SOCIEDAD ANÓNIMA, COMERCIAL, INDUSTRIAL, FINANCIERA, INMOBILIARIA Y AGROPECUARIA

EINSTEIN 1111 - RIO GRANDE
PROVINCE OF TIERRA DEL FUEGO,
ANTARCTICA AND SOUTH ATLANTIC ISLANDS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022,
JOINTLY WITH THE INDEPENDENT AUDITORS' REPORT
AND THE STATUTORY AUDIT COMMITTEE'S REPORT

BOARD OF DIRECTORS

MIRGOR S.A.C.I.F.I.A.

CHAIRMAN

Mr. Roberto G. Vázquez (*)

VICE-CHAIRMAN

Mr. José Luis Alonso

DIRECTORS

Mr. Martín Basaldúa (*)
Dr. Mauricio Blacher (*)
Mr. Juan Santiago Fraschina

ALTERNATE DIRECTORS

Mr. Eduardo Mario García Terán
Mr. Eduardo Koroch
Mr. Guillermo Reda
Ms. María de las Mercedes Rotondó
Mr. Benjamín Navarro

STATUTORY AUDIT COMMITTEE

Statutory Auditors
Mr. Julio Cueto Rua
Mr. Mario Volman
Mr. Alejandro Mario Roisentul Wuillams

Alternate statutory auditors
Mr. Hugo Kaplan
Mr. Gastón Malvarez
Ms. Sandra Auditore

(*) Audit Committee members.

INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Translation into English of the Financial Statements originally issued in Spanish – Note 25 to the consolidated Financial Statements)

To the directors of
MIRGOR S.A.C.I.F.I.A.
Registered office: Einstein 1111
Río Grande – Tierra del Fuego
(CUIT (Argentine tax Identification number): 30-57803607-1)

I. Report on the audit of the consolidated financial statements

Opinion

We audited the financial statements of MIRGOR S.A.C.I.F.I.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as the explanatory information of the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Group's financial position as of December 31, 2022, its consolidated profit or loss and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for the opinion

We performed our audit in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities based on these standards are described further under the "Auditor's responsibilities on the audit of the consolidated financial statements" section in our report. We are independent from the Group in accordance with the "International Code of Ethics for Professional Accountants (including International Independence Standards)" issued by the IESBA (International Ethics Standards Board for Accountants) and the requirements applicable to our audit of consolidated financial statements in the City of Buenos Aires, and we have fulfilled our other ethical responsibilities in accordance with such requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter of the current period included further below in this section, the description of how we addressed this matter in our audit is provided in the context of our audit.

We fulfilled our responsibilities based described further under the "Auditor's responsibilities on the audit of the consolidated financial statements" section in our report. Therefore, our audit included the application of procedures designed to respond to our assessment of material risks of misstatements in the consolidated financial statements. The results of our audit procedures, including the procedures applied to address the matter included below, provide the basis for our audit opinion of the accompanying consolidated financial statements.

Accounting for business combinations

Description

As mentioned in note 23 to the accompanying consolidated financial statements, in the year ended December 31, 2022, Mirgor S.A.C.I.F.I.A. acquired the shareholding of ONTEC Fortinox S.A.U. (formerly known as Outokumpu Fortinox S.A.), for a total value assigned to the purchase of ARS 2.035 million (two thousand and thirty-five million Argentine pesos). This transaction was accounted in accordance with the guidance set forth in IFRS 3 for bargain purchases, and gave rise to the recognition of: 1) assets for 10.7 billion, representing 5.76% of consolidated assets; 2) liabilities for 4.5 billion representing 3.64% of consolidated liabilities, and 3) profit for the acquisition of subsidiaries for about ARS 4.2 billion.

The accounting of this acquisition was a complex exercise due to the application of significant estimates and judgment in assessing the fair value of assets and liabilities of the acquired company. The Group's Board made these estimates internally using the valuation methods mentioned in note 2.4.15.

We believe that this transaction is a key audit matter due to the significance of the amounts involved and its impact on the consolidated financial statements, the inherent judgment in making fair value estimates and the complexity of identifying intangible assets.

Treatment of the key audit matter in our audit

We performed the following procedures, among others:

– We gained an understanding of Mirgor's internal administrative processes and policies in assessing the fair value of the assets and liabilities identified, including the assessment of the competence of the personnel assigned to this transaction.
– We assessed the completeness of the assets and liabilities identified in the transaction by reviewing the relevant purchase-related agreements and gaining an understanding of the structure and purpose of the transaction;
– We assessed the physical observation of inventories and the execution of rollforward procedures as of transaction date. In addition, we assessed the inventories fair value in the context of the transaction.
– We analyzed the fair values assessed by Management for certain PP&E items (land and real estate) by making our own point of estimate engaging asset valuation specialists. This implied testing the square meters of land and facilities of the company acquired and comparing the value assessed by the Board with the market values for transactions involving similar assets.
– We assessed the agreements supporting the existence of intangible assets associated with the transaction engaging asset valuation specialists.
– We compared the provision for contingencies recognized by the Board with reports prepared by independent legal advisors.
– We assessed the proper disclosures made by the Board in note 23 regarding its acquisitions.

Information other than the consolidated financial statements and related auditors' report ("other information")

Other information comprises: a) the information included in the Summary of events filed to meet CNV (Argentine Securities Commission) regulations and b) the information contained in the Letter to the Shareholders. This information differs from the consolidated financial statements and the related auditors' report. The Board is responsible for the other information.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any assurance thereon.

Regarding our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, considering whether there is a material inconsistency between the other information and the financial statements or the auditors' knowledge obtained from the audit or whether there is a material misstatement for any other reason. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's responsibility for the consolidated financial statements

The Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to error or fraud.

In preparing the consolidated financial statements, the Board is responsible for assessing the Group's capacity to continue as a going concern, disclosing, as the case may be, the matters related to this matter and using this basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

– Conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained through the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Assess the general presentation, structure and content of the consolidated financial statements, including the information disclosed, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient and appropriate audit evidence relating to the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Board in relation to, among other matters, the scope and the timing of the audit planned and the significant audit findings, including any identified significant deficiencies in internal control during the course of our audit.

We also provide the Board with a statement that we have met the ethical requirements applicable related to our independence, and communicate all the relationships and other issues that may reasonably be thought to affect our independence and, as the case may be, the actions taken to eliminate threats or the safeguards applied.

From the issues communicated to the Board, we determine those that are most significant in the audit of the consolidated financial statements for the current period and that are, consequently, they key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on other statutory and regulatory requirements

In compliance with current regulations, we report that:

a) In our opinion, the consolidated financial statements as of December 31, 2022, have been prepared, in all material respects, in conformity with the applicable Argentine General Business Associations Law provisions and CNV regulations.

b) The separate financial statements of MIRGOR S.A.C.I.F.I.A. as of December 31, 2022, have been taken from accounting books kept, in all formal respects, in accordance with current legal regulations and the conditions set forth in CNV Resolution No. 18,516 of February 16, 2017.

c) As of December 31, 2022, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System, as recorded in the Company's books, amounted to ARS 82,099,892, none of which was due and payable as of that date.

d) We have applied the anti-monetary laundering and anti-terrorist financing procedures provided in the effective professional standards.

e) During the year ended December 31, 2022, we billed audit services fees to the Company, representing 100% of the total amount billed to MIRGOR S.A.C.I.F.I.A. on any and all accounts, 16% of the total amount of audit services billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries, and 16% of the total amount billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries on any and all accounts.

Río Grande - Tierra del Fuego,
March 9, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 – Fo. 3

KARÉN GRIGORIAN
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

INDEPENDENT AUDITORS' REPORT

ON THE SEPARATE FINANCIAL STATEMENTS

(Translation into English of the Financial Statements originally issued in Spanish – Note 25 to the consolidated Financial Statements)

To the directors of
MIRGOR S.A.C.I.F.I.A.
Registered office: Einstein 1111
Río Grande – Tierra del Fuego
(CUIT (Argentine tax Identification number): 30-57803607-1)

I. Report on the audit of the separate financial statements

Opinion

We audited the financial statements of MIRGOR S.A.C.I.F.I.A. (the "Company"), which comprise the separate statement of financial position as of December 31, 2022, and the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as the explanatory information of the separate financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the Company's financial position as of December 31, 2022, its separate profit or loss and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for the opinion

We performed our audit in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities based on these standards are described further under the "Auditor's responsibilities on the audit of the separate financial statements" section in our report. We are independent from the Company in accordance with the "International Code of Ethics for Professional Accountants (including International Independence Standards)" issued by the IESBA (International Ethics Standards Board for Accountants) and the requirements applicable to our audit of separate financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with such requirements and the IESBA Code. .

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter of the current period included further below in this section, the description of how we addressed this matter in our audit is provided in the context of our audit.

We fulfilled our responsibilities based described further under the “Auditor’s responsibilities on the audit of the separate financial statements” section in our report. Therefore, our audit included the application of procedures designed to respond to our assessment of material risks of misstatements in the separate financial statements. The results of our audit procedures, including the procedures applied to address the matters included below, provide the basis for our audit opinion of the accompanying separate financial statements.

Accounting for business combinations

Description

As mentioned in note 23 to the accompanying consolidated financial statements referred to in note 4 to the accompanying separate financial statements in the year ended December 31, 2022, Mirgor S.A.C.I.F.I.A. acquired the shareholding of ONTEC Fortinox S.A.U. (formerly known as Outokumpu Fortinox S.A.), for a total value assigned to the purchase of ARS 2.035 million (two thousand and thirty-five million Argentine pesos). This transaction was accounted accordance with the guidance set forth in IFRS 3 for bargain purchases and gave rise to the recognition of: 1) investments in subsidiaries for ARS 6.2 billion, representing 6% of the Company’s assets, and 2) profit for the acquisition of subsidiaries for ARS 4.21 billion.

The accounting of this acquisition was a complex exercise due to the application of significant estimates and judgment in assessing the fair value of assets and liabilities of the acquired company. The Company made these estimates internally using the valuation methods mentioned in note 2.4.15 to the consolidated financial statements.

We believe that this transaction is a key audit matter due to the significance of the amounts involved and its impact on the separate financial statements, the inherent judgment in making fair value estimates and the complexity of identifying intangible assets.

Treatment of the key audit matter in our audit

We performed the following procedures, among others:

– We gained an understanding of Mirgor’s internal administrative processes and policies in assessing the fair value of the assets and liabilities identified, including the assessment of the competence of the personnel assigned to this transaction.

– We assessed the completeness of the assets and liabilities identified in the transaction by reviewing the relevant purchase-related agreements and gaining an understanding of the structure and purpose of the transaction;

– We assessed the physical observation of inventories and the execution of rollforward procedures as of the transaction date. In addition, we assessed inventories at fair value in the context of the transaction.

– We analyzed the fair values added by Management for certain PP&E items (land and real estate) by making our own point of estimate engaging asset valuation specialists. This implied testing the square meters of land and facilities of the company acquired and comparing the value assessed by the Board with the market values for transactions involving similar assets.

– We assessed the agreements supporting the existence of intangible assets associated with the transaction engaging asset valuation specialists.

- We compared the provision for contingencies recognized by the Board with reports prepared by independent legal advisors.

- We assessed the proper disclosures made by the Board in note 23 to the consolidated financial statements regarding its acquisitions.

Information other than the separate financial statements and related auditors' report ("other information")

Other information comprises the information contained in the Letter to the Shareholders. This information differs from the separate financial statements and the related auditors' report. The Board is responsible for the other information.

Our opinion on the separate financial statements does not cover other information and we do not provide any assurance thereon.

Regarding our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, considering whether there is a material inconsistency between the other information and the financial statements or the auditors' knowledge obtained from the audit or whether there is a material misstatement for any other reason. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's responsibility for the separate financial statements

The Board is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS and for such internal control as the Board determines is necessary to enable the preparation of separate financial statements free from material misstatement, whether due to error or fraud.

In preparing the separate financial statements, the Board is responsible for assessing the Company's capacity to continue as a going concern, disclosing, as the case may be, the matters related to this matter and using this basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the separate financial statements

The objectives of our audit are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor’s opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

– Conclude on the appropriateness of the Board’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained through the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Assess the general presentation, structure and content of the separate financial statements, including the information disclosed, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board in relation to, among other matters, the scope and the timing of the audit planned and the significant audit findings, including any identified significant deficiencies in internal control during the course of our audit.

We also provide the Board with a statement that we have met the ethical requirements applicable related to our independence, and communicate all the relationships and other issues that may reasonably be thought to affect our independence and, as the case may be, the actions taken to eliminate threats or the safeguards applied.

From the issues communicated to the Board, we determine those that are most significant in the audit of the separate financial statements for the current period and that are, consequently, they key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on other statutory and regulatory requirements

In compliance with current regulations, we report that:

a) In our opinion, the Company’s separate financial statements as of December 31, 2022, have been prepared, in all material respects, in conformity with the applicable Argentine General Business Associations Law provisions and CNV regulations.

b) The separate financial statements of MIRGOR S.A.C.I.F.I.A. as of December 31, 2022, have been taken from accounting books kept, in all formal aspects, in accordance with current legal regulations and the conditions set forth in CNV Resolution No. 18,516 of February 16, 2017.

c) As of December 31, 2022, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System, as recorded in the Company's books, amounted to ARS 82,099,892, none of which was due and payable as of that date.

d) We have applied the anti-monetary laundering and anti-terrorist financing procedures provided in the effective professional standards.

e) During the year ended December 31, 2022, we billed audit services fees to the Company, representing 100% of the total amount billed to MIRGOR S.A.C.I.F.I.A. on any and all accounts, 16% of the total amount of audit services billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries, and 16% of the total amount billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries on any and all accounts.

Río Grande - Tierra del Fuego,
March 9, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 – Fo. 3

KARÉN GRIGORIAN
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

STATUTORY AUDIT COMMITTEE'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
MIRGOR S.A.C.I.F.I.A.

Dear Sirs,

1. As required by the regulations of Listado de Bolsas y Mercados Argentinos S.A. (BYMA), we have examined the letter to the shareholders, inventory and consolidated statement of financial position of MIRGOR S.A.C.I.F.I.A. and its subsidiaries as of December 31, 2022, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the year ended December 31, 2022. In addition, we have reviewed the related "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of CNV Standards (as amended in 2013)", the filing of which is not required by professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina. Such documentation is the responsibility of the Company's Board of Directors in performing their exclusive functions.

2. Our work was based on the audit of the financial statements indicated above conducted by the firm Pistrelli, Henry Martin y Asociados S.R.L., in accordance with the international auditing standards issued by the International Auditing and Assurance Standards Board (IASB), and was limited to verifying the fairness of the significant information included in the documents examined, its consistency with the information on corporate decisions entered in minutes, and the compliance of such decisions with the law and bylaws regarding formal and documentary requirements. We did not perform any control over management decisions or performance and, therefore, we did not assess the business decisions or criteria regarding administrative, financial, marketing or production matters, as these are the exclusive responsibility of the Board of Directors.

3. In our opinion, based on our work and the reports dated 03.09.2023, issued by Karén Grigorian, CPA (a partner of Pistrelli, Henry Martin y Asociados S.R.L.): (a) the accompanying consolidated financial statements for the year ended December 31, 2022, present fairly, in all material respects, the financial position of MIRGOR S.A.C.I.F.I.A. and its subsidiaries, for them to be presented in conformity with the professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina, and Argentine General Business Associations Law and the relevant CNV regulations; and (b) the "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of the CNV Standards (as amended in 2013)".

4. We also report that in compliance with current legal requirements, and exercising the control of legality that is our responsibility, during the year, we applied the remaining procedures described in section No. 294, Law No. 19,550, which we considered necessary under the circumstances, with no findings to report in this regard.

5. The consolidated financial statements for the year ended December 31, 2022, result from books kept, in all formal respects, pursuant to current legal requirements, except as mentioned in the Inventory and Financial Statements Book.

6. In compliance with section 4, Part III, Chapter I, Title XII, CNV standards, we report that:

a) the auditor who issued his audit report on the consolidated financial statements represents that he applied the current auditing standards, which include independence and objectivity requirements, and

b) this auditor has not made any qualification with regard to the application of the professional accounting standards that contemplate the assessment of MIRGOR S.A.C.I.F.I.A's accounting policies.

7. We have also reviewed the information on the level of compliance with the Corporate Governance Code included in the Exhibit of the Letter to the Shareholders under "Report on the level of compliance with the Corporate Governance Code" prepared by MIRGOR S.A.C.I.F.I.A's Board of Directors. Pursuant to the tasks performed and as part of our competence, the information provided has been prepared reliably, in all material respects, pursuant to the requirements under CNV General Resolution No. 606/2012 and section 1, Part I, Chapter I, Title IV, CNV standards.

8. Additionally, we have reviewed the situation of compliance with directors' guarantees according to Province of Tierra del Fuego IGJ Regulation No. 60/07 and have no findings to mention.

9. We have applied the anti-monetary laundering and anti-terrorist financing procedures provided in the related professional standards issued by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences).

City of Buenos Aires
March 9, 2023

On behalf of Statutory Audit Committee

Mr. Julio Cueto Rua
Statutory auditor

STATUTORY AUDIT COMMITTEE'S REPORT
ON THE SEPARATE FINANCIAL STATEMENTS

To the Shareholders of
MIRGOR S.A.C.I.F.I.A.

Dear Sirs,

1. As required by the regulations of Listado de Bolsas y Mercados Argentinos S.A. (BYMA), we have examined the letter to the shareholders, inventory and separate statement of financial position of MIRGOR S.A.C.I.F.I.A. as of December 31, 2022, and the related separate statements of comprehensive income, changes in equity, and cash flows for the year then ended. In addition, we have reviewed the related "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of CNV Standards (as amended in 2013)", the filing of which is not required by professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina. Such documentation is the responsibility of the Company's Board of Directors in performing their exclusive functions.

2. Our work was based on the audit of the financial statements indicated above conducted by the firm Pistrelli, Henry Martin y Asociados S.R.L., in accordance with the international auditing standards issued by the International Auditing and Assurance Standards Board (IASB), and was limited to verifying the fairness of the significant information included in the documents examined, its consistency with the information on corporate decisions entered in minutes, and the compliance of such decisions with the law and bylaws regarding formal and documentary requirements. We did not perform any control over management decisions or performance and, therefore, we did not assess the business decisions or criteria regarding administrative, financial, marketing or production matters, as these are the exclusive responsibility of the Board of Directors.

3. In our opinion, based on our work and the reports dated 03.09.2023, issued by Karén Grigorian, CPA (a partner of Pistrelli, Henry Martin y Asociados S.R.L.): (a) the accompanying separate financial statements for the year ended December 31, 2022, present fairly, in all material respects, the financial position of MIRGOR S.A.C.I.F.I.A. and its subsidiaries, for them to be presented in conformity with the professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina, and Argentine General Business Associations Law and the relevant CNV regulations; and (b) the "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of the CNV Standards (as amended in 2013)."

4. We also report that in compliance with current legal requirements, and exercising the control of legality that is our responsibility, during the year, we applied the remaining procedures described in section No. 294, Law No. 19,550, which we considered necessary under the circumstances, with no findings to report in this regard.

5. The separate financial statements for the year ended December 31, 2022, result from books kept, in all formal respects, pursuant to current legal requirements, except as mentioned in the Inventory and Financial Statements Book.

6. In compliance with section 4, Part III, Chapter I, Title XII, CNV standards, we report that:

a) The auditor who issued his audit report on the separate financial statements represents that he applied the current auditing standards, which include independence and objectivity requirements, and

b) this auditor has not made any qualification with regard to the application of the professional accounting standards that contemplate the assessment of MIRGOR S.A.C.I.F.I.A's accounting policies.

7. We have also reviewed the information on the level of compliance with the Corporate Governance Code included in the Exhibit of the Letter to the Shareholders under "Report on the level of compliance with the Corporate Governance Code" prepared by MIRGOR S.A.C.I.F.I.A's Board of Directors. Pursuant to the tasks performed and as part of our competence, the information provided has been prepared reliably, in all material respects, pursuant to the requirements under CNV General Resolution No. 606/2012 and section 1, Part I, Chapter I, Title IV, CNV standards.

8. Additionally, we have reviewed the situation of compliance with directors' guarantees according to Province of Tierra del Fuego IGJ Regulation No. 60/07 and have no findings to mention.

9. We have applied the anti-monetary laundering and anti-terrorist financing procedures provided in the related professional standards issued by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences).

City of Buenos Aires,
March 9, 2023

On behalf of Statutory Audit Committee

Mr. Julio Cueto Rua
Statutory auditor

Translation into English of the Financial Statements originally issued in Spanish - See Note 25 to the consolidated financial statements.

The Company is not enrolled in the Statutory Optional System for the Mandatory Acquisition of Public Offerings.

FISCAL YEAR No. 52 BEGINNING JANUARY 1, 2022 AND ENDED DECEMBER 31, 2022

LETTER TO THE SHAREHOLDERS

(Information not audited and not covered by the auditor's report)

To the Shareholders:

In compliance with current legal requirements and Company bylaws, we are pleased to submit for your consideration the documentation related to the financial statements for fiscal year No. 52 ended December 31, 2022.

Description of the business and organizational structure

Mirgor S.A.C.I.F.I.A. ("Mirgor" or "the Company") started doing business in 1983, setting up its first industrial plant in the city of Río Grande, Province of Tierra del Fuego. The plant provides air quality and temperature control systems for the auto industry.

In 1995, as a strategic vertical integration decision, Mirgor acquired Interclima S.A. ("Interclima"), its main supplier of heat exchangers. In 2004, the diversification process began, with the production of home air conditioning systems. In 2006, it started providing tire removal services for General Motors in its plant located in Rosario.

In 2006, in line with its diversification of activities, Mirgor acquired CAPDO S.A. ("CAPDO"), which was engaged in the real estate activity through the lease of its real property. During this fiscal year, the Company disposed of the real estate properties it owned, and at present Management is assessing future businesses.

In 2009, the Company purchased Industria Austral de Tecnología S.A. ("IATEC"), which engages in the electronic consumer goods industry. In 2010, this company signed an agreement with Nokia (currently Microsoft) to produce Mobile phone. In 2011, through the agreement entered into with LG, it began to produce TV sets. In 2012, it started the production of audio and video equipment and, in 2013, the production of notebooks for Dell. Thus, the Company included the production of residential air conditioning units, microwaves, television sets and mobile phones within consumer electronics.

In July 2012, the subsidiaries and other companies based in Tierra del Fuego and engaged in manufacturing electronic products and residential appliances signed an investment agreement, whereby they organized the holding company CIAPEX S.A. and the managing company SAPI S.A. was provided with contributions through the CIAPEXSA guarantee trust in order to promote and fund production projects aimed at exports and/or the replacement of imports. Its main investment was the acquisition of Minera Don Nicolás S.A., engaged in exploiting mining fields. On March 16, 2020, Compañía Inversora Argentina para la Exportación S.A. and its subsidiary Compañía Inversora en Minas S.A. transferred to Cerrado Gold Inc., a Canadian company based in Ontario, Canada, 100% of the shares of Minera Don Nicolás S.A.

