US dollars; iii) the diminution of the monetary profit in Bs 391,817,519; iv) the reduction in Bs 304,888,483 in the item “Net Exchange Loss” with respect to the one registered in 2021; and v) the diminution of Bs 39,391,190 in the “Financial Income” of the year, fundamentally denominated in US dollars. All these variations mainly due to the increase in the applicable exchange rate (Bs per 1 US\$) in order to translate to Bolivars the transactions and balances denominated in US dollars, utilizing the exchange agreements in force during the economic exercises ended on September 30th 2022 and 2021, and its adjustment for inflation by applying the INPC published by the BCV to September 30th, 2022, as explained above.
- c. NET PROFIT OF THE YEAR: In the exercise 2022, this profit was Bs 22,682,588 compared with the profit of Bs 108,529,102 in the previous year. The profit decrease of Bs 85,846,514 during the exercise, is mainly the product of the decrease of Bs 81,733,911 of the profit before tax during the fiscal exercise 2022, regarding the previous exercise, commented above, and the deferred lower income tax registered during the exercise 2022.
- d. NET PROFIT OF THE YEAR ATTRIBUTABLE TO SIVENSA'S SHAREHOLDERS: This result of the economic exercise 2022 was a profit of Bs 17,445,448 compared with the profit of Bs 108,529,074 registered in the previous year. This decrease of Bs. 91,083,626 is mainly due to the decrease of Bs. 85,846,514 of the net income of the year with respect to the one registered in the exercise 2021. The net income for the period, attributable to the Sivensa's shareholders, results from subtracting, from the net income of the exercises ended on September 30th 2022 and 2021, mainly the participation of the minority shareholders in the

results of the subsidiary IBH. In said exercises, that participation was a profit of Bs 5,237,140 and Bs. 28, respectively.

6. INTERNATIONAL BRIQUETTES HOLDING (IBH)

NATIONALIZATION OF VENPRECAR AND ORINOCO IRON SUBSIDIARIES

Despite efforts to pursue negotiations with the public sector involved in the process of nationalization of Venprecar and Orinoco Iron, it has not been possible up to this date, to reach a deal with the Government to set up a working schedule to negotiate a fair price for assets subject to nationalization. On July 9, 2013, the subsidiary International Briquettes Holding (IBH) filed a request for indemnification (compensation) against the Bolivarian Republic of Venezuela, before the Ministry of the People's Power for Industries, as a result of the de facto expropriation of the equity interest that such subsidiary holds directly and indirectly (through IBH de Venezuela, C.A.) in the corporations Venprecar and Orinoco Iron, whose operational control and management were unilaterally and exclusively taken over by the Venezuelan state, without complying with the procedure set forth in the Expropriation Law, or having paid the timely, fair and integral compensation. As of this date, the aforesaid Ministry has not issued any statement regarding that request.

In the Extraordinary Official Gazette of the Bolivarian Republic of Venezuela No. 6,119, dated December 19, 2013, the Presidential Decrees of same date, related to the briquetted-iron companies Venprecar and Orinoco Iron (both affiliates of the subsidiary International Briquettes Holding (IBH) were published, namely: (i) Decree No. 695, pursuant to which the movable assets, real property and improvements used for the operation of Venezolana de Prerreducidos Caroni "Venprecar" C.A. and its subsidiaries are subject to forced acquisition, as they are considered essential for the execution of the Work "Fortalecimiento de la Transformación del Mineral de Hierro y Generación de Briquetas en Caliente que Contribuyan con el Sector Industrial Siderúrgico" ("Strengthening of Iron Ore Transformation and Hot Briquettes Generation that Contribute to the Iron and Steel Industrial Sector"); and (ii) Decree No. 697, pursuant to which the movable assets, real property and improvements used for the operation of Orinoco Iron, S.C.S. and its subsidiaries are subject to forced acquisition, as they are considered essential for the execution of the Work "Fortalecimiento de la Reducción Directa del Mineral de Hierro y

Generación de Briquetas en Caliente que Contribuyan con el Sector Industrial Siderúrgico” (“Strengthening of Iron Ore Direct Reduction and Hot Briquettes Generation that Contribute to the Iron and Steel Industrial Sector”) (the “Acquisition Decrees”).