In 2014, through its subsidiary IATEC, the Company began negotiations for the production of electronic products for Pioneer-brand automobiles, which finally entered production during the second half of 2015, incorporating it to the automobile segment.

As from July 2014, the subsidiary IATEC started producing Samsung mobile phones. Moreover, during 2015, the Company began to produce Samsung television sets.

In 2014, IATEC started a productive restructuring process and discontinued the production of notebooks. In 2015, it discontinued the production of microwave ovens and in 2016 it suspended the production of residential air conditioning units.

In 2016, information was released about the termination of the agreement for the production of Microsoft-branded cellphones, which did not generate a significant impact for IATEC's activities.

In 2022 the Company started producing radios and amplifiers under the Harman Kardon brand: IATEC is in charge of producing the radios, and Famar, the amplifiers.

In 2017, it organized GMRA S.A. ("GMRA"), engaged in the retail trade of all types of electronic and electric products and Mobile phone through online channels, points of sale, points of sale in shopping centers and street stores.

In 2019, Mirgor acquired Holdcar S.A. ("Holdcar"), which includes Famar Fueguina S.A. ("Famar") and Electrotécnica Famar S.A.C.I.I.E. ("Electrotécnica"). Famar produces in its plant in Río Grande, Province of Tierra del Fuego, radios, infotainment, electronic control modules and alarms for the automobile industry. It also produces residential modems and Mobile phone. Electrotécnica developed, through its own engineering, the design of the hardware and software embedded in the automobile products manufactured by Famar.

As from 2019, Mirgor started trading grains and oil seeds. In 2022, the Company continued performing such exports and consolidated its share in the business.

In October 2020, Mirgor acquired the entire shareholding of Brightstar Argentina S.A. ("BASA") and Brightstar Fueguina S.A. ("BFSA"). BASA is a company engaged in the provision of technical services related to the exchange and repair of Mobile phone, and the trade of various consumer electronic products and accessories from a broad array of brands, among others. BFSA is a company based in Tierra del Fuego that manufactures and trades mobile phones under Samsung and LG brands under the system governed by Law No. 19,640. A major watershed event in Q4 2021 was the end of LG's transactions, which announced the global closure of its mobile phone business unit in April.

In December 2020, Mirgor's Board approved the management to acquire a new company in Uruguay to channel new investments in Latina America. In 2021, relevant formalities concluded and the Company became Mirgor Internacional S.A.

In May 2021, the corporate reorganization consisting of two mergers was approved; Mirgor absorbed Interclima and Holdcar, and, GMRA absorbed Electrotécnica.

In June 2021, Mirgor announced the birth of the ONTEC project, an effort to manufacture special-look spare parts for the auto industry that are currently not produced in Argentina. This project includes, in its launching stage, building a plant of 8,600 m2 that will involve an investment of over USD 19 million, located in Baradero, Province of Buenos Aires.

At a regional level, and in an aim to continue with its expansion process, the Group acquired the Uruguayan companies Rulned S.A in June 2021 and A-Novo Uruguay S.A. in April 2022. The Paraguayan company IATEC S.A.(PY) was also acquired in September 2021.

In June 2022 the "FUNDACIÓN MIRGOR – DESARROLLO COMUNITARIO HACIA EL FUTURO" foundation was created to aid the communities where the Company operates, providing support around four central areas: education, housing solutions, health, and culture and investments. The Group intends to continue diversifying the activities. To develop the foundation, a three-year plan based on investment projections for each of the four central areas has been designed. This plan serves as a guide and planning blueprint for each of the activities to be carried out over the first three years.

In November 2022, Mirgor acquired Outokumpu Fortinox S.A., a company mainly engaged in importing and selling various types of steel, mainly stainless steel, and which has a cutting and polishing services center in an industrial plant located in Garín, Escobar district, Province of Buenos Aires. Upon the acquisition, the corporate name was changed to Ontec Fortinox S.A.U. (Fortinox).

In December 2022, through the bidding process undertaken in the case styled Ambassador Fueguina S.A. on insolvency proceedings (“Ambassador Fueguina S.A. s/Quiebra”), Mirgor acquired the real estate property located in Ushuaia, on Avenida Perito Francisco Pascasio Moreno (Ruta Nacional Número 3) No. 1810. The acquisition referred to also includes all the related PP&E, inventories and intangible assets.

The group of companies consolidating with Mirgor (“Mirgor Group” or “Group”): IATEC, CAPDO, GMRA, Famar, BASA BFSA, Fortinox, MISA, A-Novo, Rulned and IATEC PY is organized in business units (business segments), namely: 1) automotive; 2) electronic consumer goods (including Mobile phone, TV sets, modems and retail); 3) retail; 4) farming, and 5) other services. The business units streamline the use of resources by enhancing management and decision making, focusing on ongoing customer improvement in the Group’s operating markets.

Context of operations during the year

In year 2022 the Group resumed its normal course of business after the COVID-19 pandemic of the last two years. Once it was over, global economy returned to a certain degree of normalcy since it was no longer affected by lockdown restrictions, except for some Asian countries, but this does not mean that the year was free from challenging situations.

Given the expenses made by governments in addressing the pandemic, 2022 was a year in which global economy experienced an overheating, causing inflation in developed countries to reach levels unseen since the 70’s. In an effort to address the soaring inflation, most of the central banks in these countries raised their interest rates to curb price increases.

Moreover, global economy continues to be weakened by the war between Russia and Ukraine, given the significant changes in commerce and crisis in food and fuel prices which also contributed to an increased inflation and a hardening of international financial conditions.

According to the World Bank, global economy grew by 5.2% in 2022, but given the aggressive policies being implemented by governments, it is expected to decelerate as from 2023.

The economy growth also caused issues in the international supply chain and the Mirgor Group was no exception. In addition, the Group was also affected by the supply issues related to importing its own products from Argentina.

With respect to the Argentine context, 2022 was a difficult year for the Argentine economy, not so much due to the economic activity levels but to the inflationary spiral which affects the normal operation of all the companies doing business in Argentina.

According to the INDEC (Argentine Institute of Statistics and Censuses), economic activity grew by 9.8% during the year, enabling a decrease in unemployment, which fell from 8.2% in late 2021 to 7.1%, based on the latest information provided in December 2022.

In 2022, the consumer price index increased by 94.8% practically doubling the inflation for 2021. The official exchange rate rose by 69.68%, which was accelerated over the last few months in an effort to stop the exchange rate appreciation.

As to transactions with foreign suppliers, the Argentine government constantly tightened foreign exchange and customs regulations over the year. The BCRA increased the restrictions to access the single and free foreign exchange market. In addition, new customs regulations increasing the requirements to obtain the licenses necessary for clearing goods have been published. These new regulations affected the Group’s activities, leading it to renegotiate the business conditions with the main suppliers and placing the raw materials supply chain at risk.

As to the industrial activity in Tierra del Fuego and the extension of the promotional system, the different Group companies enrolled in such system and we are currently awaiting for the related approval of the projects submitted by Mirgor, whereas the projects submitted by Iatec, Brightstar Fueguina and Famar Fueguina have already been approved. The approval provides the Group the visibility to continue strengthening its industrial activities and maximizing the sustained growth it has been experiencing over the last few years.

Moreover, the Group is still awaiting the regulations arising from Presidential Decree No. 727/2021 related to the possibility of using 40% of the mandatory monthly contribution for own investment projects which are aimed at production and are aligned with the goals, and which are approved by the FAMPF (executive committee of the Fund for extending Tierra del Fuego's production matrix). In this context, the Group filed the Puerto de Río Grande investment project with the related Committee, and it is awaiting the approval thereof to make use of the funds.

Fourth quarter

The auto industry's production levels for Q4 increased by 12.2% as compared to the same quarter the previous year, according to ADEFA (Auto manufacturers association).

As to the electronic industry, based on the data provided by AFARTE (electronic terminal manufacturers' association), the demand for Mobile phone grew by 4% as compared to Q4 2021, whereas the demand for TV sets rose by 59% as compared to the same period the previous year, responding to the positive seasonality demand caused by the Qatar World Cup.

The changes in the official exchange rate stood at 18.8% and the inflation rate at 17.2%.

Annual sector behavior

Auto industry

According to ADEFA, car sales in Argentina went up in 2022. Accumulated local demand rose by 12.5%, up from 334,389 to 376,257 cars.

As in 2021, exports bolstered up car demand, up from 259,287 units in 2021 to 322,286 units in 2022, which represents a 24.3% increase.

As a result, production grew by 23.5% in 2022. During the year, 536,893 units were produced, representing an addition of 102,140 units as compared to 2021.

Mirgor in the auto industry

The production of Mirgor's air conditioning systems soared by 9.96%, from 121,334 units in 2021 to 133,415 units in 2022.

The production of infotainment systems grew by 2.35%, from 139,426 units in 2021 to 142,703 units in 2022.

Sales of air conditioning systems for cars reached 129,851 units in 2022, as compared to the 119,736 units sold in the same period in 2021, up by 8.45%.

In infotainment, units also increased from 138,617 in 2021 to 140,584 units in 2022.

Consumer electronics

Based on data provided by AFARTE, 10,319,516 mobile phones were manufactured in 2022, representing a 2% increase as compared to 2021. As to TV sets, 3,287,627 units were produced, about 21% as compared to 2021.

In 2022, the apparent demand for mobile phones accounted for 10,681,039 units, which represents a 2% growth as compared to 2021. The demand for TV sets stood at 3,404,768 units, up 17% as compared to the 2021 demand.

Mirgor's performance in the consumer electronics industry

Television sets

The production of TV sets rose by 44.10% in 2022, from 329,789 units in 2021 to 475,223 units in 2022.

Sales increased by 33.81% in 2022. Units went up from 333,113 un 2021 to 445,741.

Mobile phone

In 2022, the Group's production fell by 2.42%, from 5,522,679 in 2021 to 5,338,767 in 2022.

Sales decreased by 2.09% in 2022. Units went down from 5,451,998 in 2021 to 5,337,826.

Mirgor in retail channels

GMRA continued its activity by streamlining its online sales channels. It captured consumer demand, boosting sales and further enhancing prior-year performance and joining third-party e-commerce platforms (digital stores).

Profit for the year

Sales for 2022 went up by 2.54% from those recorded in the same period of 2021, from about, in restated amounts, ARS 367.94 billion to about ARS 377.27 billion the current year.

The gross margin stood at 19.65%, up by 3 points with respect to the prior-year margin, from about ARS 60.57 billion in 2021 to ARS 74.13 billion in 2022.

Administrative expenses climbed by 12.32%, mainly due to the rise in salaries & wages due to the increased headcount during the year and the inflationary impact on the account. Selling expenses and other operating expenses grew by 27.46% and 206.23% as compared to the previous year, respectively.

Total net profit stood at about ARS 9.93 billion from ARS 10.85 billion in 2021, accounting for 2.63% and 2,95% of revenues in 2022 and 2021, respectively.

Other matters of interest for the Company

The Company's personnel compensation policy is based on an assessment of the salaries considered in line with the market in terms of fixed and variable aspects, always taking into consideration education, capacity and experience, as well as the performance assessment and the fulfillment of set goals, without option plans or other variables. This same policy is applied to the Board of Directors, with higher compensation assigned to those members who also perform technical or administration functions at the Company, and fees approved by the Shareholders' Meeting.

The Company's financial handling is strongly related to the Argentine economy and its needs. During this fiscal year, the changes in economic and financial conditions in Argentina hardened the market involving payments abroad.

The Company adopts internal control procedures and systems to analyze and assess its operation on a regular basis. The Company constantly analyzes internal control regulations and procedures, which are also constantly updated to enhance trust in all systems and processes. It also allows us to achieve the international quality certifications required by both suppliers and customers.

Within the changes in the Group's management, as from 2019, the 5S method has been implemented in our administrative offices in the City of Buenos Aires. This method had already been used in our plants in Tierra del Fuego and consists of five principles (sort, set, shine, standardize and sustain) to ensure continuous improvement. As it arises from the audits performed in 2022, five out of the seven production sites, such as the administrative headquarters, obtained the GOLD award due to the score reached, and the remaining two sites, the SILVER award.

The shareholders define the Group strategies and objectives, which are developed by the group's executives as a whole and carried out by the organization. The Company has a Board of Directors made up of 5 full members and a statutory audit committee made up of three full members.

As part of its commitment with the region and with Argentina, Mirgor Group continues to seek the economic and social development of the communities in which it operates through its Corporate Social Responsibility program, which is expanded and fueled by the communities' expectations. This allows the Group to be more aware and consistent about its responsible actions and to drive changes, this being a major differentiating factor.

Analysis of the consolidated financial statements as of December 31, 2022

Financial position and ratios

	12.31.2022	**12.31.2021**
Noncurrent assets	32,114,498	22,236,131
Current assets	153,879,900	120,338,545
Total	**185,994,398**	**142,574,676**
Equity	63,045,571	56,227,402
Noncurrent liabilities	4,429,244	1,757,692
Current liabilities	118,519,583	84,589,582
Total liabilities	**122,948,827**	**86,347,274**
Total	**185,994,398**	**142,574,676**

	12.31.2022	**12.31.2021**
a) Liquidity	1.30	1.42
b) Solvency	0.51	0.65
c) Tied - up capital	0.17	0.16
d) Return on equity	0.16	0.21

a) Current assets/current liabilities
b) Equity/total liabilities
c) Noncurrent assets/total assets
d) Profit (loss) for the year / equity

Total consolidated assets for the fiscal year ended December 31, 2022, amounted to about ARS 185.99 billion which represents a 30.45% year-to-year increase as compared to fiscal 2021 in restated amounts.

Noncurrent assets grew by 44.42% while current assets rose by 27.87% with respect to the end of 2021.

Inventories went up from around ARS 53 billion to around ARS 59.24 billion, which entails a 11.76% increase.

"Intangible assets" within noncurrent assets had the highest variation increasing by 339.52% with respect to the prior year.

Current liabilities went up by 40.11% with respect to the amounts booked in 2021 in restated amounts.

Noncurrent liabilities increased by 151.99% with respect to 2021, especially “Trade and other payables,” which arise from the consolidation with the subsidiaries.

Shareholders’ equity for 2022 amounted to thousand of ARS 63,045,571, representing a 12.13% increase with respect to 2021.

Profit for the year

	12.31.2022	12.31.2021
Operating profit from recurring operations	(2,255,488)	11,149,170
Finance income (loss)	(523,080)	883,932
Gain (loss) on exposure to the change in currency purchasing power	12,814,090	2,426,574
Other income and expenses	(1,206,248)	(789,315)
Net profit from recurring operations	**8,829,274**	**13,670,361**
Beneficial share purchase	4,211,954	-
Share of profit of associates, net.	(710,723)	(639,750)
Subtotal	**12,330,505**	**13,030,611**
Income tax	(2,417,542)	(972,464)
Net profit for the year	**9,912,963**	**12,058,147**
Conversion of business abroad	14,347	(1,202,564)
Total comprehensive income for the year, net	**9,927,310**	**10,855,583**

	12.31.2022	12.31.2021
Attributable to:		
Subsidiary owners	9,927,310	12,058,147
Noncontrolling interests	-	-
Total comprehensive income for the year, net	**9,927,310**	**12,058,147**

Sales for the year (including the industrial promotion benefit item) amounted to about ARS 377.27 billion, representing a 2.54% year-to-year increase (about ARS 367.94 billion).

Total net comprehensive income for 2022 stood at about ARS 9.93 billion, whereas the Company obtained income for thousand of ARS 10,855,583 at restated amounts in 2021.

In addition, net finance income during the year stood at a loss of ARS 523,080,000, accounting for -0.14% of sales, whereas in 2021 this resulted in an ARS 883,932,000 profit, equivalent to 0.24% of sales.

The gain on exposure to the change in currency purchasing power stood at about ARS 12.81 billion, representing a 3.40% on sales, whereas in 2021, the profit amounted to about ARS 2.43 billion; that is, 0.66% of sales.

Administrative and selling expenses stood at about ARS 47.93 billion, which represent -12.71% of sales, whereas in 2021, they amounted to about ARS 39.29 billion, equivalent to -10.68% of sales.

Other operating income stood at about ARS 18.96 billion, equivalent to 5.03% of sales, whereas they amounted to about ARS 5.51 billion in 2021, equivalent to 1.50% of sales.

Cash flow

	12.31.2022	12.31.2021
Net cash flows provided by operating activities	20,426,277	15,921,284
Net cash flows used in investing activities	(12,459,089)	(6,832,985)
Net cash flows used in financing activities	(2,508,027)	(5,386,301)
Loss on exposure to the change in currency purchasing power	(16,122,215)	(13,012,130)
(Decrease) Increase in cash and cash equivalents, net	**(10,663,054)**	**(9,310,132)**

Cash flows provided by operating activities in fiscal 2022 stood at about ARS 20.43 billion, whereas they amounted to ARS 15.92 billion in 2021.

Cash flows used in investment activities stood at about ARS 12.46 billion in 2022, while they stood at ARS 6.83 billion in 2021.

Cash flows used in financing activities amounted to about ARS 2.51 billion in 2022, while they amounted to ARS 5.39 billion in 2021.

The gain on exposure to changes in currency purchasing power stood at ARS 16.12 billion in 2022, whereas it amounted to ARS 13.01 billion in 2021.

Prospects

As regards the industrial activity in Tierra del Fuego and the extension of the promotion system, the approval of the projects provide the Group with the visibility to continue strengthening its industrial activities and maximizing the sustained growth it has been experiencing over the last few years.

However and as mentioned, the Group is still awaiting the regulations arising from Presidential Decree No. 727/2021 related to the possibility of using 40% of the mandatory monthly contribution for own investment projects.

As to the industrial activity in the continent, the Group will continue optimizing the outsourcing production process for tablets, and progress is being made as regards the industrialization process involving watches, notebooks and other electronic products, which would be implemented upon obtaining the related regulatory approvals.

In line with the projects being carried out in Río Grande, the Group announced its intention to build a port for Río Grande. As stated, the purpose of the port consists in supporting the industrial and civil activities in the region. It will contribute to the development of the province by promoting industrial and commercial activities, creating new economic sectors and allowing the replenishment of maritime fleets, among other activities.

In addition, the acquisition of the real property located in Ushuaia from Ambassador Fueguina provided the Group with a new point for carrying out its production activities, and it is expected that this will strengthen the Company’s presence in the province and bring about the possibility of extending production volumes and optimizing production processes and optimizing production and logistics processes.

As to the raw materials supply chain, the measures implemented by the Argentine government increasing foreign exchange and customs restrictions and regulations make operations more complex and makes it difficult for the Group to meet its planned production and sales goals. The measures that have an impact on the regulations governing the payment terms to foreign suppliers reduce negotiation possibilities, putting the transaction and the supply of finished products for the various industries at risk. That is why we need to have more flexible measures which will allow us to stabilize production in the consumer electronics and automobile segments to meet market demand and recover the levels of stock required by the Group to operate normally.

The Group intends to continue carrying out agricultural activities, searching for new businesses that will increase the growth potential of such segment and enable integration in the value chain.

In line with the intention to continue promoting the Group's growth and the diversification of activities, the acquisition of Fortinox provided the Group with a high strategic value, since metal alloys are often related to rising industries, such as electromobility, which require increased amounts of materials with higher safety properties. Therefore, it is expected that this acquisition will closely support the future needs of the Company's strategic partners in the automobile and technology industries.

As to retail sales, the focus will continue to be placed on the presence of both trademarks throughout Argentina through physical stores and the online channels owned by the Company.

At a regional level, great efforts are being made to continue expanding the Group's presence in several regional countries, which shows the intention of continuing to promote the activities and the diversification of new markets.

Proposal submitted by the Board of Directors

The changes in "Unappropriated retained earnings" for the year breaks down as follows:

	In thousands
Unappropriated retained earnings at beginning of year	12,058,147
Absorption of the optional and other reserves	(2,373,813)
Distribution of cash dividends	(9,540,782)
Profit for the year	9,912,963
Unappropriated retained earnings at the end of year	**10,056,515**

The General and Special Shareholders' Meeting held on April 29, 2022, decided to: (i) distribute cash dividends for ARS 1.50 billion payable in three equal and consecutive installments of ARS 500,000,000 each, to be settled on May 11, June 15, and July 13, 2022, respectively, equivalent to 8333.33% of capital stock; that is, ARS 8.333 per share; (ii) earmark the remainder amount of profit for the year; i.e., about ARS 5.68 billion, to increase the optional reserve for existing investments and working capital, and (iii) reverse "Other reserves" for thousand of ARS 36,308.92 and allocate such amount to the optional reserve for existing investments and working capital (unrestated amounts from the meeting minutes).

As to profit (loss) for 2022, the Board of Directors proposes –considering the business variations during the year ended December 31, 2022, and the economic and financial estimates for the following year– (i) to distribute a cash dividend for ARS 1.5 billion and (ii) distribute the remainder amount of profit for the year to increase the optional reserve for existing investments and working capital.

Acknowledgement

The Board of Directors wishes, once again, to express its deep gratitude to the management and employees for their collaboration during the current year as well as the suppliers and customers for the trust in the Group and the support granted, all of which made it possible to achieve these results.

City of Buenos Aires, March 9, 2023

Mr. Roberto G. Vazquez
Chairman

EXHIBIT IV

(Pursuant to General Resolution 2019-797-APN-DIR#CNV)

CORPORATE GOVERNANCE CODE

A. BOARD DUTIES

Principles

I. The company should be led by a professional and trained Board of Directors that will set the grounds needed to ensure the company's sustainable success. The Board of Directors safeguards the company and the rights of all its shareholders.

II. The Board of Directors will determine and foster the corporate culture and values. In its performance, the Board should ensure the fulfillment of the highest ethics and integrity standards according to the company's best interest.

III. The Board should ensure a strategy inspired on the company's vision and mission, which is aligned to its values and culture. It should participate constructively with management to ensure the correct development, performance, monitoring and amendment of the company's strategy.

IV. The Board should control and supervise the company's management on an ongoing basis, ensuring that management takes action to implement the strategy and business plan approved by the Board.

V. The Board should have the mechanisms and policies needed to execute its functions and that of each member efficiently

1) The Board of Directors establishes an ethic work culture and the Company's vision, mission and values.

Over the past few years, the Board of Mirgor S.A.C.I.F.I.A (hereinafter, the "Company") undertook to create and drive a shared culture adopted across the Company, known as "ADN Mirgor".

ADN Mirgor is the product of the work conducted during months by 54 employees of all categories to redefine the principles and goals of a quickly growing company. Over the last few years, Mirgor has been experiencing a transformation process which helped it go beyond its traditional industry and open up to new business sectors, such as manufacturing, retail, logistics, distribution, agriculture and innovation. The need to have a cultural model which encompasses all of the Company's operating and support divisions resulted from this diversification. The aim was to create a comprehensive and consistent model for the whole Company. It sets six principles that are the Company's pillars and feed our mission, vision, values and work ethics.