Within the timeframe set forth in Article 22 of the Expropriation Law and in the text of the aforementioned notices, the attorneys and judicial representatives of IBH and its subsidiary IBH de Venezuela, C.A., appeared before the Office of the Attorney General of the Republic in accordance with the provisions of the said article and presented their written allegations in two separate documents (one for each of the aforementioned Acquisition Decrees) laying out the legal and factual arguments that, in their opinion, justified the unenforceability of such Decrees under the terms in which they were framed, considering that in February 2010 the Venezuelan State assumed, unilaterally and exclusively, the operational control and management of Venprecar and Orinoco Iron for the purposes of their transformation into State-owned companies.

On June 10, 2014, IBH de Venezuela, C.A., holder of legitimate interests as owner of 79.649740% of the equity interest in Venprecar and Orinoco Iron, filed before the Political Administrative Chamber of the Supreme Court of Justice two judicial recourses for the annulment of the aforesaid Acquisition Decrees.

On December 11, 2014, the aforementioned chamber of the Supreme Court of Justice, as a result of the request for joint trials presented by the representative of the State, suspended the trial hearings schedule for both cases. Subsequently, on August 3, 2017, the aforementioned chamber held that the request for joint trials should proceed as requested. On a later date, on June 12, 2018, the Supreme Court set the Trial Hearing for July 12, 2018, which was held on the established date and where the attorneys of IBH de Venezuela, C.A., presented the arguments and evidence they deemed pertinent in agreement with the Judicial Representative of said affiliate, filing the corresponding written arguments.

On August 7, 2018, an interlocutory ruling was issued by the Substantiation Court of the Political-Administrative Chamber of the Supreme Court of Justice, which admitted certain evidence promoted by the aforementioned attorneys, who on September 18, 2018 and in agreement with the judicial representation of the subsidiary IBH de Venezuela, C.A., partially appealed the aforementioned judgment before the Political-Administrative Chamber of the Supreme Court of Justice. On May 14, 2019, the Supreme Court of Justice issued a judgment dismissing the

referred partial appeal. Subsequently, on the date set for the filing of final briefs (March 10, 2020), the attorneys of IBH de Venezuela, C.A. proceeded to file before the Political-Administrative Chamber of the Supreme Court of Justice, the written summary of conclusions during the aforementioned judicial recourses for the annulment of the said Acquisition Decrees.

On March 11, 2020, the Political-Administrative Chamber of the Supreme Court of Justice noted in the case file that the trial had entered the sentencing stage.

As reported on March 3 of this year by notice of a Relevant Event, our subsidiary IBH de Venezuela, C.A., was notified on March 2, 2022 of the ruling issued by the Political-Administrative Chamber of the Supreme Court of Justice of February 10, 2022, identified with No. 00019, in which the annulment claims filed by IBH of Venezuela against the Acquisition Decrees were dismissed. The aforementioned judgment and its ex officio amendment of March 9 of the same year by means of judgment No. 0073, which did not affect or modify the substance of the decision (declaration of dismissal), are available on the website of the Supreme Court of Justice (<http://www.tsj.gob.ve>).

OTHER BUSINESSES

After the nationalization of the subsidiaries Venprecar and Orinoco Iron, IBH, through its affiliate SDP International Corporation, continues with its trading consulting services. At the beginning of the month of January 2018, the aforementioned affiliate reduced its operations and administrative expenses, in order to guarantee its permanence.

7. DISTRIBUTED DIVIDENDS

The last dividend decreed was approved by Sivensa's Special Shareholders Meeting held on October 24, 2011.

8. CAPITAL AND NET WORTH

On September 30th, 2022, the social capital of Sivensa amounts to Bs 1,050,487.52, represented by 52,524,376 common shares, with a nominal value of Bs 0.02 per share, after a capital increase approved by (i) the shareholders of the Company in the Ordinary Shareholders' Meeting of

December 3, 2021; and (ii) the National Superintendence of Securities, through Ruling No. 030 of March 8, 2022.

On September 30th, 2022, the Company's consolidated equity, including non-controlling interests, is Bs 7,525 million (Bs 9,815 million in 2021).

9. CORPORATE GOVERNANCE

Among the main purposes of Sivensa' s corporate governance structure is facilitating the oversight function of Sivensa Board of Directors and Management team on their role of protecting the interests of shareholders, employees, customers, creditors, and the community at large.

Sivensa's corporate governance structure consists of its Shareholders, followed by the Board of Directors which, at the same time, delegates certain functions to the Audit and Finance Committees. Pursuant to standards now in force and in accordance with best practices for corporate governance, Sivensa's Board of Directors is composed by highly qualified professionals in different business areas, most directors are independent and do not serve any administrative position, the Board of Directors is primarily responsible for defining strategies, as well as for overseeing and evaluating operational performance.