2) The Board does not set the company's general strategy and approves the strategic plan designed by management. To such end, the Board weighs environmental, social and corporate governance factors. The Board of Directors supervises the implementation thereof by using key performance indicators and bearing in mind the best interest of the Company and all its shareholders.

Each year, the Board of Directors establishes the strategic business plan and delegates the implementation thereof to the executive team.

This business plan is drafted pursuant to our Corporate Social Responsibility policy, which is aimed at ensuring the wellbeing of our community and promote environmental care through diverse local initiatives in the areas where the Group's plants operate.

The Company's Executive Committee is made up of executive directors and managers. The Executive Committee certifies the business plan, the annual budget and management goals. To ensure supervision of the business plan and the decision-making process, this committee holds weekly meetings..

3) The Board of Directors supervises management and ensures that it develops, implements and maintains an adequate internal control system with clear reporting lines.

The Executive Committee holds weekly meetings to follow up the business plan and decision making. The Management Body supervises Executive Committee management by entering the approval of the interim financial statements in the minutes. To provide help in connection with operating management and the related internal control, each area has been assigned a director or executive director to which the staff reports directly.

4) The Board of Directors designs corporate governance structures and practices, appoints the person responsible for implementing them, monitors their effectiveness and suggest changes, if necessary.

To date, the Company has not considered disclosing these corporate governance guidelines in the bylaws, except for those required by law such as the creation of the Audit Committee. However, it applies the recommendations included in CNV (Argentine Securities Commission) Resolution No. 516/07, supplemented by CNV Resolution No. 606/12.

All Board members exercise their duties in a prudent manner, with the commitment required to exercise their duties both professionally and efficiently..

5) Board members have sufficient time to perform their duties in a professional and efficient manner. The Board and their committees have clear and formal rules of operation and organization, which are disclosed through the company's website.

Board members have the time and tools needed to carry out their duties professionally, abiding by effective regulations and fostering the Company's development.

In addition to the regulations established in the bylaws, Law No. 19,550 and CNV and ByMA regulations, the Board has no specific rules of operation as they are specified in the aforementioned documents and operations do not depart from them.

B. THE BOARD'S CHAIRPERSON AND CORPORATE SECRETARIAT

Principles

VI. The Board's chairperson ensures actual compliance with Board duties and leads its members. It should build a positive work culture and foster the constructive involvement of its members, as well as make sure that members are provided with the elements and information needed to make decisions. This also applies to the duties to be fulfilled by the chairpersons of each Board committee.

VII. The Board's chairperson should lead the processes and establish structures based on the Board members' commitment, objectivity and competence, as well as the better overall performance of the board and its evolution based on the company's needs.

VIII. The Board's chairperson should guarantee that the board is fully involved, and is in charge of, the general manager's succession.

6) The Board's chairperson is in charge of properly organizing Board meetings; preparing the agenda ensuring the collaboration of other members, and making sure that all members are provided with the materials needed in due time to attend the meetings in an efficient and informed manner. The chairpersons of the committees have the same responsibilities for their meetings.

The Company holds Board Meetings, which are presided by the Chairperson, who maintains an ongoing communication with the remaining Board members. The directors have all the information required to discuss the agenda and these items are usually approved unanimously. The Audit Committee holds regular meetings and the agenda for each meeting is informed in advance to Committee members. Once the meetings is finished, the minutes are issued to record the decisions made.

7) The Board's chairperson ensures the correct internal operation of the Board by implementing annual formal assessment processes.

Pursuant to General Business Associations Law, the Shareholders' Meeting supervises and assesses Board management. The Company's bylaws provide for a Statutory Audit Committee made up of three statutory auditors and three alternate statutory auditors who pursuant to General Business Law are in charge of controlling the legitimacy of the Company's management.

In addition, the Letter to the Shareholders discloses the general goals set and results of operations for the Company's shareholders approval.

8) The chairperson promotes a positive and constructive space for all Board members and makes sure that they receive ongoing training to stay current and meet their duties duly.

The Company's chairperson, as well as all Board members, believe that fluent communication, open-mindedness and a safe space are key to ensuring the Company's development and growth. Thus, they embrace this philosophy in all their meetings, cultivating a healthy work environment to ensure the best performance.

Considering the professional qualities of the Board members, the Company has no structured policy approved by the Board to train directors and managers. However, the Company adopts training and update plans for all its management teams, so it does not need to add activities to those already implemented.

9) The Corporate Secretariat supports the Board's chairperson in efficiently managing the Board and collaborates in the communication with shareholders, directors and managers.

The Company has no device similar to the Corporate Secretariat defined in the glossary of General Resolution No. 2019-797-APN-DIR#CNV. However, executive assistants assist the Board's chair in administrative tasks and communication with the related areas. Moreover, the Company has a Corporate Affairs Department that channels shareholder communications and enquiries.

10) The Board's chairperson ensures the involvement of all its members in developing and approving a succession plan for the company's general manager.

General manager duties are currently conducted by the Vice-chair of the Company's Board.

C. STRUCTURE, APPOINTMENT AND SUCCESSION OF BOARD MEMBERS

Principles

IX. The Board should have proper independence and diversity levels to make decisions in the company's best interest, avoiding groupthink and decision-making by dominant individuals or groups within the Board.

X. The Board should ensure that the company adopts formal procedures to propose and appoint candidates to hold office in the Board under a succession plan.

11) The Board has at least two members that are independent in agreement with the effective CNV criteria.

During the last Shareholders' Meeting, five directors were appointed, three of which according to the law, are external and independent directors (one of them was appointed by the Federal Social Security Administration). The number and structure of alternate members remains the same. The percentage of independent members widely exceeds the 20% threshold set by effective corporate regulations. The Company considers that this proportion is consistent with the Company's capital structure.

Section 23 of the bylaws defines "independent" in line with the definition provided by effective regulations.

12) The company has an Appointment Committee that is made up of 3 (three) members and is presided over by an independent director. Should it preside over the Appointment Committee, the Board's chairperson will refrain from participating in the debate concerning the appointment of his/her own successor.

The Company understands that given the size and nature of the organization, the creation of an Appointment Committee is not required. Pursuant to section 234, Law No. 19,550, the Shareholders' Meeting should consider the appointment and removal of Board members. Thus, shareholders assess the best candidates to perform these tasks.

The Company's Board of Directors assesses top managers based on their professional track record and technical expertise. However, in conformity with section 11 of the bylaws, to appoint the directors by the holders of class "C" shares, they should submit their professional track record before the appointment.

13) The Board, through the Appointment Committee, drafts a succession plan for its members that guides the candidate shortlisting process to fill in vacancies and considers the nonbinding recommendations made by its members, general managers and shareholders.

See the previous point.

14) The Board implements a program to guide its new members.

So far, the Board of Directors has not implemented a formal program to guide the new elected members, since the shareholders have already analyzed whether the candidates are professional and suitable to fill such positions.

However, HR trains top managers according to each area needs and based on the specific needs that arise when new accounting, legal or business regulations are introduced.

D. COMPENSATION

Principles

XI. The Board should generate incentive compensation to align management –led by the general manager– and the Board with the company's long-term interests so that all directors meet their obligations to their shareholders in an even manner.

15) The Company has a Compensation Committee that is made up of at least 3 (three) members. All members are independent or nonexecutive.

At the time, the Company does not have a Compensations Committee. The directors' fees are defined by the Shareholders' Meeting according to effective legal provisions. The Audit Committee issues an opinion regarding the fees collected by the directors.

16) The Board, through the Compensation Committee, establishes a compensation policy for the general manager and Board members.

The Board of Directors defines directors' fees according to effective legal provisions, considering the duties undertaken, the time invested, as well as their skills and experience level.

The Company has a program to set area and personal objectives, as well as to assess the achievement of these goals.

The Audit Committee decides on directors' fees. In addition, the Company has market information and requests compensation reports to compare and adjust the Company's compensation levels.

Considering that top managers are Company employees, compensation is set following the criteria set by the area of HR, which defines the parameters based on each category to be considered for the global analysis of the personnel involved.

E. CONTROL ENVIRONMENT

Principles

XII. The Board should foster a control environment made up of internal controls designed by management, internal audit, risk management, regulatory compliance and external audit, that establish the defense lines needed to ensure the integrity of the company's transactions and their financial reports.

XIII. The Board should ensure the adoption of a comprehensive risk management system that allows management and the Board to lead the company efficiently towards achieving its strategic goals.

XIV. The Board should ensure that a person or department (according to the size and complexity of the business, the nature of its transactions and the risks faced) engages in the company's internal audit. This audit, to assess and audit the company's internal controls, corporate governance processes and risk management, should be independent and objective, and have well-defined reporting lines.

XV. The Board's Audit Committee will be made up of qualified and experienced members, and should comply with all its duties in a transparent and independent manner.

XVI. The Board should establish proper procedures to ensure the external auditors' independent and efficient performance.

17) The Board determines the Bank's risk appetite and supervises and ensures the adoption of a comprehensive risk management policy that identifies, assesses, decides the course of action and monitors the risks faced by the Bank, including, among others, environmental, social and short- and long-term inherent business risks.

Supervised by the Executive Committee and the General Management, each department reviews operating internal procedures on an ongoing basis in compliance with regulatory and internal operation changes, and assesses the different corporate risks inherent to own duties.

The map of strategic and operating risks are escalated and approved by the different management areas and directors.

18) The Board monitors and reviews the efficiency of the independent internal audit and secures the resources for implementing an annual risk-based audit plan and a direct reporting line to the Audit Committee.

The Company has no independent internal audit department; however, it has an Audit Committee made up of three directors and two of them are independent. Upon issuing the Annual Report, the Audit Committee issues an opinion on the suitability and independence of external auditors, who have vast professional experience.

19) The internal auditor or the members of the internal audit department are independent and highly qualified.

The Company has no independent internal audit department; see the previous point.

20) The Board has an Audit Committee that follows regulations to operate. The committee is mostly made up by independent directors who preside over the committee, and does not include the general manager. Most members have professional experience in financial and accounting areas.

The Audit Committee is appointed pursuant to CNV regulations ensuring that most of its members are independent; however, an independent member is not required to act as Chairperson. The Company's Board of Directors assesses the structure of the Audit Committee.

In compliance with CNV regulations and its internal regulations, the Audit Committee is in charge of issuing an opinion on the appointment of the external auditors and to ensure its independence, to which end it considers the assessment of the professional track record and the examination of the auditors and partners involved, the result of the work performed during the year, the independence of their performance and whether they should continue carrying out their tasks.

21) The Board, with the Audit Committee's opinion, approves a policy to choose and monitor external auditors that determines the indicators to be considered upon performing a recommendation to the Regular Shareholders' Meeting on whether an external auditor should be maintained or replaced.

External auditors are chosen from the major firms in the international market, according to their professionals skills, suitability and independence. However, the Audit Committee performs an annual assessment of the performance and suitability of the external auditors.

F. ETHICS, INTEGRITY AND COMPLIANCE

Principles

XVII. The Board should design and establish appropriate structures and practices to foster an ethics, integrity and compliance culture that prevents, detects and addresses severe corporate or personal breaches.

XVIII. The Board ensures that formal mechanisms are adopted to prevent and, should that fail, deal with the conflicts of interest that may arise in the company's management and administration. It should have formal procedures to ensure that intercompany transactions are carried out in the company's best interest and that all shareholders are treated equally.

22) The Board approves an Ethics and Conduct Code that reflects the company's ethical values, principles and culture. The Ethics and Conduct Code is communicated and applicable to all the Bank's directors, managers and employees.

The Company has an Ethics Code which establishes that every member has to act on behalf of the Company's general interest, inspired on loyalty and contributing to its harmonic operation. Cualquier situación que implique un conflicto de interés, así como cualquier solicitud u oferta de beneficios especiales a los que esté sujeto directa o indirectamente, deberá ser informada al superior jerárquico o al departamento de Recursos Humanos.

23) The Board established and reviews periodically, based on the risks, dimension and economic capacity, an Ethics and Integrity Code. The plan is supported visibly and undoubtedly by the management that appoints a person in charge of developing, coordinating, supervising and assessing the program's efficiency periodically. The program establishes: (i) frequent trainings to directors, administrators and employees on ethics, integrity and compliance; (ii) internal channels to report irregularities, open to third parties and properly disclosed; (iii) a policy to safeguard whistleblowers against retaliation and an internal investigation system that abides by the rights of the party under investigation and imposes penalties on the breaches of the Ethics and Conduct Code; (iv) integrity policies in billing processes; (v) mechanisms for a periodic analysis of risks, monitoring and assessment of the program; and (vi) procedures that control the integrity and track record of third parties or business partners (including due diligence to verify irregularities, illicit events or the existence of vulnerabilities during corporate transformation and acquisitions), including suppliers, distributors, service providers, agents and intermediaries.

The Ethics Committee conducts frequent reviews, based on the risks, dimension and economic capacity of the Company's Ethics and Conduct Code on ethics, integrity and compliance; internal channels to report irregularities, open to third parties and properly disclosed; a policy to safeguard whistleblowers against retaliation and an internal investigation system that abides by the rights of the party under investigation, and the policy for conflicts of interest.

The Ethics and Conduct Code, the Group's Integrity Policy and the Policy on Conflicts of Interest regulate frequent trainings to directors, administrators and employees on ethics, integrity and compliance; internal channels to report irregularities, open to third parties and properly disclosed; a policy to safeguard whistleblowers against retaliation and an internal investigation system that abides by the rights of the party under investigation and imposes penalties on the breaches of the Ethics and Conduct Code; integrity policies in billing processes; mechanisms for a periodic analysis of risks, monitoring and assessment of the program, and procedures that control the integrity and track record of third parties or business partners (including due diligence to verify irregularities, illicit events or the existence of vulnerabilities during corporate transformation and acquisitions), including suppliers, distributors, service providers, agents and intermediaries.

24) The Board ensures that formal mechanisms exist to prevent and treat conflicts of interest. In the case of intercompany transactions, the Board approves a policy that establishes the role of each corporate body and defines the method of identifying, managing and disclosing the transactions that are detrimental to the company or only to some investors.

The Company has a Policy on Conflicts of Interest that details the procedure in the event of current or potential conflict of interest, the roles of the different control areas based on the people reporting the conflict of interest and the disciplinary measures applicable to those who fail to comply with the policy.

To prevent conflicts of interest, all collaborators, Board members and Executive Committee members are trained on how to detect potential conflicts of interest, what to do should their interests interfere with the Company's interests and the disciplinary measures in case of noncompliance with due process.

G. SHAREHOLDERS' AND STAKEHOLDERS' INVOLVEMENT

Principles

XIX. The company should treat all shareholders equally. It should ensure equal access to nonconfidential information relevant to make decisions at the company's regular shareholders' meetings.

XX. The company should promote the active and informed involvement of all shareholders, especially concerning the structure of the Board.

XXI. The company should have a transparent Dividend Distribution Policy aligned with its strategy.

XXII. The company should consider the stakeholders' interests.

25) The company's website discloses financial and nonfinancial information and provides timely and equal access to all its investors. The website has a specialized area to handle inquiries made by investors.

The Company has a website used to gather information about the Company and establish contact. To address the shareholders' concerns and inquiries, the Company also has a Market Relations Head and an e-mail to contact investors.

26) The Board should ensure that there is a procedure in place to identify and classify stakeholders and a channel to communicate with them.

Mirgor has an institutional website, in which interested parties may access information of different nature related to the Company. The website is www.mirgor.com.ar.

The website also includes e-mails and telephone numbers so that stakeholders may contact the Company.

27) The Board provides shareholders, before the Regular Shareholders' Meeting, with a "temporary information package" that allows them –through a formal communication channel– to make unbinding comments and share dissenting opinions with the recommendations made by the Board, which has to render an opinion on the comments received deemed necessary upon sending the final information package.

The Board is in constant communication with shareholders regarding the items to be discussed in the meetings. The Company has no formal communication channel to submit comments or share opinions with the Board concerning the items to be discussed in the meetings. A temporary information package is not required as the final information is published well in advance for analysis in BYMA Listada platforms and the CNV's website ("Autopista de la Información Financiera" section).

28) The company's bylaws consider that shareholders may receive virtual information packages for the Shareholders' Meeting and participate in these meetings through electronic communications means that allow for the simultaneous transmission of sound, images and words, and ensure the principle of equality among participants.

Even though the Company's bylaws do not specifically establish that shareholders may receive virtual information packages for the Shareholders' Meetings, all relevant information concerning the meetings is publicly available at the Company's website and published through BYMA platforms and the CNV. Furthermore, section 19 of the Company's bylaws set forth that shareholders may participate in the meetings through electronic communications means that allow for the simultaneous transmission of sound, images and words, and ensure the principle of equality among participants.

29) The Dividend Distribution Policy is consistent with the strategy and clearly established the criteria, frequency and conditions for distributing dividends.

There is no dividend distribution policy; however, section 21 of the bylaws establishes that realized net profit will be used, firstly, to cover the legal reserve as established by law; then, to settle the Directors' and Statutory Auditor Committee's fees; thirdly, to settle dividends from preferred shares and outstanding cumulative dividends, if any (currently it is not the case), and the remainder amount, either in part or in full, to dividends from ordinary shares, optional reserve funds or a new account, or as determined by the Shareholders' Meeting.

The Board, through the assessment of the information related to the Company's results, economic and financial estimates, future investments, economic variables, future projects, availability of funds, proposes the use of profit for the year (such as a potential dividend distribution), which is then considered by the Shareholders' Meeting.

City of Buenos Aires, March 9, 2023

Mr. Roberto G. Vazquez
Chairman

Registered office: Einstein 1111 – Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

Main Business: Manufacturing air conditioning equipment for vehicles and investing in companies.

Date of registration with the Public Registry of Commerce:

- Of the articles of incorporation: June 1, 1971.
- Of the last amendment to bylaws: June 18, 2020, according to the Shareholders' Meeting Minutes of that same date, under registration proceedings with the IGJ (regulatory agency of business associations) of Tierra del Fuego.

Expiration date of the articles of incorporation: May 31, 2070.

FISCAL YEAR No. 52 BEGINNING JANUARY 1, 2022

SUMMARY OF EVENTS (*)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

(Figures stated in thousands of Argentine pesos.
See note 2.2 to the condensed consolidated financial statements)

1. BRIEF COMMENT ON THE COMPANY'S ACTIVITIES FOR THE PERIOD

The year 2022 the Group resumed its normal course of business after the COVID-19 pandemic of the last two years. Once it was over, global economy returned to a certain degree of normalcy since it was no longer affected by lockdown restrictions, except for some Asian countries, but this does not mean that the year was free from challenging situations.

Given the expenses made by governments in addressing the pandemic, 2022 was a year in which global economy experienced an overheating, causing inflation in developed countries to reach levels unseen since the 70’s. In an effort to address the soaring inflation, most of the central banks in these countries raised their interest rates to curb price increases.

Moreover, global economy continues to be weakened by the war between Russia and Ukraine, given the significant changes in commerce and crisis in food and fuel prices which also contributed to an increased inflation and a hardening of international financial conditions.

According to the World Bank, global economy grew by 5.2% in 2022, but given the aggressive policies being implemented by governments, it is expected to decelerate as from 2023.

The economy growth also caused issues in the international supply chain and the Mirgor Group was no exception. In addition, the Group was also affected by the supply issues related to importing its own products from Argentina.

With respect to the Argentine context, 2022 was a difficult year for the Argentine economy, not so much due to the economic activity levels but to the inflationary spiral which affects the normal operation of all the companies doing business in Argentina.

According to the INDEC (Argentine Institute of Statistics and Censuses), economic activity grew by 9.8% during the year, enabling a decrease in unemployment, which fell from 8.2% in late 2021 to 7.1%, based on the latest information provided in December 2022.

In 2022, the consumer price index increased by 94.8% practically doubling the inflation for 2021. The official exchange rate rose by 69.68%, which was accelerated over the last few months in an effort to stop the exchange rate appreciation.

As to transactions with foreign suppliers, the Argentine government constantly tightened foreign exchange and customs regulations over the year. The BCRA increased the restrictions to access the single and free foreign exchange market. In addition, new customs regulations increasing the requirements to obtain the licenses necessary for clearing goods have been published. These new regulations affected the Group's activities, leading it to renegotiate the business conditions with the main suppliers and placing the raw materials supply chain at risk.

The changes in the official exchange rate stood at 18.8% and the inflation rate at 17.2%.

Sales in Q4 2022 stood at around ARS 97.38 billion, 16.30% higher than sales booked in the same period the prior year, for around ARS 83.74 billion considered in constant currency.

The gross margin for the period stood at about ARS 18.76 billion with respect to about ARS 13.79 billion which were booked in Q4 2021 in constant currency.

The operating margin for the period stood at -3.76%, which entailed a loss of about ARS 3.66 billion in Q4 2022 from ARS 82,665,000 in the same period in 2021.

Segment evolution over the quarter

Automotive

In Q4 2022 the production of temperature control equipment rose by 8.33% as compared to the same quarter the previous year and the production of car stereos, by 4.75%.

The Group´s sales of temperature control equipment and car stereos increased by 3.60% and 5.93%, respectively, as compared to the units sold in Q4 2021.

Electronic consumer goods

Mobile phone

The Group's production of mobile phones went up by 17.12%, from 1,017,970 units in Q4 2021 to 1,192,205 units in Q4 2022.

Sales rose by 7.55% in Q4 2022 with respect to the same period the prior year. Units went up from 1,177,785 in Q4 2021 to 1,266,674.

Television sets

The Group's production of TV sets also grew by 166.81% for the period, from 64,484 units in Q4 2021 to 172,051 units.

Sales of TV sets also grew by 107.70%, from 79,526 units sold in Q4 2021 to 165,174 units.

2. CONSOLIDATED EQUITY STRUCTURE

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Noncurrent assets	32,114,498	22,236,131	20,523,661	16,705,042	16,803,878
Current assets	153,897,900	120,338,545	142,386,702	89,730,874	88,295,851
Total assets	185,994,398	142,574,676	162,910,363	106,435,916	105,099,729
Shareholders' equity	63,045,571	56,227,402	50,269,626	34,447,200	27,256,992
Noncurrent liabilities	4,429,244	1,757,692	2,448,682	2,468,811	76,214
Current liabilities	118,519,583	84,589,582	110,192,055	69,519,905	77,766,523
Total liabilities	122,948,827	86,347,274	112,640,737	71,988,716	77,842,737
Total liabilities and shareholders' equity	185,994,398	142,574,676	162,910,363	106,435,916	105,099,729

3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS STRUCTURE

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Operating profit (loss) from continuing operations	(2,255,488)	11,149,170	6,881,270	3,337,578	(6,664,056)
Finance income (loss)	(523,080)	883,932	(2,215,318)	603,261	(569,648)
Beneficial share purchase	4,211,954	-	7,857,974	-	-
Share of loss of associates, net	(710,723)	(639,750)	850,767	(4,814,108)	(1,712,806)
Other expense/income, net	(1,206,248)	(789,315)	(207,263)	(29,561)	22,500
Gain (loss) on exposure to the change in currency purchasing power	12,814,090	2,426,574	3,760,999	10,877,251	9,905,953
Profit for the year before income tax, net	**12,330,505**	**13,030,611**	**16,928,430**	**9,974,421**	**981,943**
Income tax	(2,417,542)	(972,464)	(1,089,906)	(1,470,743)	(1,474,787)
Net profit (loss) for the year	**9,912,963**	**12,058,147**	**15,838,524**	**8,503,677**	**(492,844)**
Noncontrolling interests	-	-	2,543	2,108	(493)
Conversion of business abroad	14,347	(1,202,564)	-	-	-
Other comprehensive income (loss) for the period	**14,347**	**(1,202,564)**	**2,543**	**2,108**	**(493)**
Comprehensive income (loss) for the year, net	**9,927,310**	**10,855,583**	**15,838,524**	**8,503,677**	**(492,844)**

4. STATISTICAL DATA (in thousands of units)

	12/31/2022		12/31/2021		12/31/2020		12/31/2019		12/31/2018	
	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.
Production	1,459	6,060	1,157	5,960	1,675	3,376	758	3,081	803	3,692
Sales	1,534	6,148	1,328	6,044	1,802	3,885	850	3,241	811	3,552
– Local sales	1,534	6,148	1,328	6,044	1,802	3,885	850	3,241	811	3,552
Equipment with air conditioning	34	130	33	120	32	85	29	124	38	147
Mobile phones	1,267	5,338	1,178	5,452	1,622	3,337	712	2,821	690	2,986
Media- TV	165	446	80	333	111	270	65	198	60	334
Car stereo	40	141	37	139	36	193	44	98	23	85
Moderms	28	94	9	29	-	-	-	-	-	-

5. RATIOS

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Liquidity	1.30	1.42	1.29	1.29	1.14
Solvency	0.51	0.65	0.45	0.48	0.35
Tied-up capital	0.17	0.16	0.13	0.16	0.16
Return on equity	0.19	0.24	0.46	0.33	(0.02)

6. PROSPECTS

As regards the industrial activity in Tierra del Fuego and the extension of the promotion system, the approval of the projects provide the Group with the visibility to continue strengthening its industrial activities and maximizing the sustained growth it has been experiencing over the last few years.

However and as mentioned, the Group is still awaiting the regulations arising from Presidential Decree No. 727/2021 related to the possibility of using 40% of the mandatory monthly contribution for own investment projects.

As to the industrial activity in the continent, the Group will continue optimizing the outsourcing production process for tablets, and progress is being made as regards the industrialization process involving watches, notebooks and other electronic products, which would be implemented upon obtaining the related regulatory approvals.

In line with the projects being carried out in Río Grande, the Group announced its intention to build a port for Río Grande. As stated, the purpose of the port consists in supporting the industrial and civil activities in the region. It will contribute to the development of the province by promoting industrial and commercial activities, creating new economic sectors and allowing the replenishment of maritime fleets, among other activities.

In addition, the acquisition of the real property located in Ushuaia from Ambassador Fueguina provided the Group with a new point for carrying out its production activities, and it is expected that this will strengthen the Company's presence in the province and bring about the possibility of extending production volumes and optimizing production processes and optimizing production and logistics processes.

As to the raw materials supply chain, the measures implemented by the Argentine government increasing foreign exchange and customs restrictions and regulations make operations more complex and makes it difficult for the Group to meet its planned production and sales goals. The measures that have an impact on the regulations governing the payment terms to foreign suppliers reduce negotiation possibilities, putting the transaction and the supply of finished products for the various industries at risk. That is why we need to have more flexible measures which will allow us to stabilize production in the consumer electronics and automobile segments to meet market demand and recover the levels of stock required by the Group to operate normally.

The Group intends to continue carrying out agricultural activities, searching for new businesses that will increase the growth potential of such segment and enable integration in the value chain.

In line with the intention to continue promoting the Group's growth and the diversification of activities, the acquisition of Fortinox provided the Group with a high strategic value, since metal alloys are often related to rising industries, such as electromobility, which require increased amounts of materials with higher safety properties. Therefore, it is expected that this acquisition will closely support the future needs of the Company's strategic partners in the automobile and technology industries.

As to retail sales, the focus will continue to be placed on the presence of both trademarks throughout Argentina through physical stores and the online channels owned by the Company.

At a regional level, great efforts are being made to continue expanding the Group's presence in several regional countries, which shows the intention of continuing to promote the activities and the diversification of new markets.

City of Buenos Aires,
March 9, 2023

Mr. Roberto G. Vazquez
Chairman

(*) Information not covered by the independent auditors' interim review report, except for 2, 3 and 5.

MIRGOR S.A.C.I.F.I.A.

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR FISCAL YEAR NO. 52,

BEGINNING JANUARY 1 AND ENDED DECEMBER 31, 2022

Registered office: Einstein 1111 – Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

Main business: Manufacturing air conditioning equipment for vehicles, agricultural businesses and investing in companies.

Date of registration with the Public Registry of Commerce:

- Of the articles of incorporation: June 1, 1971.
- Of the first amendment to bylaws: July 1, 1994.
- Of the last amendment to bylaws: June 18, 2020, according to the Shareholders' Meeting Minutes of that same date, under registration proceedings with the IGJ (regulatory agency of business associations) of Tierra del Fuego.

Registration number with the IGJ: 40.071.

Expiration date of articles of incorporation: May 31, 2070.

CUIT (Argentine tax identification number): 30-57803607-1.

Parent company's information:

- Corporate name: IL TEVERE S.A.
- Registered office: Beauvoir 17, piso 1 – Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands.
- Main business: Holding company.
- Equity interest: 49.65%.
- Voting rights: 62.88%

The Company is not enrolled in the Statutory Optional System for the Mandatory Acquisition of Public Offerings.

CAPITAL STRUCTURE
(Note 17)

	Issued, subscribed, registered and paid-in
180,000,000 shares of ordinary shares with a face value of ARS 0.10 each	
Class A and B entitled to three votes per share	3,120,000
Class C entitled to one vote per share	14,880,000
	18,000,000

Signed for identification purposes
with the report dated 03/09/2023
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.RL.
C.P.C.E.T.F. Cámara Río Grande. Vol. I Fo. 3

MIRGOR S.A.C.I.F.I.A.

KARÉN GRIGORIAN (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. ROBERTO G. VAZQUEZ
Chairperson

MIRGOR S.A.C.I.F.I.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Notes	12.31.2022 ARS 000	12.31.2021 ARS 000
Revenue from ordinary activities	5	325,622,921	308,626,977
Industrial promotion benefit	22	51,649,493	59,314,729
Cost of goods sold and services rendered	6	(303,146,345)	(307,367,234)
Gross profit		**74,126,069**	**60,574,472**
Changes in the fair value of grains and oilseeds		520,096	3,487
Other operating profit	8	18,965,146	5,514,085
Administrative expenses	7	(15,909,887)	(14,164,562)
Selling expenses	7	(32,025,083)	(25,126,016)
Other operating expenses	8	(47,931,829)	(15,652,296)
Operating loss		(2,255,488)	11,149,170
Finance costs	8	(10,858,172)	(7,287,065)
Finance income	8	10,335,092	8,170,997
Gain on exposure to the change in currency purchasing power		12,814,090	2,426,574
Other net expenses	8	(1,206,248)	(789,315)
Bargain purchase of shares	23	4,211,954	-
Share of loss of associates	20	(710,723)	(639,750)
Profit before income tax		**12,330,505**	**13,030,611**
Income tax	9	(2,417,542)	(972,464)
Net profit for the year		**9,912,963**	**12,058,147**
Other comprehensive income			
Translation adjustment		14,347	(1,202,564)
Total comprehensive income for the year, net		**9,927,310**	**10,855,583**
Net profit for the year attributable to:			
Owners		9,912,963	12,058,147
Noncontrolling interests		-	-
		9,912,963	**12,058,147**
Total comprehensive income for the year, net:			
Owners		9,927,310	10,855,583
Noncontrolling interests		-	-
		9,927,310	**10,855,583**
Net earnings per share:			
– basic and diluted, net for the period attributable to ordinary equity holders of the parent's equity		64.87	61.10

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C.P.C.E.T.F. Cámara Río Grande. Vol. I Fo. 3

MIRGOR S.A.C.I.F.I.A.

KARÉN GRIGORIAN (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. ROBERTO G. VAZQUEZ
Chairperson

MIRGOR S.A.C.I.F.I.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2022

	Notes	12.31.2022 ARS 000	12.31.2021 ARS 000
Assets			
Noncurrent assets			
Property, plant and equipment	11	28,683,984	17,517,582
Investment property	12	-	293,358
Intangible assets	13	843,325	191,876
Investment in associates	20	2,438,369	3,950,207
Other nonfinancial receivables	16	72,812	260,374
Other financial receivables	15	46,502	-
Deferred tax assets	9	29,506	22,734
		32,114,498	**22,236,131**
Current assets			
Other nonfinancial receivables	16	30,236,111	15,674,816
Inventories	14	59,241,337	53,007,655
Trade and other receivables	15	52,479,236	30,597,065
Other financial assets	15	2,172,045	2,921,627
Cash and short-term deposits	15	9,751,171	18,137,382
		153,879,900	120,338,545
Total assets		**185,994,398**	**142,574,676**
Equity and liabilities			
Equity			
Issued capital		18,000	18,000
Capital adjustment		559,998	559,998
Treasury shares		(2,200,124)	(1,464,796)
Profit set apart for reserves		55,799,399	46,258,617
Reserve of conversion (losses)		(1,188,217)	(1,202,564)
Unappropriated retained earnings		10,056,515	12,058,147
Total equity		**63,045,571**	**56,227,402**
Noncurrent liabilities			
Interest-bearing debts and borrowings	15	-	14,173
Lease liabilities	15	430,701	479,573
Trade and other payables	15	780,062	126,522
Provisions for lawsuits and contingencies	15	1,055,726	788,640
Deferred tax liability	9	2,162,755	348,784
		4,429,244	1,757,692
Current liabilities			
Interest-bearing debts and borrowings	15	952,665	170,256
Lease liabilities	15	488,727	568,586
Trade and other payables	15	117,049,133	83,850,348
Other financial liabilities	15	29,058	392
		118,519,583	84,589,582
Total liabilities		**122,948,827**	**86,347,274**
Total equity and liabilities		**185,994,398**	**142,574,676**

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MIRGOR S.A.C.I.F.I.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Attributable to owners of the parent									
		Other capital accounts convertible into shares			Other shareholders' equity components					
	Capital stock	Capital adjustment	Treasury shares (Note 2.6)	Additional paid-in capital	Statutory reserve	Other reserves (Note 2.6)	Optional reserve (Note 2.6)	Cummulative translation adjustment (losses)	Retained earnings (losses)	Total equity
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of January 1, 2022	**18,000**	**559,998**	**(1,464,796)**	**-**	**115,598**	**60,935**	**46,082,084**	**(1,202,564)**	**12,058,147**	**56,227,402**
Distribution of cash dividends (Note 2.6)	-	-	-	-	-	-	-	-	(2,373,813)	(2,373,813)
Regular Shareholders' Meeting decision of April 29, 2022 (Note 2.6)	-	-	-	-	-	(60,935)	9,601,717	-	(9,540,782)	-
Repurchase of own shares	-	-	(735,328)	-	-	-	-	-	-	(735,328)
Other comprehensive income	-	-	-	-	-	-	-	14,347	-	14,347
Net profit for the year	-	-	-	-	-	-	-	-	9,912,963	9,912,963
As of December 31, 2022	**18,000**	**559,998**	**(2,200,124)**	**-**	**115,598**	**-**	**55,683,801**	**(1,188,217)**	**10,056,515**	**63,045,571**

	Attributable to owners of the parent									
		Other capital accounts convertible into shares			Other shareholders' equity components					
	Capital stock	Capital adjustment	Treasury shares (Note 2.6)	Additional paid-in capital	Statutory reserve	Other reserves (Note 2.6)	Optional reserve (Note 2.6)	Reserve of conversion gains (losses)	Retained earnings (accumulated losses)	Total equity
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of January 1, 2021	**18,000**	**559,998**	**(354,905)**	**361,139**	**115,598**	**2,703,036**	**31,032,743**	**-**	**15,834,032**	**50,269,641**
Distribution of cash dividends (Note 2.6.)	-	-	-	-	-	(2,746,705)	-	-	(1,041,226)	(3,787,931)
Resolution of Shareholders' Meeting of April 30, 2021 (Note 2.6.)	-	-	-	(361,139)	-	104,604	15,049,341	-	(14,792,806)	-
Repurchase of own shares	-	-	(1,109,891)	-	-	-	-	-	-	(1,109,891)
Other comprehensive income	-	-	-	-	-	-	-	(1,202,564)	-	(1,202,564)
Net profit for the year	-	-	-	-	-	-	-	-	12,058,147	12,058,147
As of December 31, 2021	**18,000**	**559,998**	**(1,464,796)**	**-**	**115,598**	**60,935**	**46,082,084**	**(1,202,564)**	**12,058,147**	**56,227,402**

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MIRGOR S.A.C.I.F.I.A.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	12.31.2022 ARS 000	12.31.2021 ARS 000
Operating activities		
Comprehensive income for the year before income tax	12,344,852	11,828,047
Accrued interest, net	(6,363,199)	(331,741)
Adjustments to reconcile comprehensive net profit (loss) for the year with net cash flows		
PP&E depreciation	3,711,958	4,105,392
Depreciation of investment properties	1,499	8,990
Amortization of intangible assets	635,504	113,745
Impairment of intangible assets	-	103,889
Increase in the allowance for inventories obsolescence	424,125	1,485,053
Profit from sales of investment properties	(12,868)	-
Loss on share of net profit (loss) of associates	710,723	639,750
Foreign exchange difference	30,265,894	10,284,754
Beneficial share purchase	(4,211,954)	-
Variation in the provisions for lawsuits and contingencies	234,762	(477,853)
Loss on exposure to the change in currency purchasing power	16,122,215	13,012,130
Adjustment of operating assets and liabilities		
Decrease in trade and other receivables, net of intercompany receivables and foreign exchange differences	2,934,424	27,859,450
Increase in inventories, net of the allowance for obsolescence	(2,413,919)	(9,682,865)
Increase in other nonfinancial receivables	(14,162,837)	(1,248,821)
Increase in other financial receivables	(46,502)	-
Decrease in trade and other payables, net of income tax and minimum presumed income tax	(19,748,400)	(41,778,636)
Net cash flows provided by operating activities	20,426,277	15,921,284
Investing activities		
PP&E additions	(12,294,402)	(7,059,101)
PP&E deletion	496,022	216,119
Profit from sales of investment properties	304,727	89,874
Deletions of intangible assets	31,867	(168,627)
Acquisition of intangible assets	(1,318,820)	-
Sale (Acquisition) of debt securities	749,582	(61,841)
Decrease (Increase) in hedging instruments, net	28,666	(13,137)
Payment from purchase of assets	(1,257,949)	-
Dividends collected	-	163,580
Collection from capital reduction of Ciapex S.A.	801,115	-
Decrease in intercompany receivables/payables	103	148
Net cash flows used in investing activities	**(12,459,089)**	**(6,832,985)**
Financing activities		
Increase (Decrease) in loans, net	729,845	(246,690)
Decrease in lease liabilities, net	(128,731)	(241,789)
Purchase of own shares	(735,328)	(1,109,891)
Dividends paid	(2,373,813)	(3,787,931)
Net cash flows used in financing activities	**(2,508,027)**	**(5,386,301)**
Loss on exposure to the change in currency purchasing power	(16,122,215)	(13,012,130)
Net decrease in cash and cash equivalents	**(10,663,054)**	**(9,310,132)**
Cash and cash equivalents as of January 1	18,137,382	27,447,514
Increase in cash and cash equivalents for acquisition of companies	2,276,843	-
Cash and cash equivalents as of December 31	**9,751,171**	**18,137,382**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES OF MIRGOR GROUP

The consolidated financial statements of MIRGOR S.A.C.I.F.I.A. ("the Company") for the fiscal year ended December 31, 2022, were authorized for issue in accordance with a resolution of the Company's Board of Directors on March 9, 2023.

MIRGOR S.A.C.I.F.I.A. is a "sociedad anónima" (corporation) organized under Argentine laws, with registered domicile at Einstein 1111, Río Grande, Province of Tierra del Fuego, Antarctica and South Atlantic Islands (hereinafter, "Tierra del Fuego"), whose Class C shares are listed in the BCBA (Buenos Aires stock exchange).

On December 4, 2020, the Company and its subsidiaries Interclima S.A. (hereinafter, "ICSA") and Holdcar S.A. (hereinafter, "Holdcar") entered into a preliminary merger-purpose agreement within a corporate reorganization framework. On May 14, 2021, in the minutes of the Special Shareholders' Meeting No. 81, Mirgor shareholders approved by unanimity the merger of ICSA and Holdcar.

The Company's main activity is manufacturing temperature control equipment for the automobile sector and exports related to the agricultural sector. Through its subsidiaries (jointly with the Company, the "Mirgor Group") it also engages in the manufacture and trade of TV sets, mobile phones and car leases, and the provision of warehousing and technical support services for the automobile and electronic consumer goods industries, among other activities. Note 4 to these consolidated condensed financial statements discloses operating segment information.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Professional accounting standards applied

The Company prepares its consolidated financial statements in accordance with the Argentine professional accounting standards effective in the Province of Tierra del Fuego and current CNV regulations, as approved by General Resolution No. 622 (as amended in 2013), whereby stock and/or corporate bond issuers, subject to certain exceptions, are required to prepare their financial statements under FACPCE Technical Resolution No. 43 (as amended), which set forth the adoption of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), while other entities may opt to use IFRS or the IFRS for SMEs replacing current Argentine professional accounting standards.

2.2. Basis of preparation

These consolidated financial statements for the year ended December 31, 2022, were prepared in accordance with the IFRS as issued by the IASB and the professional accounting standards effective in the Province of Tierra del Fuego.

In preparing these consolidated financial statements, Mirgor Group applied the basis of consolidation, significant accounting policies, judgments, estimates and assumptions described in notes 2.3, 2.4 and 2.5, respectively, to the consolidated financial statements. These consolidated financial statements have been prepared on a cost basis.

These consolidated financial statements are presented in Argentine pesos and all values have been rounded to the nearest thousand (ARS 000), except when otherwise indicated.

2.3. Basis of consolidation

These consolidated financial statements comprise the Company's financial statements as of December 31, 2022. Consolidated subsidiaries and their equity interests as of the relevant dates are:

	(Direct and indirect) equity interest percentage in common stock as of:		Year-end of last financial
Subsidiary	12.31.2022	12.31.2021	statements issued
Capdo S.A.	100	100	12/31/2022
IATEC S.A.	100	100	12/31/2022
GMRA S.A.	100	100	12/31/2022
Famar Fueguina S.A.	100	100	12/31/2022
Brightstar Argentina S.A.	100	100	12/31/2022
Brightstar Fueguina S.A.	100	100	12/31/2022
Mirgor Internacional S.A. (Uy)	100	100	12/31/2022
Rulned S.A. (Uy)	100	100	12/31/2022
IATEC S.A. (Py)	100		12/31/2022
Anovo S.A. (Uy)	100		12/31/2022
ONTEC FORTINOX S.A.U.	100		12/31/2022

Control is achieved when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the investor controls an investee if and only if it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns significantly.

In general, it is assumed that a majority of the voting rights gives control. To back this presumption and when the investor has less than a majority of the voting or similar rights of an investee, the investor considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The existence of a contractual arrangement between the investor and the other vote holders of the investee.
- The rights arising from other contractual arrangements.
- The investor's voting rights, potential voting rights or a combination of both.

The investor re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control previously mentioned. Consolidation of a subsidiary begins when the parent obtains control over the subsidiary and ceases when the parent loses control of the subsidiary. Assets, liabilities, profit and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the parent gains control of the subsidiary until the date the parent ceases to control the subsidiary.

Profit or loss for the year and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if non-controlling interests generate losses. When necessary, appropriate adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, profit, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the carrying amount of the related assets (including goodwill) and liabilities, noncontrolling interest and other equity components, and recognizes in the statement of profit or loss the profit or loss derived from the transaction. Any residual investment is recognized by its fair value.

On November 24, 2022, the Group acquired control of 100% of the shareholding of ONTEC Fortinox S.A.U.; consequently, the financial statements as of December 31, 2022, presented comparatively, include consolidated profit (loss) as from the moment the Group gained control. This affects income comparability.

2.4. Summary of significant accounting policies

The following are the significant accounting policies applied by Mirgor Group in preparing these consolidated financial statements.

Unit of measurement

The financial statements as of December 31, 2022, including prior-year amounts, were restated to consider the changes in the general purchasing power of the Company's functional currency (Argentine peso) pursuant to the provisions in IAS 29 and CNV (Argentine Securities and Exchange Commission) General Resolution No. 777/2018. Thus, the financial statements are stated in the constant measuring unit as of the end of the reporting year.

According to IAS 29, financial statements should be restated when an entity's functional currency is that of a hyperinflationary economy. To define an hyperinflationary economy, IAS 29 offers a series of nonexclusive guidelines, which consist in (i) analyzing the behavior of the population, prices, interest rates and salaries considering the changes in the price indexes and the loss in the currency purchasing power, and (ii) a quantitative indicator –the most considered condition in actual facts– that involves checking whether the three-year cumulative inflation rate is around 100% or more.

To assess this quantitative condition, and to restate the financial statements, the CNV set forth that the series of indexes to be used for adopting IAS 29 is that specified by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences). This series combines the consumer price index published by the INDEC (Argentine Institute of Statistics and Censuses) as from January 2017 (base month: December 2016) with the wholesale domestic price index published by the INDEC up to that date, computed for November and December 2015 since the abovementioned institute published no information concerning the changes in the consumer price index for the City of Buenos Aires during those months.

Considering this index, inflation stood at 94.79% and 50.94% for the years ended December 31, 2022, and 2021, respectively.

Below we summarize the effects of applying IAS 29:

Restatement of the statement of financial position

(i) Monetary items (those with a fixed nominal value in local currency) will not be restated, as they are no longer stated in the constant currency as of the end of the reporting year. In a hyperinflationary period, maintaining monetary assets will lose purchasing power and maintaining monetary liabilities will gain purchasing power, provided that these items are not subject to an adjustment mechanism that somehow offsets these effects. Monetary gains or losses are included in profit (loss) for the reporting year.

(ii) Assets and liabilities subject to changes based on specific agreements will be adjusted in accordance with such agreements.

(iii) Nonmonetary items measured at their current values as of the end of the reporting year are not restated to be filed in the statement of financial position, but the adjustment process should be completed to determine the profit (loss) generated by holding these nonmonetary items in constant pesos.

(iv) The nonmonetary items measured at a historical cost or current cost of a date prior to the end of the reporting year will be restated by coefficients that reflect the changes in the general level of prices from the date of acquisition or revaluation until the closing date, and the restated amounts of these assets will then be compared to the recoverable values. The amount charged to profit (loss) for the year for the depreciation of property, plant and equipment and the amortization of intangible assets, or any other consumption of nonmonetary assets, will be determined based on the new restated amounts.