Audit Committee: To ensure transparency and confidence in the administration of the company, reduce operational risks and improve the efficiency of administrative processes, the Audit Committee members meet periodically.

Finance Committee: This committee meets regularly to assess core group transactions related on one hand, with its portfolio of investments in general (liquidity, traded equity and business segments) and, on the other, the capital structure of the company, i.e. level, manner and terms of leverage on the liabilities and capital levels and dividend policy on the equity funds side.

In Official Gazette No. 42,171 of July 19, 2021, Rule No. 001 of the National Securities Superintendency was published, through which the Rules Relating to Sound Corporate Governance of the Securities Market were issued. Regarding information to shareholders, Sivensa complies with timely reporting on all relevant events that occur in the Organization. Likewise, it makes quarterly and annual reports, press releases, statements and other types of

relevant information available to shareholders through its website (www.sivensa.com.ve), and has a unit dedicated to serving shareholders.

Likewise, in Official Gazette No. 42,115 of April 28, 2021, the National Securities Superintendency modified the regulations regarding the prevention of money laundering and terrorism financing, expanding the scope of the persons subject to those regulations and partially modifying the requirements of organizational structures that must incorporate to prevent the aforementioned illegal activities. Likewise, it expanded the crimes it seeks to prevent, including activities to finance the proliferation of weapons of mass destruction "and other illicit" activities.

10. COMMITMENT WITH THE SOCIAL DEVELOPMENT

FUNDAMETAL

Fundamental, a non-profit institution promoted by Sivensa and its subsidiaries, has been focused on training the human resources in the country for more than 46 years. With the support of qualified personnel and a clear service vocation, during the economic exercise 2021-2022, it realized a series of activities in line with its management. The year has seen an improvement in the demand for Training and Education services from the Industrial and Services sectors.

In summary, the transfer of knowledge, both through the formal and the alternate education, we can describe it as follows:

PROFESIONAL TRAINING

In vocational training for work activities and for a continuous improvement, 229 courses were imparted with the attendance of 2,481 workers, representing a group of 150 private companies and a total of 3,041 training hours.

These training programs address technical and attitudinal aspects, aimed at the professional development of workers from entry level to middle management.

The distribution of the demand was made up of the following areas of knowledge, in terms of numbers of participants and percentages:

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|--------------------------------------|--------------------------|
| Operational Risk Management: | 1,067 participants (43%) |
| Human and Organizational Management | 670 participants (27%) |
| Information Technology | 446 participants (18%) |
| Quality, Productivity and Operations | 174 participants (7%) |
| Other areas | 124 participants (5%) |
| TOTAL: | 2,481 participants |

95 young people graduated from the National Apprenticeship Program; 47 in the Commercial Area and 48 in the Industrial area. As of September 2022, there are 253 apprentices; 155 in the Commercial area and 98 in the Technical area.

Likewise, in accordance with the Institutional Agreement subscribed with the Universidad Panamericana del Puerto (UNIPAP), there are 450 students in the mentions of Superior Technician in Brewing Technology; Public Accounting and Business Administration Bachelor's Degree. 31 students of this total belong to the faculty of Engineering and 419 study in the Faculty of Economic and Social Sciences. During this period, 39 students graduated from the Faculty of Economic and Social Sciences.

11. UNSECURED OBLIGATIONS AND DEBT

By virtue of the events related to the financial debt described in the Section 1 of this Report, it should be mentioned that the terms and conditions of the debt can be affected in the future by such events and its consequences.

As of September 30th 2022, the affiliate Sidetur maintains two short term loans with some financial institutions, for a total amount of 5.9 million (See Note 13 of the report of the Independent Public Accountants and Consolidated Financial Statements at September 30th 2022).

On September 30th 2022, the total amount of the Sidetur and its affiliates' financial debt in foreign currency is US\$ 151 million (financial obligations, short term loans and interests).

12. DEBT POLICY

Sivensa's debt policy is oriented to matching the term of its liabilities to the type of asset being financed. The long-term financial debt owed by Sivensa and its subsidiaries is denominated primarily in U.S. Dollars.

13. LITIGATION AND CLAIMS

Sivensa and its subsidiaries are not involved in any litigation, civil, fiscal, labor or mercantile claim that impacts or may materially impact its economic solvency or financial situation. For additional details, please refer to Note 21 of the Report of Independent Accountants and Consolidated Financial Statements as of September 30th 2022.

14. REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

As of November 2012, Members of the Board of Directors receive no remuneration.

THE BOARD OF DIRECTORS

Caracas, November 11, 2022