As of December 31, 2022, and 2021, the restated items were as follows: Property and equipment, investment property, intangible assets, investment in associates, inventories, deferred tax assets and liabilities and the items making up equity were measured using the restated historical cost basis.

(v) Upon the capitalization of borrowing costs in nonmonetary assets in conformity with IAS 23, the portion of these costs that are used to compensate the creditor for the effects of inflation will not be capitalized.

This process does not affect the Company, as the application of IAS 23 was not required.

Restatement of the statement of profit or loss

(i) Expenses and revenues are restated as from their booking date, except for (1) the profit (loss) items that reflect or include in their assessment the consumption of assets measured in pesos reflecting the purchasing power from a date prior to the date when the consumption was booked, which will be restated considering the original date of the asset with which the item is related (depreciation, impairment and other consumption of assets valued at historical cost), and (2) the profit (loss) that arises from comparing two measurements stated in pesos reflecting the purchasing power of different dates, in which case the compared amounts should be identified, restated separately and compared again.

(ii) The net (loss) profit arising from holding monetary assets and liabilities is disclosed under a separate item under profit (loss) for the year.

Restatement of the statement of changes in equity

All equity items restated at the currency as of the beginning of year are restated at year-end currency applying the general price index, and the variation of these components is restated at the currency as of the end of the year as follows: in the case of contributions as from the subscription date; for swap movements affecting retained earnings (accumulated losses), as from the prior year-end if the Regular Shareholders' Meeting treats retained earnings (accumulated losses) in the currency as of that time, whereas if the Regular Shareholders' Meeting treats profit (loss) in the purchasing power currency as of the date of the Regular Shareholders' Meeting, swap movements will be restated as from the date in which such currency is stated, and for decreases in retained earnings (accumulated losses) for amending movements as from the date when the Shareholders' Meeting made the related decision, whereas if they are items of deferred profit (loss) they should be disclosed in real terms.

According to CNV General Resolution No. 777/18, the earnings of the entities under CNV control should be distributed in the currency effective as of the date of the General Shareholders' Meeting using the price index of the month prior to the meeting.

Restatement of the statement of cash flows

IAS 29 requires that all the items within this statement are restated at the unit of measurement current as of the date of the end of the reporting year. Monetary gains (losses) arising from cash and cash equivalents is disclosed in the statement of cash flows separately from the cash flows provided by operating, investment and financing activities, as a specific item of the reconciliation between cash and cash equivalents at the beginning and end of year.

2.4.1. Current versus non-current assets and liabilities classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when the entity:

- expects to realize the asset or intends to sell or consume it in its normal operating cycle;
- holds the asset primarily for the purpose of trading;
- expects to realize the asset within twelve months after the reporting year; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

The remaining assets are classified as noncurrent assets.

A liability is current when the entity:

- expects to settle the liability in its normal operating cycle;
- holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting year; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities in all cases.

2.4.2. Foreign currency translation

Functional currency and presentation currency

These consolidated financial statements are presented in Argentine pesos, which is the functional currency of the Company in its capacity as parent company. Each Mirgor Group entity assesses its own functional currency and the amounts included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to book the gain or loss that arises from using this method.

For the purposes of filing these consolidated financial statements, the assets and liabilities of transactions abroad are converted into Argentine pesos using the exchange rates effective as of year-end. Revenue and expenses items are converted at the monthly average exchange rates, unless the exchange rates change significantly during the year, in which case the exchange rates as of the date of the transactions are used and then restated using the coefficients for the month of accrual applying the adjustment described in note 2.4. The foreign exchange differences, as the case may be, are recognized in other comprehensive income and are accumulated in equity.

Transactions and balances in foreign currency

Transactions in foreign currencies are initially recorded by Mirgor Group's companies at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting year-end date.

All foreign exchange differences are taken to statement of comprehensive income under other operating profit or expenses, or under finance income or loss, depending on the nature of assets or liabilities generating those differences.

Nonmonetary items and the result of operations measured in terms of restated historical cost in a foreign currency are converted using the exchange rates as of the dates of the initial transactions.

2.4.3. Recognition of revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Mirgor Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account terms of payment contractually defined with the customer and excluding taxes or duties.

Mirgor Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Mirgor Group concluded that it acts as principal in all its revenue arrangements since it is the main obligor in these arrangements, has the freedom to set prices and is also exposed to inventory and credit risks. The following specific recognition criteria must also be met before revenue is recognized.

Sale of goods

Ordinary activity revenues from the sale of goods are recognized when the significant risks and benefits inherent to the ownership of the goods have passed to the buyer, usually on delivery of the goods.

In the regular course of business, Mirgor Group renegotiates prices for the manufactured products with the respective customers/providers to maintain certain ratios related to revenues and costs. This renegotiation may give rise to price adjustments to be recognized as additional revenues. These charges are recognized by Mirgor Group once the negotiation is concluded and confirmation is obtained from customers/providers, i.e., once it is likely that the economic benefits will flow towards Mirgor Group and can be measured in a reliable manner.

Service-charge income

Related to the provision of logistics and technical post-sale services, and repair services related to Mobile phone and other electronic products.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms, and it is classified as revenue from ordinary activities in the statement of profit or loss due to its operating nature.

2.4.4. Industrial promotion benefit

In this item of the consolidated statement of comprehensive income, Mirgor Group recognizes value-added tax benefits from the industrial promotion mentioned in note 22 to these consolidated financial statements.

2.4.5. Taxes

Current income tax

Current income tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute those amounts are those that are enacted or substantively enacted, at the end of the reporting year. Note 9 to these financial statements details the procedure to be followed to assess the income tax charge of each Group company.

Management periodically evaluates positions taken by the Group in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination or a lease and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

– In respect of taxable temporary differences associated with investments in associates, subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and/or the carry forward of unused tax credits and unused tax losses can be utilized, except:

– Where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination or a lease and, at the time of the transaction, affects neither the accounting profit nor taxable profit;

– In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized (recovered). Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized as charged to comprehensive income to the extent that it has become probable that future taxable profits will allow those deferred tax assets not previously recognized to be utilized (recovered).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets and liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Other taxes related to sales and bank account transactions

Revenues, expenses and assets are recognized net of the amount of any sales tax, such as the value-added tax and turnover tax, or the tax on bank account transactions, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- Receivables and payables are stated with the amount of sales tax included, which is charged to customers or paid to vendors.

The net amount of sales tax and the tax on bank account transactions recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position, as the case may be.

Turnover over tax is charged under selling expenses in the statement of comprehensive income. The tax on bank account transactions is charged under administrative expenses in the statement of comprehensive income.

2.4.6. Property, plant and equipment

Property, plant and equipment, except for plots of land and works in progress, are measured at cost restated at the currency rate in effect as of the closing date, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the criteria to be recognized as assets are met.

Land is not depreciated.

When significant parts of property, plant and equipment are required to be replaced at intervals, Mirgor Group derecognizes the replaced part, and recognizes the new part as an individual asset with its own specific useful life and depreciates it accordingly. Likewise, when a major repair is performed, its cost is recognized in the carrying amount of the asset as a replacement if the criteria to be recognized as an asset are satisfied. All other routine repair and maintenance costs are recognized in the statements of comprehensive income as incurred.

The present value of the expected cost for the decommissioning of an asset after its use period expires is included in the cost of the respective asset if the recognition criteria for the appropriate provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Average depreciation rates are stated in note 11.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time for it to be available for its expected use or sale (so-called "qualifying asset") are capitalized as part of the related cost of the asset.

The remaining borrowing costs are booked as expenses in the year in which they are incurred. Borrowing costs include the interest and other costs incurred by the Group regarding loan agreements.

There are no borrowing costs capitalized in the cost of the assets as of the related dates.

2.4.7. Operating and finance leases

As from the application of IFRS 16, the Group adopted an accounting model for recognizing and measuring all leases. For leases previously identified as finance leases, the Company has not amended the amounts recognized as of the initial application date. In the case of leases previously identified as operating leases, the Company recognized right-to-use assets and lease payables, except for such agreements with a duration not exceeding 12 months (short-term leases) and those involving a low-value underlying asset. The resulting assets and liabilities are measured based on the present value. Right-to-use assets were recognized for an amount equal to lease liabilities. Lease liabilities were measured at the present value of the unpaid lease amounts at the Company's incremental lease rate (the lessee) as of the initial date of application.

The breakdown of third-party right-to-use assets is included in note 11 and the breakdown of lease liabilities is contained in note 15.4.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

2.4.8. Investment property

Investment properties are measured initially at acquisition cost restated at the currency rate in effect as of the closing date, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of investment properties and borrowing costs for long-term construction projects if the recognition criteria are met.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of comprehensive income in the fiscal year of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to property, plant and equipment component, the deemed cost for subsequent accounting is the value of the asset at the date of change in use. If property, plant and equipment becomes an investment property, Mirgor Group accounts for such asset in accordance with the policy stated under property, plant and equipment up to the date of change.

2.4.9. Intangible assets

Intangible assets acquired separately are measured on initial recognition at acquisition cost restated at the currency rate in effect as of year-end. Following initial recognition, intangible assets are carried at restated cost less restated accumulated amortization (should finite useful lives be assigned) and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting fiscal year.

Changes in the expected useful life or the expected pattern of consumption of the asset is accounted for by changing the amortization period or method, as appropriate, and are treated prospectively as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

2.4.10. Financial instruments: Presentation, recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.4.10.1. Financial assets

Initial recognition and subsequent measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and accounts receivable, held-to-maturity investments, available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Mirgor Group determines the classification of financial assets at initial recognition.

The classification of financial assets at initial recognition depends on the contractual cash flow and financial asset management model adopted by Mirgor Group. Except for trade payables that do not have a significant financing component or for which the Group applied an exemption provided for in the accounting standards, the Group measures financial assets at fair value through profit or loss including transaction costs. The trade receivables that do not have a significant financing component or for which the Group applied an exemption provided for in the accounting standards are measured at the prices of each transaction as described in note 2.4.3 to the consolidated financial statements.

For a financial asset to be classified and measured at amortized cost or fair value in other comprehensive income, it should give rise to funds that are “solely payments of principal and interest” in the principal yet to be settled. This analysis is known as “SPPI test” and is made at each instrument level. The financial instruments that are SPPI are classified and measured at fair value through profit or loss for the year, irrespective of the business model used.

The Group’s management model is how it manages its financial assets to generate cash flows. The management model determines whether the cash flows will result in the collection of contractual cash flows, the sale of financial assets or both. The financial assets are measured at amortized cost within a business model which objective is to hold assets to collect the contractual cash flows, whereas the financial assets classified and measured at fair value through other comprehensive income are held in a business model which objective is to collect the contractual cash flows or sell the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that Mirgor Group commits to purchase or sell the asset.

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through other comprehensive income with recycling to profit or loss for the year
- Financial assets at fair value through other comprehensive income without recycling to profit or loss for the year upon derecognition
- Financial assets at fair value through profit or loss

Mirgor Group’s financial assets include only cash, short-term deposits, debt securities, trade receivables, forward foreign currency contracts, trade payables, loans and other receivables.

Loans and accounts receivables

Trade receivables are initially recognized at fair value and, after that, at their amortized cost using the effective interest rate method (EIR), less impairment.

Loans and accounts receivable are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Effective interest rate accrual is recognized in the statement of comprehensive income as finance income/expense or as other operating profit/expense, depending on the nature of the asset that gave rise to it. The losses arising from impairment are recognized in the statement of comprehensive income as finance costs or operating expenses, depending on the nature of the asset that gave rise to it.

This category generally applies to trade and other receivables.

They are included in current assets, except for those with maturity exceeding 12 months from the closing date in which they are classified as non-current assets. Loans and accounts receivable are included in “Trade and other receivables” in the consolidated statement of financial position.

Financial assets through profit or loss

Financial assets through profit or loss are disclosed in the statement of financial position at fair value and its net changes in the statement of comprehensive income.

This category includes derivative instruments, which are related to agreements to cover potential depreciation of the legal currency because Mirgor Group carries substantial payables in foreign currency to industrial suppliers abroad.

2.4.10.2. Financial liabilities

Initial recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings carried at amortized cost, net of directly attributable transaction costs.

Mirgor Group’s financial liabilities only comprise trade and other payables, as well as interest-bearing loans and borrowings.

The subsequent measurement of financial liabilities depends on their classification, as described below.

Interest-bearing debts and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized as finance costs in the statement of comprehensive income when the liabilities are derecognized as well as through the accrual process, applying the effective interest rate method (EIR).

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR accrual is recognized as finance costs in the statement of comprehensive income.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized as finance income or costs in the statement of comprehensive income, as the case may be.

Balances and transactions with related parties

The criteria adopted for the treatment of balances and transactions with related parties are described in note 18 to the consolidated financial statements.

2.4.10.3. Fair value assessment

The fair value of financial instruments that are traded in active markets at the end of each reporting fiscal year (if any) is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques according to the circumstances. Such techniques may include using recent arm's length market transactions between duly informed stakeholders; reference to the fair values of other financial instruments that are substantially the same; a discounted cash flow analysis and other appropriate valuation models.

Mirgor Group signed certain agreements through financial hedging instruments measured at fair value and described in note 15.11. to the consolidated financial statements.

2.4.10.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position if, and only if, Mirgor Group (i) has a currently enforceable legal right to offset the recognized amounts; and (ii) has an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.4.10.5. Financial assets and liabilities to related parties

Receivables from and payables to related parties are recognized initially at fair value, plus directly attributable transaction costs. To the extent that they arise from transactions not performed at arm's length, any difference arising upon initial recognition between such fair value and the consideration delivered or received is treated as an equity transaction (capital contribution or dividend distribution, depending on whether it is positive or negative.)

2.4.11. Inventories

Inventories are valued at cost restated at the currency rate in effect as of year-end, at the lower of cash prices for habitual purchase volumes or and net realizable value.

The costs incurred to take each product to its current location and give it its current status are booked as follows:

Raw materials

At acquisition cost restated at the currency effective as of year-end on a weighted-average-price basis.

Finished goods and work in progress

At cost of acquisition of materials and labor restated at the currency rate in effect as of year-end plus a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value of an inventory component is the estimated selling price for that component in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, estimated as of the reporting year-end. In estimating recoverable values, slower low-turnover component movements are taken into account as well.

Cereal and oilseed

Cereals are measured at their net realization value and in their current state when the sale thereof is secured by a forward agreement or when there is an active market and the risk of not being able to perform the sale is minimum, as the Company considers that the cereal business falls under the scope of the exception established in IAS 2.

2.4.12. Impairment of financial and non-financial assets

Impairment of financial assets

The Group assesses, at each year-end, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has a negative impact on the estimated future cash flows of the financial asset or the group of financial assets, and that negative impact can be reliably estimated.

Evidence of impairment may include, among others, indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as adverse changes in arrears or economic conditions that correlate with defaults.

Charges arising from the impairment of financial assets, net of related recoveries, are booked in the statement of comprehensive income under finance costs and other operating expenses, depending on the nature of the asset from which they arise.

Financial assets at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The asset carrying value is reduced through an impairment allowance account and the loss is recognized in the statement of comprehensive income under finance costs or other operating expenses, depending on the nature of the asset that gave rise to it. Interest income (recorded as finance income or other operating income in the statement of comprehensive income), depending on the nature of the asset that gave rise to it, continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Assets and the related allowance for impairment are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the impairment allowance account. If a future write-off is later recovered, the recovery is credited to finance costs or other operating expenses in the statement of comprehensive income, based on the nature of the asset that gave rise to it.

Impairment of nonfinancial assets

Inventories

When the net realizable value of an inventory item was lower than its carrying value, it is reduced through an allowance for impairment and the loss amount is recognized as cost of sales in the statement of comprehensive income. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the impairment allowance account. If a future write-off is later recovered, the recovery is credited to cost of sales in the statement of comprehensive income.

The amount for inventories does not exceed their recoverable amount as of the respective dates.

Property, plant and equipment and intangible assets with finite useful lives

The Group assesses at each reporting year-end whether there is an indication that an individual item or a group of property, plant and equipment and/or intangible assets with finite useful lives may be impaired. If any indication exists and the annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of the fair value less costs to sell that asset, and its value in use. That amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets; in that case, the cash flows of the group of assets that form part of the cash-generating unit to which they belong are taken.

Where the carrying amount of an individual asset or CGU exceeds its recoverable amount, the individual asset or CGU, as the case may be, is considered impaired and is written down to its recoverable amount.

In assessing value in use of an individual asset or CGU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the individual asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used depending on the circumstances. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses because of continuing operations are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset (generally in the cost of sales or other operating expenses), except for a property previously revalued where the revaluation was taken to other statement of comprehensive income. In these cases, the impairment is also recognized in other comprehensive income up to the amount of any previously recognized revaluation.

In addition, for this type of assets as of each reporting year-end, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes a new estimate of the individual asset's or cash-generating unit's recoverable amount, as the case may be. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the individual asset's or cash-generating unit's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the individual asset or cash-generating unit does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of the related depreciation or amortization, had no impairment loss been recognized for the individual asset or cash-generating unit in prior years. Such reversal is recognized in the statement of comprehensive income in the same line in which the related impairment charge was previously recognized (generally under the cost of sales or other operating expenses), unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of certain specific categories of intangible assets:

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are tested for impairment annually (as of 31 December) either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

Goodwill

Goodwill is tested for impairment (as of December 31) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized in the statement of profit or loss (generally under the cost of sales or other operating expenses). Impairment losses relating to goodwill cannot be reversed in future periods.

The carrying amounts of property, plant and equipment and intangible assets (including goodwill) do not exceed their recoverable values as of relevant dates.

2.4.13. Cash and cash equivalents

Cash is deemed to include both cash fund and freely-available bank deposits on demand. Cash equivalents are deemed to include short-term investments with significant liquidity and free availability that, subject to no previous notice or material cost, may be easily converted into a specific cash amount that is known with a high degree of certainty upon the acquisition, are subject to a low significant risk of changes in value, maturing up to three months after the date of the related acquisitions, and whose main purpose is not investment or any other similar purpose, but settling short-term commitments. Bank overdrafts are interest-bearing loans, due on demand, which form part of Mirgor Group's treasury management; therefore, they are also similar to cash equivalents.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash at banks and on hand provided that the abovementioned conditions are met. Bank overdrafts are booked as interest-bearing loans and borrowings.

2.4.14. Provisions, contingent liabilities and contingent assets

2.4.14.1. Provisions

Recognition and measurement

Provisions are recognized when (i) there is a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation.

Where some or all of a provision is expected to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. In these cases, the expense related to any provision is disclosed in the statement of comprehensive income under the line that best reflects the nature of the provision, net of any related reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax market rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of comprehensive income.

Lawsuits and claims

As part of its usual course of business, the Group is exposed to different types of claims, including commercial, labor, tax, social security, foreign exchange and customs claims, as well as other contingent situations arising from legislative interpretations, which could generate a loss and materialize depending on the potential occurrence of one or more events. Upon evaluating these situations, Management bases on its own judgment and that of its internal and external legal counsel, as well as further evidence available as of the related dates. If, upon evaluating the contingency, there is a potential loss and the amount can be estimated reliably, a provision for lawsuits and contingencies will be booked as of the reporting year-end.

2.4.14.2. Contingent liabilities

A contingent liability is: (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Mirgor Group; or (ii) a present obligation that arises from past events but is not recognized because: (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is not recognized in these consolidated financial statements; it is reported in notes, unless the possibility of an outflow of resources to settle such liability is remote. For each type of contingent liability as of the relevant reporting year-end dates, Mirgor Group shall disclose (i) a brief description of the nature of the obligation and, if possible, (ii) an estimate of its financial impact; (iii) an indication of the uncertainties about the amount or timing of those outflows; and (iv) the possibility of obtaining potential reimbursements.

2.4.14.3. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Mirgor Group.

A contingent asset is not recognized in the consolidated financial statements; it is reported in notes only where an inflow of economic benefits is probable. However, whenever the revenue realization was practically certain, the related asset is not contingent and, therefore, it is appropriate to recognize it. For each type of contingent asset as of the relevant reporting year-end dates, Mirgor Group shall disclose (i) a brief description of the nature thereof and, if possible, (ii) an estimate of its financial impact, if applicable.

2.4.15. Business combinatios and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interest in the acquiree. For each business combination, Mirgor Group elects whether it measures the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition expenses incurred are charged to the statement of profit or loss for the year under "Other operating expenses."

When Mirgor Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at restated cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Mirgor Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4.16. Economic context

The Argentine macroeconomic context is characterized by the following main situations:

Inflation

The domestic consumer price index published by the INDEC accumulated 94.79% for fiscal 2022.

The BCRA published the January 2023 Market Expectations Survey. The median resulting from the estimates made by survey participants disclosed an expected inflation of 97.6% for 2023: 79.6% for 2024, and 50.3% for 2025.

Foreign exchange market

Limits to hoarding and consumption in foreign currency

The low level of reserves in the BCRA caused the Argentine Government to implement a very restrictive foreign exchange control over the purchase of foreign currency at the single and freely-floating exchange market (MULC). Some of the measures aimed at protecting reserves are:

a) A monthly USD 200-quota (or the equivalent amount in other currencies) continues to be effective for natural persons as the limit to purchase foreign currency for hoarding, the purchase of goods and services and the international transport of passengers. The quota includes all credit card charges in foreign currency or debit card charges against accounts in Argentine pesos.

b) To discourage the purchase of US dollars despite of that quota, which leads to the decrease in reserves, two taxes were charged –as an emergency and for the term five tax periods– to the official value of the US dollar in the MULC:

    (1) tax for an inclusive and supportive Argentina (PAÍS, in Spanish), levied at a 30% rate over the acquisition of foreign currency by all Argentine residents –including natural and artificial persons–, which cannot be computed towards any tax; and

    (2) an additional 45% tax, computed towards income tax and personal assets tax, levied on the purchase of US dollars charged with the PAÍS tax and any other purchase with foreign currency.

Settlement of payables in foreign currency

Apart from setting limits to hoarding and consumption in foreign currency, foreign exchange regulations set certain requirements to currency purchases by companies to settle payables in foreign currency, and the BCRA is empowered to provide or not provide its consent to certain companies' foreign exchange transactions.

In line with foreign exchange regulations, customs regulations increasing the requirements to obtain the licenses necessary for clearing goods have been published.

2.5. Significant opinions, estimates and accounting assumptions

Preparing the consolidated financial statements in accordance with IFRS requires that Management make and consider the significant accounting opinions, estimates and assumptions that affect the reported figures for assets and liabilities, revenues and expenses, as well as the assessment and presentation of contingent assets and liabilities as of the reporting year-end. In this sense, the uncertainties related to the estimates and assumptions adopted could give rise in the future to final results that could differ from those estimates and require significant adjustments to the reported figures of the assets and liabilities affected.

2.5.1. Judgments

In the process of applying the Mirgor Group's accounting policies, Management has made the following judgments, which have a significant effect on the amounts recognized in these consolidated financial statements.

Leases. Assessment of the lease term and renewal and termination options:

The Group determines the lease term as the noncancellable term of the lease plus any covered period when the lease has an option to extend the lease if it is reasonably certain that it will be exercised, or any covered period when the lease has an option to terminate the lease agreement if it is reasonably certain that it will not be exercised.

The Group has a significant number of lease agreements with extension or termination options. It uses its judgment in determining whether it is reasonably certain that it will renew or terminate its leases by exercising these options. In other words, it assesses all the relevant factors that are an incentive for the Group to extend or terminate a lease agreement. After the beginning of the lease, the Group monitors the lease term if there is a relevant event or change in the circumstances under the Group's control hindering its possibilities of deciding whether to exercise its option to extend or terminate a term.

The Group included no renewal options in the cases when there is not a defined price due to the future uncertainty caused by the negotiation of the agreement, since these options are not exercised in all cases.

Leases. Assessment of the incremental borrowing rate:

The Group does not have the information needed to assess the rate of its lease agreements, so it used, for the initial measurement of the lease liabilities, the incremental borrowing rate. The incremental borrowing rate is the interest rate that the Company would have to pay to acquire an asset of similar value over a similar term and under similar economic conditions. The assessment of this rate requires that estimates be used when there are no observable transactions available or they need to be adjusted to reflect the conditions of the lease.

The Group estimates the incremental borrowing rates of its lease agreements using observable market information when available, and making certain estimates to adjust them to the Group's specific situation.

2.5.2. Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Mirgor Group based its significant accounting assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or new circumstances arising beyond the control of Mirgor Group. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities that may be recorded in the consolidated statement of financial position cannot be measured according to active market quoted values, their fair value is determined using valuation techniques including the discounted cash flow model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include the consideration of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Other significant estimates

The other significant estimates used by Management are mentioned below:

- The collection terms of certain accumulated amounts related to tax credits and their related valuation.
- The useful life, residual values and recoverability of property, plant and equipment, investment properties and intangible assets.
- The likelihood of occurrence and amount of allowances for assets impairment.
- Assumptions used to calculate the fair value of financial assets and liabilities, including credit risk.
- The likelihood of occurrence and amount of contingencies.
- The assumptions used to determine the potential warranty commitments for the products manufactured by Mirgor Group.

2.6. Unappropriated retained earnings (accumulated losses) and proprietary shares

Pursuant to CNV Resolution No. 622/2013, the Company's Board has disclosed the earnings earmarked for the optional reserve separately according to the decisions reached in the respective Shareholders' Meetings. Earnings not specifically appropriated are included in the "Unappropriated retained earnings" account in the statement of changes in equity.

2.6.1. Treasury shares

On May 9, 2019, the Company's Board approved the acquisition of its own shares pursuant to section 64 of Capital Market Law and CNV regulations under the terms and conditions detailed below: a) purpose: decrease misstatement between the Company's economic value, measured considering its current businesses and those derived from projects in the pipeline, and the current price of its shares in the market, which harms the Company's and its shareholders' interests; b) maximum amount to be invested: up to ARS 120,000,000 (one hundred and twenty million US dollars), and c) maximum number of shares or equity interest on capital stock to be involved in the acquisition: the maximum percentage of shares to be acquired will be up to 10% of capital stock. Provided that it is consistent with applicable standards, proprietary shares in the Company's portfolio may not exceed, overall, 10% cap of its capital stock. To meet section 64, Law No. 26,831, it is clarified that the shares acquired or to be acquired are fully paid-in; d) daily cap for transactions on the Argentine market: according to Law No. 26,831, it will be up to 25% of the average transaction volume per day experienced by shares during the prior 90 (ninety) business days; e) price payable for shares: up to ARS 375 per share in Bolsas y Mercados Argentinos S.A.; f) source of funding: the acquisition will be made with realized and liquid income and optional reserves and/or other freely-available reserves, without compromising its solvency; g) term of acquisition. The Company will make the acquisitions for 365 (three hundred and sixty-five) calendar days as from the business day following the disclosure of the purchase in the media, subject to any renewal of the term to be approved by the Board, which will be informed to investors using the same media; h) internal communication: directors, statutory auditors and top managers will be informed that, since the Company's decision to acquire own shares is effective, they cannot sell MIRGOR shares in their possession or held directly or indirectly during the applicable term.

On August 30, 2021, the Company's Board approved the acquisition of own shares according to section 64, Capital Markets Law and CNV regulations, under the terms and conditions detailed below: a) purpose: granting the share-based compensation plan; b) maximum amount to be invested: up to ARS 1,000,000,000 (one billion Argentine pesos); c) maximum amount of shares or equity interest on target capital stock: the maximum percentage of shares to be acquired will be up to 10% of capital stock. According to applicable regulations, own shares in the Company's portfolio may not exceed, overall, the 10% cap of its capital stock; the Company currently has 2,340,000 own shares in the portfolio. To meet section 64, Law No. 26,831, it is clarified that the shares to be acquired are fully paid-in; d) daily cap for transactions on the Argentine market: according to Law No. 26,831, it will be up to 25% of the average transaction volume per day experienced by shares during the prior 90 (ninety) business days; e) price payable for shares: up to ARS 4,000 for every 10 shares in BCBA (Buenos Aires stock exchange); f) source of funding: the acquisition will be made with realized net profit and optional reserves and/or other freely-available reserves; g) term of acquisition: the Company will make the acquisitions for 365 (three hundred and sixty-five) calendar days as from the business day following the disclosure of the purchase in the media, subject to any renewal of the term to be approved by the Board, which will be informed to investors using the same media; h) internal communication: directors, statutory auditors and top managers will be informed that, since the Company's decision to acquire own shares is effective, they cannot sell MIRGOR shares in their possession or held directly or indirectly during the applicable term.

As of December 31, 2022, the Company had acquired a total of 5,000,000 own shares for 2,200,124 (1,481,513 shares for 1,845,219 for the new plan still effective).

2.6.2. Distribution of cash dividends

The General Shareholders' Meeting held on April 30, 2021, decided to distribute profit for 2020 and to reverse the amounts accumulated in "Additional paid-in capital" and "Other reserves" and their use, and approved as follows: (i) to distribute ARS 400,000 as cash dividends payable on May 12, 2021, which, restated as of the date of these financial statements, amount to 1,041,226; (ii) to book an optional reserve for future dividends for ARS 600,000 (2,746,705 restated as of the date of these financial statements), authorizing the Board to reverse 180,000 in September; 200,000 in October and 220,000 in November, and pay cash dividends each of these months as long as the economic and financial situation allows so as advised by the Board; (iii) to earmark the remaining amount of profit for 2020 to increase the optional reserve for existing investments and working capital; (iv) to reverse ARS 138,736 (361,139 restated as of the date of these financial statements) from additional paid-in capital and allocate the amount to the optional reserve for investments and working capital, and (v) to reverse the other reserves of 104,382 (271,714 restated as of the date of these financial statements) and allocate the amount to the optional reserve for investments and working capital.

On April 29, 2022, the Shareholders Meeting decided to distribute profit for 2021 and to reverse the amount accumulated in "Other reserves" and their use, and approved as follows: (i) to distribute dividends in cash amounting to 1,500,000 (2,373,813 restated as of the date of the accompanying financial statements) payable in three equal and consecutive installments of 500,000 each, to be paid on May 11, June 15 and July 13, 2022, respectively; (ii) to earmark the profits for the year to increase the existing optional reserve for investments and working capital, and (iii) to reverse the "Other reserves" account for 36,609 (60,935 restated as of the date of the accompanying financial statements), and to allocate such amount to the optional reserve for investments and working capital.

2.7. Changes in significant accounting policies

As from the year beginning January 1, 2022, the Group applied, for the first time, certain new and/or amended standards and interpretations as issued by the IASB.

The Group has not applied on an early basis any standard, interpretation or amendment issued but not yet effective as of the date of issuance of these financial statements.

Below is a description of the nature and impact of the abovementioned amendments and their effective terms:

IAS 37 - Onerous Contracts: Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" to specify the costs to be included by an entity upon assessing whether a contract is onerous or generates losses. The amendments apply a directly related cost approach. The costs that are directly related to an agreement to supply the assets or services include incremental costs and allocation of costs thar relate directly to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty by virtue of the contract.

IFRS 3 - Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 "Business Combinations." These amendments are mainly intended to replace a reference to the framework for financial reporting, issued in 1989, with a reference to the conceptual framework for financial information issued in March 2018, without changing its requirements drastically. The IASB also added an exception to its recognition principle under IFRS 3 to avoid the problem of day 2 losses or gains from contingent assets and liabilities under the scope of IAS 37 "Provisions, contingent liabilities and contingent assets" or IFRIC 21 "Levies," should they occur separately.

IAS 16 – Property, Plant and Equipment: Proceeds Before Intended Use

In May 2020, the IASB issued amendments to IAS 16 "Property, plant and equipment", to prohibit an entity to deduce from the cost of a PP&E item any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, the proceeds from selling such items, together with the costs of producing them, are now recognized in profit or loss.

IFRS 1 - Subsidiary as a First-Time Adopter

As part of the 2018-2020 annual improvements to IFRS, the IASB issued an amendment to IFRS 1 "First-Time Adoption of IFRS." The amendment allows a subsidiary that applies paragraph D16 (a) of IFRS 1 to measure the cumulative translation differences at the amount that would be included in the parent's financial statements, based on the parent's date of transition to IFRSs. This amendment also applies to an associate or joint business that applies paragraph D16 (a) of IFRS 1.

IFRS 9 – Fees in the "10 per cent" Test for Derecognition of Financial Liabilities

As part of the 2018-2020 annual improvements to IFRS, the IASB issued an amendment to IFRS 9 "Financial Instruments." The amendment clarifies the fees that an entity should include upon assessing whether the terms of a new or amended financial lease are substantially different from the terms of the original financial liability. These fees should only include the fees paid or received between the borrower and lender, including the fees pair or received by the borrower or lender on someone else's account. An entity will apply the amendment to the financial liabilities that are amended or exchanged at the beginning or after the reporting period when the entity applies the amendment for the first time.

IAS 41 – Taxation in fair value measurements

As part of the 2018-2020 annual improvements to IFRS, the IASB issued an amendment to IAS 41 "Agriculture." The amendment removes the requirement contained in paragraph 22 of IAS 41 that the entities exclude cash flows for taxes when they measure the fair value of assets under the scope of IAS 41.

These amendments had no impact on the Group's consolidated financial statements.

3. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) ISSUED BUT NOT YET EFFECTIVE

Below are detailed the IFRS which were issued but not effective as of the date of issuance of the Group's consolidated financial statements. In this sense, we include the standards issued that the Group believes will be applicable in the future. The Group intends to adopt these standards when they become effective (not earlier).

IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new comprehensive accounting standard for insurance contracts covering the recognition, valuation, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts, which was issued in 2005. IFRS 17 is applied to all types of insurance contracts (such as life and nonlife insurance, direct insurance and reinsurance), notwithstanding the types of entities issuing them, as well as certain guarantees and financial instruments with certain discretionary participation features. The general goal of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Unlike IFRS 4 requirements, which are based to a large extent on the expansion of accounting policies, IFRS 17 provides a comprehensive model for insurance contracts that covers all significant accounting aspects. IFRS 17 is effective for fiscal years beginning as from January 1, 2023, and it is applied retrospectively. This standard is not applicable to the Group.

IAS 1 - Classification of Liabilities as Current or Noncurrent

In January 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" to clarify requirements for classifying liabilities as current or noncurrent. Th amendment clarify: (i) what is meant by a right to defer settlement; (ii) that a right to defer must exist at the end of the reporting period; (iii) that classification is unaffected by the likelihood that an entity will exercise its deferral right, and (iv) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. These amendments are effective for years beginning January 1, 2024, and should be applied retroactively. These amendments are not expected to affect the Group's consolidated financial statements.

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates is the accounting policies require that financial statement items be measured in a way that involves measurement uncertainty. The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendments are effective for annual periods beginning on or after January 1, 2023. These amendments are not expected to affect the Group's consolidated financial statements.

IAS 1 and IFRS Practice Statement 2. Disclosure of Accounting Policies

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The additional amendments explain how companies may identify a material accounting policy. It includes some examples of when an accounting policy may be material. To support the amendment, the Board also developed guides and examples to explain and show how to apply the "four-step materiality process" described in IFRS 2 Practice Statement. The amendments are effective for annual periods beginning on or after January 1, 2023. These amendments are not expected to affect the Group's consolidated financial statements.

IAS 12 - Income tax

The amendments clarify that the initial recognition exemption is not applicable to transactions that give rise to equal taxable and deductible temporary differences upon initial recognition. The amendments are effective for annual periods beginning on or after January 1, 2023. These amendments are not expected to affect the Group's consolidated financial statements.

Amendments to IFRS 16 – Leases

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines "lease payments" or "revised lease payments" in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining "lease payments" that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

The amendments are effective for annual periods beginning on or after January 1, 2024. These amendments are not expected to affect the Group's consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, Mirgor Group is organized into business units based on their products and services. Mirgor Group has defined the following segments on which information is provided:

– The auto segment, which produces and trades air conditioning systems and car stereos, and provides tire removal services.

- The electronic consumer goods and Mobile phone segment, which produces and markets television sets and Mobile phone, among other electronic products.

- Retail, which trades mobile phones and television sets, among other electronic products.

- The services segment, which is engaged in providing logistics and technical services related to the repair of Mobile phone and other electronic products.

- The farming segment, which is engaged in exporting cereal and oil seeds.

- The Other segment comprises real estate lease activities, among other minor ones.

No operating segments have been aggregated to form the above operating segments.

Mirgor Group operates in the territory of Argentina, Uruguay and Paraguay.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Mirgor Group’s financing (including finance costs and finance income) and income tax are managed on a group basis; therefore, they are not allocated to operating segments.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not charged to individual segments as the underlying instruments are managed on a centralized basis.

Current and deferred income tax charges and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Intersegment revenues and costs, if any, are eliminated upon consolidation.

MIRGOR S.A.C.I.F.I.A.

The results of each segment and their reconciliation to Mirgor Group's comprehensive income for year ended December 31, 2022, and 2021, are presented below:

Fiscal year ended, December 31, 2022	Automotive	Consumer electronics and mobile phones	Retail	Farming	Services	Other services	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Revenue	28,498,986	199,064,340	70,956,796	24,255,276	2,835,957	11,565	325,622,921
Industrial promotion benefit	5,001,935	46,647,558	-	-	-	-	51,649,493
Total profit	**33,500,921**	**245,711,898**	**70,956,796**	**24,255,276**	**2,835,957**	**11,565**	**377,272,414**
Profit (loss)							
Depreciation and amortization	(276,842)	(3,343,934)	(726,687)	-	-	(1,498)	(4,348,961)
Operating profit (loss) for the segment	**(4,187,281)**	**(6,281,646)**	**3,121,210**	**4,045,275**	**910,106**	**136,848**	**(2,255,488)**

Fiscal year ended, December 31, 2021	Automotive	Consumer electronics and mobile phones	Retail	Farming	Services	Other services	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000		ARS 000	ARS 000
Revenue	30,248,370	205,677,978	50,079,075	22,570,306	-	51,248	308,626,977
Industrial promotion benefit	6,365,999	52,948,730	-	-	-	-	59,314,729
Total profit	**36,614,369**	**258,626,708**	**50,079,075**	**22,570,306**	**-**	**51,248**	**367,941,706**
Profit (loss)							
Depreciation and amortization	(844,580)	(2,608,341)	(327,597)	-	-	(8,990)	(3,789,508)
Operating profit (loss) for the segment	**(1,105,962)**	**7,000,680**	**4,291,668**	**1,040,457**	**-**	**(77,673)**	**11,149,170**

MIRGOR S.A.C.I.F.I.A.

The assets and liabilities for each segment as of December 31, 2022, and 2021 are disclosed below:

Assets and liabilites per segment	Automotive	Consumer electronics and mobile phones	Retail	Farming	Services	Not attributable to a specific business segment	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000		ARS 000	ARS 000
As of December 31, 2022							
Nonoperating assets							
– Investment in associates	-	-	-	-	-	2,438,369	2,438,369
– Other financial assets	-	-	-	-	-	2,172,045	2,172,045
– Other nonfinancial receivables	3,494,076	1,922,612	3,119,395	20,273,924	1,020,250	478,666	30,308,923
– Other financial receivables	-	-	-	-	-	46,502	46,502
– Deferred tax assets	-	-	-	-	-	29,506	29,506
Total nonoperating assets	3,494,076	1,922,612	3,119,395	20,273,924	1,020,250	5,165,088	34,995,345
Operating assets	20,677,250	96,334,038	19,905,980	1,730,578	5,586,198	6,765,010	150,999,053
Total assets	**24,171,326**	**98,256,650**	**23,025,375**	**22,004,502**	**6,606,447**	**11,930,098**	**185,994,398**
Nonoperating liabilities							
– Interest-bearing debts and borrowings	-	-	-	-	-	952,665	952,665
– Lease liabilities	-	-	-	-	-	919,428	919,428
– Provisions for lawsuits and contingencies	-	-	-	-	-	1,055,726	1,055,726
– Deferred tax liability	-	-	-	-	-	2,162,755	2,162,755
Total nonoperating liabilities	-	-	-	-	-	5,090,574	5,090,574
Operating liabilities	15,571,163	90,903,034	5,736,418	42,190	1,900,740	3,704,708	117,858,253
Total liabilities	**15,571,163**	**90,903,034**	**5,736,418**	**42,190**	**1,900,740**	**8,795,282**	**122,948,827**

MIRGOR S.A.C.I.F.I.A.

Assets and liabilites per segment	Automotive	Consumer electronics and mobile phones	Retail	Farming	Services	Not attributable to a specific business segment	Segments consolidated total
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
As of December 31, 2021							
Nonoperating assets							
– Investment in associates	-	-	-	-	-	3,950,207	3,950,207
– Other financial assets	-	-	-	-	-	2,921,627	2,921,627
– Other nonfinancial receivables	1,958,712	2,404,019	2,652,723	8,850,331	-	69,405	15,935,190
– Deferred tax assets	-	-	-	-	-	22,734	22,734
Total nonoperating assets	1,958,712	2,404,019	2,652,723	8,850,331	-	6,963,973	22,829,758
Operating assets	7,690,883	100,904,627	6,057,008	-	-	5,092,400	119,744,918
Total assets	9,649,595	103,308,646	8,709,731	8,850,331	-	12,056,373	142,574,676
Nonoperating liabilities							
– Interest-bearing debts and borrowings	-	-	-	-	-	184,429	184,429
– Lease liabilities	-	-	-	-	-	1,048,159	1,048,159
– Provisions for lawsuits and contingencies	-	-	-	-	-	788,640	788,640
– Deferred tax liability	-	-	-	-	-	348,784	348,784
Total nonoperating liabilities	-	-	-	-	-	2,370,012	2,370,012
Operating liabilities	9,167,308	60,958,653	11,147,498	2,632,077	-	71,726	83,977,262
Total liabilities	**9,167,308**	**60,958,653**	**11,147,498**	**2,632,077**	**-**	**2,441,738**	**86,347,274**

5. REVENUES FROM ORDINARY ACTIVITIES

	12.31.2022 ARS 000	12.31.2021 ARS 000
Sale of goods	298,628,004	287,656,979
Sale of services	2,835,957	-
Export of assets	24,145,575	20,914,184
Export rebates	1,820	4,568
Lease profit	11,565	51,246
Total revenue from ordinary activities	**325,622,921**	**308,626,977**

6. COST OF GOODS SOLD AND SERVICES RENDERED

	12.31.2022 ARS 000	12.31.2021 ARS 000
Inventories at beginning of year (*)	29,435,646	32,952,132
Purchases for the year	288,238,715	269,238,743
Operating expenses and services - Note 7	32,157,507	30,971,853
Export duties	3,987,652	4,071,485
Creation of the allowance for inventories obsolescence and impairment in value. Note 14	2,288,793	1,485,053
Use of the allowance for inventories obsolescence and impairment in value. Note 14	(1,864,668)	(1,916,386)
Stock at end of year (*)	(51,097,300)	(29,435,646)
Cost of goods sold and services rendered	**303,146,345**	**307,367,234**

(*) Not including raw material in transit or the allowance for impairment in value and obsolescence of inventories (Note 14).

7. OPERATING, ADMINISTRATIVE AND SELLING EXPENSES

Account	12/31/2022 Operating expenses and services	12/31/2022 Administrative expenses	12/31/2022 Selling expenses	12/31/2022 Total	12/31/2021 Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Salaries & wages	15,286,828	6,290,162	3,193,373	24,770,363	21,990,066
Contributions and employee benefits	4,275,369	2,114,061	934,094	7,323,524	7,046,066
Insurance	291,985	321,065	558,098	1,171,148	1,178,158
Fees	493,314	2,072,486	689,329	3,255,129	2,776,801
Services, taxes, assessments and contributions	4,535,707	587,173	11,461,881	16,584,761	12,710,851
Advertising expenses	-	-	3,322,856	3,322,856	2,146,779
Credit card commissions	-	-	2,026,131	2,026,131	1,111,233
Bank expenses and tax on bank account transactions	14,653	2,016,186	558,381	2,589,220	2,520,474
Intangible assets amortization	107,905	220,986	306,613	635,504	113,745
PP&E and investment Facilities depreciations	2,482,643	194,327	1,036,487	3,713,457	3,675,763
Leases and logistics services	899,454	450,498	1,000,200	2,350,152	1,415,880
Customs clearing and dispatch expenses	275,607	-	941,941	1,217,548	1,168,035
Maintenance	655,507	223,869	131,712	1,011,088	1,118,930
Traveling and living expenses	15,926	261,151	57,270	334,347	257,771
Transportation, shipping and handling	1,718,574	-	2,929,059	4,647,633	4,712,618
Cleaning and surveillance expenses	762,487	48,233	643,746	1,454,466	1,005,536
Allowance for doubtful accounts	-	-	1,888,578	1,888,578	3,725,790
Contingencies	-	566,112	23,268	589,380	78,790
Miscellaneous	341,548	543,578	322,066	1,207,192	1,509,145
Total 12 months as of 12/31/2022	**32,157,507**	**15,909,887**	**32,025,083**	**80,092,477**	
Total 12 months as of 12/31/2021	**30,971,853**	**14,164,562**	**25,126,016**		**70,262,431**

8. OTHER INCOME AND EXPENSES

8.1. Other operating profit

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Foreign exchange difference	17,665,935	5,263,653
Miscellaneous	1,299,211	250,432
Total other operating profit	**18,965,146**	**5,514,085**

8.2. Other operating expenses

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Foreign exchange difference	(47,931,829)	(15,548,407)
Impairment of intangible assets	-	(103,889)
Total other operating expenses	**(47,931,829)**	**(15,652,296)**

8.3. Finance costs

	12.31.2022 ARS 000	12.31.2021 ARS 000
Interest	(8,341,453)	(5,670,280)
Foreign exchange difference and net present value	(2,515,919)	(1,612,778)
Miscellaneous	(800)	(4,007)
Total finance costs	**(10,858,172)**	**(7,287,065)**

8.4. Finance income

	12.31.2022 ARS 000	12.31.2021 ARS 000
Profit on short-term deposits	8,148,179	5,892,365
Interest	474,789	1,476,912
Foreign exchange difference and net present value	1,712,124	801,720
Total finance income	**10,335,092**	**8,170,997**

8.5. Other expense, net

	12.31.2022 ARS 000	12.31.2021 ARS 000
Profit (loss) on sale of PP&E	(115,923)	24,316
Loss from financial restructuring	-	(551,054)
Severance payments	(552,533)	(858,594)
Profit from sales of investment properties	12,868	-
Miscellaneous	(550,660)	596,017
Total other expense, net	**(1,206,248)**	**(789,315)**

9. INCOME TAX

Mirgor Group calculated the current and deferred income tax charge for the year ended December 31, 2022, by applying to pre-tax profit the effective tax rate applicable to expected pre-tax profit.

On September 16, 2021, the Executive enacted Law No. 27,630, which introduces changes in corporate income tax rate effective for fiscal years beginning January 1, 2021. These are the most important changes:

(a) It establishes tax payment based on a structure of gradual rates according to the level of each company's net accumulated taxable profit. The scale to be applied consists of three segments with the scope detailed below:

Net accumulated taxable income				
From ARS	**To ARS**	**ARS payable**	**Plus %**	**On the excess of ARS**
-	7,604,949	-	25%	-
7,604,949	76,049,486	1,901,237	30%	7,604,949
76,049,486	Onwards	22,434,598	35%	76,049,486

(b) The amounts set in the scale will be adjusted annually as from January 1, 2022, considering the annual changes in the IPC provided by the INDEC for October of the year prior to the adjustment in connection with the same month of the previous year.

(c) The company that remits earnings to its head office should pay an additional 7% rate upon the remittance.

In these financial statements, income tax is assessed in each company using the tax rate applicable to profit for the year; this is, the annual average of the estimated effective tax rate applied to pre-tax profit for the year.

The major components of income tax expense for the years ended December 31, 2022, and 2021, are:

	12.31.2022 **ARS 000**	**12.31.2021** **ARS 000**
Current income tax		
Current income tax charge	(610,343)	(854,250)
Deferred income tax		
Related to the origin and reversal of temporary differences	(1,717,538)	(442,069)
Variation in the allowance for impairment of deferred income tax credit	(89,661)	323,855
Income tax for the year (*)	**(2,417,542)**	**(972,464)**

(*) Including the income tax effect on income (loss) for the year in relation to financial investments and income (loss) from non-promoted activities carried out by certain Group companies.

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A reconciliation between income tax expense and the product of accounting profit multiplied by the tax rate for years ended December 31, 2022, and 2021, is as follows:

	12.31.2022 ARS 000	12.31.2021 ARS 000
Profit before income tax	12,330,505	13,030,611
At the statutory tax rate	(3,699,152)	(3,909,183)
Exempt profit due to activities performed in Tierra del Fuego	1,371,271	2,612,864
Subtotal	(2,327,881)	(1,296,319)
Charge for the allowance for impairment of deferred income tax assets	(89,661)	323,855
Income tax for the year	**(2,417,542)**	**(972,464)**

Deferred income tax

Deferred income tax breaks down as follows:

	12.31.2022 ARS 000	12.31.2021 ARS 000
NOLs to be offset against future taxable income	520,918	99,629
PP&E and investment properties	-	22,103
Valuation of mutual funds	(11,896)	(67,671)
Present value effect	4,817	-
Trade receivables	1,060	-
Deferral of the tax adjustment for inflation	182,242	553,890
Inventories valuation	5,513	-
Severance payments	1,730	-
Allowance for impairment in value of deferred tax asset	(674,878)	(585,217)
Deferred income tax asset	**29,506**	**22,734**
Allowance for impairment in value of inventories	68,636	19,125
NOLs to be offset against future taxable income	61,363	-
PP&E and investment properties	(1,403,452)	(351,337)
Valuation of mutual funds	(28,571)	-
Present value effect	142,332	(3,321)
Trade receivables	13,788	17,415
Deferral of the tax adjustment for inflation	60,764	(2,598)
Inventories valuation	(1,090,223)	(28,068)
Provision for lawsuits	12,608	-
Deferred income tax liabilities	**(2,162,755)**	**(348,784)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority for the same legal entity.

10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the fiscal year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding.

Diluted earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders (after adjusting for interest on the convertible preference shares and other convertible financial instruments that may exist) by the weighted average number of ordinary shares outstanding plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive potential financial instruments, basic and diluted earnings per share coincide.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Total net comprehensive income for the year attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share computations	**9,927,310**	**10,855,583**

	12.31.2022	12.31.2021
	In thousands	**In thousands**
Weighted average number of ordinary shares attributable to basic and diluted earnings per share (in thousands of shares)	**151,060**	**177,660**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting year-end and the date of issuance of these consolidated financial statements.

11. PROPERTY, PLANT AND EQUIPMENT

Changes in cost of acquisition and accumulated depreciation as of December 31, 2022

	12.31.2022					
	Acquisition cost					
Main account	**At beginning of year**	**Additions (1)**	**Acquisitions (2)**	**Disposals**	**Transfers**	**At end of year**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Plots of land	130,691	319,224	2,716,812	(76,100)	-	3,090,627
Buildings and construction	10,467,702	667,908	590,045	(492,460)	917,859	12,151,054
Machinery, equipment and tools	19,635,458	706,622	1,319,144	(3,128)	429,139	22,087,235
Vehicles	187,502	76,644	22,680	(45,909)	-	240,917
Furniture and office supplies	1,634,586	10,466	13,853	(49,196)	(7,202)	1,602,507
Fixtures	2,606,142	1,281,382	157,597	(210,698)	564,347	4,398,770
Die-stamping	1,338,987	-	-	(676,458)	-	662,529
Computer hardware	2,381,135	8,613	5,844	(58,648)	(47,449)	2,289,495
Works in process	5,935,999	8,278,980	-	(343,534)	(1,856,694)	12,014,751
Rights to use real property	2,647,972	944,563	-	-	-	3,592,535
PP&E impairment	-	-	-	-	-	-
	46,966,174	**12,294,402**	**4,825,975**	**(1,956,131)**	**-**	**62,130,420**

	12.31.2022						
	Depreciation						
Main account	**At beginning of year**	**Average rate**	**Acquisitions (2)**	**Disposals**	**Charge for the year**	**At end of year**	**Residual value**
	ARS 000		**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Plots of land	-	-	-	-	-	-	3,090,627
Buildings and construction	2,984,215	2%	258,624	(276,593)	271,365	3,237,611	8,913,443
Machinery, equipment and tools	16,538,999	10%	1,296,380	-	2,049,173	19,884,552	2,202,683
Vehicles	159,592	20%	22,680	(45,909)	16,833	153,196	87,721
Furniture and office supplies	1,228,176	20%	10,698	(41,894)	170,906	1,367,886	234,621
Fixtures	2,236,943	25%	151,769	(210,698)	325,989	2,504,003	1,894,767
Die-stamping	1,335,720	20%	-	(673,433)	144	662,431	98
Computer hardware	2,213,828	20%	5,844	(49,987)	48,924	2,218,609	70,886
Works in process	-	-	-	-	-	-	12,014,751
Rights to use real property	1,490,314	20%	-	(161,595)	828,624	2,157,343	1,435,192
PP&E impairment	1,260,805	-	-	-	-	1,260,805	(1,260,805)
	29,448,592		**1,745,995**	**(1,460,109)**	**3,711,958**	**33,446,436**	**28,683,984**

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.
(2) Related to the amounts at beginning of year of the companies A-Novo Uruguay S.A. and Ontec Fortinox S.A.U. (note 23).

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Changes in cost of acquisition and accumulated depreciation as of December 31, 2021

	12.31.2021				
	Acquisition cost				
Main account	At beginning of year	Additions (1)	Disposals	Transfers	At end of year
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	132,035	-	(1,344)	-	130,691
Buildings and construction	10,418,071	51,022	(1,391)	-	10,467,702
Machinery, equipment and tools	18,609,169	1,142,719	(116,430)	-	19,635,458
Vehicles	195,048	-	(7,546)	-	187,502
Furniture and office supplies	1,358,532	239,824	36,230	-	1,634,586
Fixtures	2,502,524	75,229	28,389	-	2,606,142
Die-stamping	1,343,502	-	(4,515)	-	1,338,987
Computer hardware	2,415,231	117,819	(151,915)	-	2,381,135
Works in process	1,915,308	4,723,415	(702,724)	-	5,935,999
Rights to use real property	2,136,051	709,073	(197,152)	-	2,647,972
PP&E impairment	-	-	-	-	-
	41,025,471	**7,059,101**	**(1,118,398)**	**-**	**46,966,174**

	12/31/2021					
	Depreciation					
Main account	At beginning of year	Average rate	Disposals	Charge for the year (2)	At end of year	Residual value
	ARS 000		ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	-	-	-	-	-	130,691
Buildings and construction	2,676,745	2%	(699)	308,169	2,984,215	7,483,487
Machinery, equipment and tools	14,670,173	10%	(450,126)	2,318,952	16,538,999	3,096,459
Vehicles	148,288	20%	(4,211)	15,515	159,592	27,910
Furniture and office supplies	1,111,262	20%	(43,525)	160,439	1,228,176	406,410
Fixtures	1,994,567	25%	(179)	242,555	2,236,943	369,199
Die-stamping	1,340,154	20%	(4,566)	132	1,335,720	3,267
Computer hardware	2,164,818	20%	(184,286)	233,296	2,213,828	167,307
Works in process	-	-	-	-	-	5,935,999
Rights to use real property	878,667	20%	(214,687)	826,334	1,490,314	1,157,658
PP&E impairment	1,260,805	-	-	-	1,260,805	(1,260,805)
	26,245,479		**(902,279)**	**4,105,392**	**29,448,592**	**17,517,582**

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.
(2) 3,666,772 charged to operating expenses for the year (note7) and 438,620 charged to Other income (note 8).

Signed for identification purposes
with the report dated 03/09/2023
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.RL.
C.P.C.E.T.F. Cámara Río Grande. Vol. I Fo. 3

MIRGOR S.A.C.I.F.I.A.

KARÉN GRIGORIAN (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. ROBERTO G. VAZQUEZ
Chairperson

12. INVESTMENT PROPERTY

Changes in cost of acquisition and accumulated depreciation as of December 31, 2022

	12.31.2022								
	Acquisition cost			Depreciation					
Main account	At beginning of year	Disposals	At end of year	At beginning of year	Average rate	Disposals	Charges for the year	At end of year	Residual value
	ARS 000	ARS 000	ARS 000	ARS 000		ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	76,096	(76,096)	-	-	-	-	-	-	-
Buildings and construction	449,499	(449,499)	-	232,237	2%	(233,736)	1,499	-	-
Total	**525,595**	**(525,595)**	**-**	**232,237**		**(233,736)**	**1,499**	**-**	**-**

Changes in cost of acquisition and accumulated depreciation as of December 31, 2021

	12.31.2021								
	Acquisition cost			Depreciation					
Main account	At beginning of year	Disposals	At end of year	At beginning of year	Average rate	Disposals	Charges for the year	At end of year	Residual value
	ARS 000	ARS 000	ARS 000	ARS 000		ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	76,096	-	76,096	-	-	-	-	-	76,096
Buildings and construction	449,499	-	449,499	223,246	2%	-	8,991	232,237	217,262
Total	**525,595**	**-**	**525,595**	**223,246**		**-**	**8,991**	**232,237**	**293,358**

Net profit from on investment properties delivered under operating leases for the fiscal years ended December 31, 2022, and 2021, were as follows:

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Profit from leases on investment properties	11,565	51,246
Operating expenses (including repair and maintenance) related to leased investment properties	(18,155)	(92,398)
Finance loss arising from investment properties	(50,125)	-
Profit from disposals of investment properties	21,595	-
Subtotal	**(35,120)**	**(41,152)**
Income tax	(698)	734
Net loss arising from investment properties	**(35,818)**	**(40,418)**

As of December 31, 2021, investment properties were measured as described in note 2.4. to these consolidated financial statements.

13. INTANGIBLES ASSETS

Changes in cost of acquisition and accumulated amortization

	Software, agreements, patents and licenses	Goodwill	Total
	ARS 000	**ARS 000**	**ARS 000**
Acquisition cost			
As of January 1, 2021	2,335,095	928,014	3,263,109
Additions for the year	157,091	-	157,091
Disposals for the year	(1,002,747)	(928,014)	(1,930,761)
Transfers	11,536	-	11,536
Impairment of intangible assets	(103,889)	-	(103,889)
As of December 31, 2021	**1,397,086**	**-**	**1,397,086**
Additions for the year	1,318,820	-	1,318,820
Disposals for the year	(31,867)	-	(31,867)
As of December 31, 2022	**2,684,039**	**-**	**2,684,039**
Amortization and impairment in value			
As of January 1, 2021	2,007,463	924,888	2,932,351
Disposals for the year	(915,998)	(924,888)	(1,840,886)
Amortization charge for the year	113,745	-	113,745
As of December 31, 2021	**1,205,210**	**-**	**1,205,210**
Amortization charge for the year	635,504	-	635,504
As of December 31, 2022	**1,840,714**	**-**	**1,840,714**
Residual value			
As of December 31, 2021	**191,876**	**-**	**191,876**
As of December 31, 2022	**843,325**	**-**	**843,325**

14. INVENTORIES

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Raw materials	30,326,675	21,019,994
Finished goods	19,463,322	8,369,548
Merchandise	1,307,303	46,104
Subtotal	51,097,300	29,435,646
Raw material in transit	9,382,855	24,386,702
Allowance for obsolescence and impairment of inventories	(1,238,818)	(814,693)
	59,241,337	**53,007,655**

The changes in the allowance for inventories impairment and obsolescence as of December 31, 2022, and 2021, as detailed below, have been included in cost of goods sold and services provided in the statement of comprehensive income:

	12.31.2022 ARS 000	12.31.2021 ARS 000
At beginning of year	**(814,693)**	**(1,246,026)**
Increase (1)	(2,288,793)	(1,485,053)
Use (1) (2)	1,864,668	1,916,386
At end of year	**(1,238,818)**	**(814,693)**

(1) Charged to the “Cost of sale of goods and services rendered” account within the statement of comprehensive income.
(2) Use for its specific purpose and effect for the gain (loss) on exposure to changes in the currency purchasing power.

15. FINANCIAL ASSETS AND LIABILITIES

15.1. Trade and other receivables

	12.31.2022 ARS 000	12.31.2021 ARS 000
Current		
Trade receivables	57,025,783	35,970,673
Trade receivables of associates – Nota 18	4	107
Allowance for impairment of doubtful accounts (1)	(4,546,551)	(5,373,715)
	52,479,236	**30,597,065**

(1) The variations are described in note 15.10.

Trade payables are noninterest bearing and their average collection term is generally from 30 to 120 days. The information on the objectives and policies related to Mirgor Group’s credit risk management is included in note 19.2.

Below is a breakdown of trade receivables by due date:

Breakdown by due date

				Past due				
	Total	**Without due date**	**To fall due**	**<30 days**	**30 - 60 days**	**61 - 90 days**	**90 - 120 days**	**> 120 days**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
12.31.2022	52,479,236	4	49,014,889	3,464,343	-	-	-	-
12.31.2021	30,597,065	107	21,183,695	6,234,258	1,026,293	128,349	2,024,362	-

15.2. Trade and other payables

	12.31.2022 ARS 000	12.31.2021 ARS 000
Noncurrent		
Other accounts payable	780,062	126,522
	780,062	**126,522**

	12.31.2022 ARS 000	12.31.2021 ARS 000
Current		
Trade payables	102,364,154	69,806,361
Salaries & wages and payroll taxes payable	4,137,080	6,939,092
Annual statutory bonus and vacation accrual	879,951	764,281
Income tax accrual, net	1,430,544	483,407
Health and safety assessment	380,688	303,490
Turnover tax payable and withholdings/additional withholdings to be deposited	599,115	639,187
Value-added tax payables and withholdings/additional withholdings to be deposited	170,410	233,578
Excise taxes payable	995,184	960,087
Other liabilities related to restructuring	1,692,146	1,132,865
Other taxes payable	3,638,145	1,285,181
Customer prepayments	79,008	629,024
Other accounts payable	647,551	630,974
Royalties payable	13,848	14,991
Directors' fees payable	21,309	27,830
	117,049,133	**83,850,348**

Terms and conditions of the above liabilities: (i) trade payables are non-interest bearing and are normally settled on 150-day terms; (ii) the other trade payables are non-interest bearing and are normally settled on 30-day terms.

The information on the objectives and policies related to Mirgor Group's liquidity risk management is included in Note 19.3.

15.3. Interest-bearing debts and borrowings

	12.31.2022 ARS 000	12.31.2021 ARS 000
Noncurrent		
Bank loans in foreign currency	-	14,173
Total interest-bearing noncurrent debts and borrowings	**-**	**14,173**

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Current		
Bank loans in local currency	19,413	14,352
Bank loans in foreign currency	933,252	155,904
Total interest-bearing noncurrent debts and borrowings	**952,665**	**170,256**

15.4. Lease payables

The right-to-use amounts and lease payables are as follows:

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Right-of-use assets	1,435,192	1,157,658
Lease payables	919,428	1,048,159

For further information on the changes in right-to-use assets for the year ended December 31, 2022, and 2021, please refer to note 11. Below is a breakdown of lease payables for the abovementioned fiscal years.

	12.31.2022	12.31.2021
	ARS 000	ARS 000
At beginning of year	1,048,159	1,289,948
Finance costs - present value	(260,351)	(72,779)
Finance costs - Foreign exchange difference	252,191	163,426
Additions	1,180,209	995,516
Decreases (1)	(1,300,780)	(1,327,952)
At end of year	**919,428**	**1,048,159**

(1) Including the effects of the restatement for inflation of balances at beginning, deletions and payments for the year.

15.5. Provisions for lawsuits and contingencies

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Noncurrent		
Provisions for lawsuits and contingencies	1,055,726	788,640
Total provisions for lawsuits and contingencies	**1,055,726**	**788,640**

15.6. Other financial assets

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Current		
Debt securities	2,172,045	2,807,274
Mutual guarantee company	-	114,353
	2,172,045	**2,921,627**

15.7. Other financial liabilities

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Current		
Liabilities for forward exchange transactions	29,058	392
	29,058	**392**

15.8. Other financial receivables

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Contributions to be converted into equity	46,502	-
	46,502	**-**

15.9. Cash and short-term deposits

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Cash on hand and in banks	4,013,107	3,971,358
Short-term investments	5,738,064	14,166,024
To the consolidated statement of financial position	**9,751,171**	**18,137,382**

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following as of December 31, 2022, and 2021:

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Cash on hand and in banks	4,013,107	3,971,358
Short-term investments	5,738,064	14,166,024
To the consolidated statements of cash flows	**9,751,171**	**18,137,382**

15.10. Impairment of financial assets

Trade and other receivables

As of December 31, 2022, the value of trade receivables for an original carrying amount of 4,546,551 were impaired and fully booked as allowance. The amounts and changes of the allowance for doubtful accounts are detailed below:

	12.31.2022	12.31.2021
	ARS 000	ARS 000
At beginning of year	**5,373,715**	**3,804,948**
(Loss) on exposure to change in currency purchasing power	(2,615,038)	(1,284,141)
Uses	(100,704)	(872,882)
Charge for the year	1,888,578	3,725,790
At end of year	**4,546,551**	**5,373,715**

15.11. Information on fair values

As of December 31, 2022, and 2021, Management estimates that the carrying amounts of financial assets do not differ significantly from their fair values.

Fair value hierarchy

Mirgor Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As of December 31, 2022, Mirgor Group's financial assets measured at fair value were categorized within Level 1, according to the previous description.

Hedging operations

It is Mirgor Group's policy to recognize financial instruments as they are considered to be insignificant. During the years ended December 31, 2022, and 2021, agreements were signed to cover the potential devaluation of the Argentine peso in the amount of about USD 431,000,000 and USD 338,000,000, respectively, since Mirgor Group carries significant payables in foreign currency to industrial suppliers abroad.

As of December 31, 2022, and 2021, the amount payable disclosed under "Other financial liabilities" is 29,058 and 392, respectively. They are related to Mirgor Group's industrial activity and were booked at market value and as described in note 2.4 to these consolidated financial statements.

In the fiscal years ended December 31, 2022, and 2021, profit (loss) for these transactions amounted to ARS 1,649,014 (loss) and ARS 1,375,135 (loss), respectively, and was disclosed in "Foreign exchange differences" under "Other operating expenses".

15.12. Changes in liabilities from financing activities

			Changes other than cash		
	12.31.2021	Variation (1)	Foreign exchange difference	Accrued interest	12.31.2022
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Bank loans	184,429	700,136	29,709	38,391	952,665
Lease liabilities	1,048,159	(380,922)	252,191	-	919,428

	12.31.2020	Variation (1)	Changes other than cash: Foreign exchange difference	Changes other than cash: Accrued interest	12.31.2021
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Bank loans	413,297	(296,789)	50,099	17,822	184,429
Lease liabilities	1,289,948	(405,215)	163,426	-	1,048,159

(1) Net of gain (loss) on exposure to the change in currency purchasing power.

15.13. Consolidated assets and liabilities in foreign currency

Mirgor Group's consolidated assets and liabilities in foreign currency as of December 31, 2022, and 2021, break down as follows (the respective amounts in foreign currency and the equivalent amounts translated into the presentation currency are presented):

Item	Amounts in thousands and currency		Effective exchange rate	12.31.2022	12.31.2021
				ARS 000	ARS 000
ASSETS					
Current assets					
Cash on hand and in banks					
Cash	USD	1,718	176.96	303,979	7,139
Cash in banks	USD	12,526	176.96	2,216,628	3,584,635
				2,520,607	**3,591,774**
Short-term investments					
Placement of certificates of deposit	USD	1,875	176.96	331,724	-
				331,724	**-**
Trade and other receivables					
Trade receivables	EUR	547	189.25	103,452	90,561
	USD	179,641	176.96	31,789,208	12,867,588
				31,892,660	**12,958,149**
Other nonfinancial receivables					
Prepayments to suppliers for the purchase of goods	EUR				
	USD	1,792	189.91	340,345	136,250
		86,995	177.16	15,412,057	7,695,318
Funds delivered as security	USD	2,996	177.16	530,770	378,931
				16,283,172	**8,210,499**
Reimbursements receivable	USD	4	176.96	741	-
				741	**-**
Insurance to be accrued	USD	1,003	177.16	177,755	152
				177,755	**152**
Total current assets				**51,206,659**	**24,760,574**
Total assets				**51,206,659**	**24,760,574**

MIRGOR S.A.C.I.F.I.A.

Item	Amounts in thousands and currency		Effective exchange rate	12.31.2022	12.31.2021
				ARS 000	ARS 000
LIABILITIES					
Current liabilities					
Interest-bearing payables and loans					
Bank loans	USD	-	177.16	-	155,904
Import financing	USD	5,268	177.16	933,252	-
Lease liabilities	USD	613	177.16	108,537	117,330
				1,041,789	**273,234**
Trade and other payables					
Trade payables	USD	531,284	177.16	94,122,212	52,963,076
	EUR	1,284	189.91	243,862	4,903,948
	BRL	739	35.20	26,013	52,016
	JPY	1,933	1.35	2,617	3,169
				94,394,704	**57,922,209**
Customer prepayments	USD	6	177.16	1,096	8,456
				1,096	**8,456**
Royalties payable	EUR	73	189.91	13,848	14,991
				13,848	**14,991**
Other accounts payable	USD	1,030	177.16	182,514	36,296
				182,514	**36,296**
Total current liabilities				**95,633,951**	**58,255,186**
Noncurrent liabilities					
Interest-bearing debts and borrowings					
Bank loans	USD	-	177.16	-	14,173
Lease liabilities	USD	1,061	177.16	187,922	490,931
				187,922	**505,104**
Trade and other payables					
Other accounts payable	USD	4,403	177.16	780,062	-
				780,062	**-**
Total current liabilities				**967,984**	**505,104**
Total liabilities				**96,601,935**	**58,760,290**

References:
EUR: Euro
JPY: Yen
USD: US dollar
BRL: Brazilian real

The breakdown above includes the amounts arising from transactions in foreign currency as well as amounts arising from transactions conducted in Argentine pesos which will be collected/settled by applying the original nominal value in foreign currency (assessed at the effective exchange rate as of the date when the instrument was issued in pesos) to the value of the respective currency as of the collection/settlement date.

Receivables and payables in foreign currency, including the abovementioned amounts, were calculated in accordance with the parameters stated in the paragraph above, calculating the current values, provided their effects were significant. These amounts were converted into Argentine pesos at the exchange rate effective as of the year-end for the settlement of the related transactions. Foreign exchange differences were charged to profit or loss for each year.

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16. OTHER NONFINANCIAL RECEIVABLES

	12.31.2022 ARS 000	12.31.2021 ARS 000
Noncurrent		
Loans and advances to personnel	45,491	64,445
Turnover tax withholdings and additional withholdings	645,968	1,993,745
Payroll taxes to be recovered	1,358	4
Miscellaneous	1,646	6,676
Allowance for impairment of tax credits	(621,651)	(1,804,496)
	72,812	**260,374**

	12.31.2022 ARS 000	12.31.2021 ARS 000
Current		
Prepayments to suppliers for the purchase of goods	17,254,650	8,358,252
Prepayments to suppliers for the purchase of PP&E	-	651,373
Turnover tax withholdings and additional withholdings	1,090,239	591,213
Income tax balance in favor and withholdings	1,268,816	1,029,151
Loans and advances to personnel	110,247	126,169
Funds delivered as security - Note 19.5	530,770	378,931
Insurance to be accrued	230,180	598,124
VAT balance in favor	3,442,056	2,995,113
Prepayment of export duties	5,986,112	1,491,948
Miscellaneous	323,041	123,816
Allowance for impairment of tax credits	-	(669,274)
	30,236,111	**15,674,816**

17. CAPITAL STOCK

17.1. Authorized, issued, subscribed, paid-in and registered capital

	12.31.2022 In thousands	12.31.2021 In thousands
Authorized ordinary shares		
Ordinary shares at ARS 0.10 per share	180,000	180,000
	180,000	**180,000**

	In thousands	ARS 000
Issued, subscribed, paid-in and registered ordinary shares		
December 31, 2022	**180,000**	**18,000**
December 31, 2021	**180,000**	**18,000**

The issued, subscribed, registered and paid-in capital of 18,000 is registered with the Public Registry of Commerce.

For information on the restriction to the distribution of earnings, see note 21.

18. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties for the relevant fiscal year:

		Trade and other receivables
		ARS 000
Parent company:		
Il Tevere S.A.	12.31.2022	4
	12.31.2021	107

Main parent company

Parent company: Il Tevere S.A.
Registered office: Beauvoir 17, piso 1 – Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands.
Main activity: Holding company.
Percentage of voting rights: 62,88%
Percentage of shares: 49,65%.

Terms and conditions of transactions with related parties

Balances at year-end with related parties are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables.

Balances were booked at nominal value because they have no agreed-upon settlement term. For the year ended December 31, 2022, Mirgor Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at the end of each reporting year by examining the financial position of the related party and the market in which the related party operates.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial liabilities of the Group are trade and other payables. In addition, the Group carries financial payables with several banks to address payables to foreign suppliers (import financing).

The main purpose to maintain and increase trade payables is to develop a sustainable short- and middle-term business model, and support investments to continue expanding the Group's businesses. Mirgor Group has trade and other receivables, and cash that arrive directly from its operations. Mirgor Group entered into hedging transactions during this year to reduce the potential risk of a devaluation of the Argentine peso. However, the Group does not apply hedge accounting.

Due to the nature of its operations, Mirgor Group is exposed to market risk, credit risk and liquidity risk.

Mirgor Group’s senior management oversees the management of these risks. For this purpose, senior management is supported by Management, which advises on those risks and the most appropriate financial risk governance framework. Management provides assurance to Mirgor Group’s senior management that the financial risk-taking activities are governed by appropriate corporate policies and procedures and that those financial risks are identified, measured and managed in accordance with corporate policies and its risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

19.1.Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks applicable to Mirgor Group comprise interest rate risk and currency risk. Financial instruments affected by market risk include interest-bearing loans and borrowings, cash deposits, and trade and other receivables.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Mirgor Group’s exposure to the risk of changes in foreign exchange rates relates to its operating activities (when revenue or expense is denominated in a different currency from the functional currency of Mirgor Group and its subsidiaries.)

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of Mirgor Group’s profit before tax.

	Changes in foreign exchange rate	**Effect on comprehensive income before tax**
12.31.2022	(11%)	4,533,852
	11%	(4,533,852)

Mirgor Group’s Management estimates that the market value of inventories, particularly those of the electronic consumer goods segment, is directly affected by the fluctuations in foreign exchange rates; therefore, they help mitigate the exposure to the risk of fluctuations in foreign exchange rates.

19.2.Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. Mirgor Group is exposed to credit risk from its operating activities, primarily for trade receivables. However, Mirgor Group’s Management understands that, as of the date of these consolidated financial statements, the credit risk is properly covered by the related allowances and the rest of the customer portfolio of Mirgor Group is made up of companies with strong financial performance.

Trade and other receivables

The Finance Management is in charge of managing customer credit risk subject to policies, procedures and controls relating to Mirgor Group's credit risk management. Customer receivables are regularly monitored. Note the following concentration of credit risk by business:

Automotive segment: in its usual course of business Mirgor S.A.C.I.F.I.A. grants credit to customers, including car manufacturers that concentrate about 99% of the Company's total sales revenues for fiscal year ended December 31, 2022.

Electronic consumer goods segments: The sales of IATEC S.A. and Brightstar Fueguina S.A. of TV sets and mobile phone equipment are mainly sold through retailer chains and the main telecommunication companies in Argentina and are related to the international brands Samsung and residua transactions of the LG brand.

The maximum credit risk does not differ significantly from the receivable amounts included in the consolidated statement of financial position. The need of booking an impairment was assessed as of each reporting year-end, on an individual basis, for the major customers. Management estimates that the related allowance booked as of December 31, 2022, is sufficient to cover the credit risks that will probably be materialized.

Cash

Credit risk from balances with banks and financial institutions is managed by Mirgor Group's Finance Management in accordance with corporate policy. Investments of surplus funds are made only with approved counterparties; in this case, the risk is limited because high-credit-rating banks are involved.

19.3. Liquidity risk

Mirgor Group manages is liquidity to guarantee the funds required to support its business strategy. Short-term financing needs related to seasonal working capital increases are covered through short- and medium-term bank credit lines.

The table below summarizes the maturity profile of financial liabilities related to Mirgor Group based on the undiscounted amounts arising from the respective agreements:

December 31, 2022	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Interest-bearing payables and loans	-	-	952,665	-	952,665
Lease liabilities	-	-	488,727	-	488,727
Trade and other payables	8,466,261	79,984,419	28,535,897	842,618	117,829,195
	8,466,261	**79,984,419**	**29,977,289**	**842,618**	**119,270,587**

As of December 31, 2021	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**Total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Interest-bearing debts and borrowings	-	-	170,256	-	170,256
Lease liabilities	-	-	568,586	-	568,586
Trade and other payables	6,610,445	55,346,706	21,422,076	597,643	83,976,870
	6,610,445	**55,346,706**	**22,160,918**	**597,643**	**84,715,712**

19.4. Capital management

The objective of the Mirgor Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

Mirgor Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. During the year ended December 31, 2021, no changes were made in the objectives, policies or processes for managing capital.

Mirgor Group manages capital using a gearing ratio, which is net debt divided by total capital plus net debt. Mirgor Group includes in the net debt interest-bearing loans and trade payables, less cash and cash equivalents.

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Interest-bearing payables and loans	952,665	170,256
Lease liabilities	488,727	568,586
Trade payables	102,364,154	69,806,361
Less: Cash on hand and in banks	(9,751,171)	(18,137,382)
Net debt	**94,054,375**	**52,407,821**
Equity	63,045,571	56,227,402
Total capital	63,045,571	56,227,402
Total capital and net debt	**157,099,946**	**108,635,223**
Indebtedness ratio	**60%**	**48%**

19.5. Guarantees granted

On March 11, 2014, IATEC S.A. accepted an offer from the firm Samsung Electronics Co. Ltd. to manufacture mobile cellular radio communication devices under the "Samsung" brand at the plant in Río Grande, Tierra del Fuego. Under such agreement, the Company will jointly and severally secure IATEC S.A.'s obligations with Samsung Electronics Co. Ltd.

On June 2, 2014, IATEC S.A. made an offer to Pioneer do Brasil Ltd. to manufacture electronic products for automobiles under the "Pioneer" brand at its plant in Río Grande, Tierra del Fuego. The Company will jointly and severally secure IATEC S.A.'s obligations with Pioneer do Brasil Ltd.

In 2017, the company IATEC S.A. granted a joint and several bond for a real estate lease in favor of its subsidiary GMRA S.A.

In October 2016, Famar Fueguina posted as security for the loans received from Banco de Tierra del Fuego its own real property identified as lot of land 1, section 145, subsection E, City of Río Grande.

On November 27, 2017, the subsidiary Electrotécnica S.A.C.I.I.E. (absorbed by GMRA S.A. on January 1, 2021) decided to deliver as security the real property located in Rodney 70, City of Buenos Aires, to subsidiary Famar Fueguina for a loan from Banco de la Ciudad de Buenos Aires with mortgage loan.

On July 24, 2020, Interclima S.A. (absorbed by Mirgor S.A.C.I.F.I.A. on January 1, 2021) made a security deposit to Montaplast GMBH, ensuring such company transactions with the parent Mirgor S.A.C.I.F.I.A.

On July 24, 2020, Interclima S.A. made a security deposit to Montaplast GMBH, ensuring such company transactions with the parent Mirgor S.A.C.I.F.I.A.

On October 5, 2021, Mirgor Internacional S.A. made a security deposit to A. Raymond Gmbh & Co KG, ensuring such company transactions with Mirgor S.A.C.I.F.I.A.

On February 17, 2022, Mirgor Internacional S.A. made a security deposit to ATX Hardware GmbH West, ensuring such company transactions with Mirgor S.A.C.I.F.I.A.

On April 6, 2022, Mirgor Internacional S.A. made a security deposit to ATX Hardware GmbH West, ensuring such company transactions with IATEC S.A.

On September 12, 2022, Mirgor Internacional S.A. made a security deposit to SIIX Corporation, ensuring such company transactions with Famar Fueguina S.A.

On December 7, 2022, Mirgor Internacional S.A. made a security deposit to Torquetools S.L., ensuring such company transactions with Mirgor S.A.C.I.F.I.A.

20. INTERESTS IN ASSOCIATES

As of December 31,2022, investments are related to the equity in CIAPEX S.A.

CIAPEX S.A. was organized in Buenos Aires City on July 27, 2012, through an agreement signed with other companies based in Tierra del Fuego engaged in manufacturing electronic products and domestic appliances whereby they undertook to create CIAPEXSA guarantee trust to channel monthly contributions assessed on the basis of the imports made. The contributions were earmarked for CIAPEX S.A., a company which purpose will be to foster and finance production projects for exports and/or import substitution.

Moreover, the company CIAPEX S.A., through its parent company CIMINAS S.A., has made contributions to the company Minera Don Nicolás S.A., which is mainly engaged in exploiting mining fields. The latter has capitalized all exploration and development costs related to the areas over which it has mining rights, which will be charged to profit as oilfield operation is conducted.

On March 16, 2020, CIAPEX S.A. and its subsidiary CIMINAS S.A. transferred to Cerrado Gold Inc., a Canadian company based in Ontario, Canada, 100% of the shares of Minera Don Nicolás S.A. Cerrado Gold paid USD 15 million upon accepting the offer that formalizes the agreement and undertook to settle the outstanding balance of the agreed-upon price in three equal and consecutive installments of USD 10 million each, falling due within 24 months, 48 months and 60 months as from the aforementioned date, and an installment of USD 2 million within 36 months as of that same date.

The information on the abovementioned entities as of December 31, 2022, and 2021, is as follows:

Company	Business activity	Equity	Profit for the period	Percentage in the capital stock (1)	Carrying amount as of 12/31/2022	Carrying amount as of 12/31/2021
CIAPEX S.A.	Investment and financing	4,885,518	(1,428,719)	49.91%	2,438,369	3,950,207
Total					**2,438,369**	**3,950,207**

(1) Related to 121,877,748 Class “A” shares, granting one vote each, and 29,218,548 Class “B” shares, granting five votes each. Equity interest: IATEC S.A. 20.96%; Brightstar Fueguina S.A. 28.53% and Mirgor S.A.C.I.F.I.A 0.42%.

21. EARNINGS DISTRIBUTION

Restriction to the distribution of earnings

According to Argentine General Business Association Law No. 19,550, CNV regulations and the Company’s by-laws, 5% of net profit for the year shall be used to increase the statutory reserve until this reserve amounts to 20% of the capital stock. The Company reached the aforementioned limit. This reserve will not be available for dividends.

When dividends are paid in cash or in kind, in excess of taxable profit assessed as provided for in Income Tax Law, such excess shall be subject to a 35% withholding as single and definitive payment. Earnings which are not subject to income tax as a result of the benefits provided by Law No. 19,640 are not subject to equalization tax. The withholding will no longer apply to dividends related to profit accrued for the tax years beginning as from January 1, 2018.

22. MIGOR GROUP´S TAX SITUATION

22.1. Industrial promotion

MIRGOR S.A.C.I.F.I.A.

The Company enjoys the benefits of the Industrial Promotion System provided by Law No. 19,640 as regards the assets and for the activities performed in Tierra del Fuego. Accordingly, the Company is entitled to certain tax and customs duties benefits, which through Presidential Decree No. 1,234/2007, were extended through 2023, and include:

a) Income tax: The earnings attributable to Tierra del Fuego are subject to a 100% income-tax payment exemption under sections 1 and 4(a) of Law No. 19,640.

b) Value-added tax: Company sales in Tierra del Fuego are exempt from this tax, while sales made on the Argentine mainland are subject to VAT at the rate for such tax. Customers are charged for this tax. The computable presumed tax credit is equivalent to the one resulting from applying the rate on 100% of the net sale price to the customer on the mainland, while the actual tax credit originated in the Argentine mainland is not computable.

MIRGOR S.A.C.I.F.I.A.

c) Tax credit certificates: Under Law No. 23,697, the Federal Government suspended the tax benefits during 1989 and 1990. Thus, the Company made payments on account of capital tax and VAT which, under such law, would be reimbursed to the Company through Debt Consolidation Bonds.

DGI (Argentine tax bureau) General Resolution No. 3,838/94 regulated the manner in which the abovementioned bonds would be obtained. On September 17, 1996, the DGI advised the Company of the recognition of an amount in favor of the Company. In addition, the Company recorded a 149 (un-restated historical value) credit related to the reimbursement of VAT to be requested by other procedures.

The Ministry of Economy and Public Services and Works established through Resolution No. 580/96 that the credits against the Federal Government emerging from the suspension of the industrial promotion established in Law No. 23,697 and prior to April 1, 1991, will be settled through the delivery of Debt Consolidation Bonds. On May 19, 1997, the Company was advised that the DGI provisionally recognized the amount indicated above.

d) Customs duties and statistical rate: Not paid by the Company for all the inputs imported and used in its operations in Tierra del Fuego under Law No. 19,640.

Presidential Decree No. 727/2021, published on October 23, 2021, extended the rights and obligations agreed upon under Law No. 19,640 and Presidential Decrees No. 479/95, No. 490/2003 and No. 1234/2007 regulating the industrial promotion in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

This regulation extends the industrial promotion system in the area through December 31, 2038. This term may also be extended for another 15 years as from January 1, 2039, after this decree has been effective for twelve years, provided that Brazil also maintains its own special benefit system in the Manaos free-trade zone.

Besides, through December 31, 2023, companies may submit new industrial projects or update existing ones focused on the production of electronics, components and related technologies, provided that they do not affect production in the Argentine Continental Territory and that it does not involve manufacturing goods that are produced in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

The industrial companies located in the special customs area with projects in the pipeline as of October 23, 2021, have six months as from that date to state their will to join the benefits and obligations under this decree.

The companies that intend to use the benefits introduced by this decree are required to make a monthly contribution equal to 15% of the VAT benefit pursuant to Law No. 19,640.

It also establishes the conclusion of the benefits of the projects that were approved but did not begin activities in the territory as of October 23, 2021. The date for the projects related to the production of goods included in Section XI of the Mercosur (Southern Common Market) Common Nomenclature is extended through December 31, 2023.

IATEC S.A.

The subsidiary IATEC S.A. is included in the system set forth by Presidential Decree No. 490/2003, issued within the framework of Laws No. 19,640 and 25,561, to manufacture TV sets, video recorders and/or players, audio systems, residential and commercial air conditioning systems, microwave ovens, computer screens, radio-communication equipment, mobile and wireless Mobile phone at the industrial plant located in the City of Río Grande, Tierra del Fuego.

MIRGOR S.A.C.I.F.I.A.

Such laws, as amended, provides for promotional benefits for industrial activities involving transformation and assembly processes applied to inputs imported by IATEC S.A. and developed in Tierra del Fuego for sales on the Argentine mainland through December 31, 2023.

The Department of Industry, Commerce and Small- and Medium-Sized Enterprises, of the Ministry of Economy and Production of Argentina, issued Resolution No. 307/2008 and then Resolutions No. 239/2010, 72/2011 and 09/2012, resolving the extension of the project set forth originally by Resolution No. 468/2006 increasing the mobile phone production cap to 4,000,000 units and maintaining the microwave and television production cap at 300,000 and 180,000 units, respectively, also extending the maximum term within which to start up the project and expanding the plant's investment, minimum production and minimum employee headcount requirements. Resolution No. 579/2014 increased the mobile phone annual production cap to 5,000,000 units. Through files SO1:0037863/2015 and SO1:0158883, an increase to 7,000,000 and 400,000 Mobile phone and TV sets was requested, respectively, after meeting the commitments related to investment, working capital and minimum headcount contracted as of the date of these financial statements. Moreover, Resolution No. 579/2014 increased the mobile phone annual production cap to 5,000,000 units.

During the fiscal year ended December 31, 2012, the Department of Industry within the Argentine Ministry of Industry issued Resolution No. 216/2012 allowing IATEC S.A. to manufacture portable computers (notebooks and netbooks), establishing a minimum production of 30,000 units, a production cap of 180,000 units and additional investment and minimum headcount requirements at its industrial plant.

During the fiscal year ended December 31, 2013, the Department of Industry within the Argentine Ministry of Industry issued Resolution No. 307/2013 increasing the quota for video recorder, player and audio system manufacturing, establishing a minimum production of 15,000 units and a production cap of 195,000 units for video recorders and players and 214,000 units for audio systems.

The abovementioned resolutions establish that the promoted project must be carried out through to a total investment of 195,297, out of which 61,097 relate to investments in fixed assets and the rest relates to investments in working capital. IATEC S.A. is partially or totally exempt, as the case may be, from income tax, VAT and customs duties arising from the import of raw materials and the export of finished products from Tierra del Fuego.

Failure to comply with the minimum investment, production and headcount requirements will give rise to the penalties set forth in the abovementioned legislation. The Company's Management understands that there are no breaches of the industrial promotion system.

Presidential Decree No. 727/2021, published on October 23, 2021, extended the rights and obligations agreed upon under Law No. 19,640 and Presidential Decrees No. 479/95, No. 490/2003 and No. 1234/2007 regulating the industrial promotion in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

This regulation extends the industrial promotion system in the area through December 31, 2038. This term may also be extended for another 15 years as from January 1, 2039, after this decree has been effective for twelve years, provided that Brazil also maintains its own special benefit system in the Manaos free-trade zone.

FAMAR FUEGUINA S.A.

The subsidiary FAMAR FUEGUINA S.A. is benefitted by a promotional industrial system that is similar to that of MIRGOR S.A.C.I.F.I.A., with the purpose of manufacturing electronic items.

The Department of Industry, reporting to the Ministry of Economy, issued Resolution No. 46/84 that authorizes FAMAR FUEGUINA S.A. to submit to the governors' office of the former Territory of Tierra del Fuego, Antarctica and South Atlantic Islands the final project for the installation of an industrial plant to manufacture several models of car stereos. Resolution No. 741 of October 15, 1986, issued by the Ministry of Finance of the aforementioned territory authorizes the benefit granted by the system under Law No. 19,640.

In 1995, an electronics specialization project was approved by Resolution No. 28/1995.

In 1998, through Resolution No. 539/1998, a project to replace Presidential Decree No. 479/1995 was approved to replace AM radios with automotive electronic control modules, that authorizes the production of an annual cap of 1,200,000 units.

In 2002, Resolution No. 9/2002 approved the replacement of Presidential Decree No. 479/1995 to replace auto reverse AM radio cassette players with portable radio communication equipment, that authorizes the production of an annual cap of 900,000 units in three shifts.

In 2019, the project to replace Presidential Decree No. 479/1995 to replace auto reverse AM/FM radio cassette players with modems was approved.

Presidential Decree No. 727/2021, published on October 23, 2021, extended the rights and obligations agreed upon under Law No. 19,640 and Presidential Decrees No. 479/95, No. 490/2003 and No. 1234/2007 regulating the industrial promotion in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

This regulation extends the industrial promotion system in the area through December 31, 2038. This term may also be extended for another 15 years as from January 1, 2039, after this decree has been effective for twelve years, provided that Brazil also maintains its own special benefit system in the Manaos free-trade zone.

BRIGHTSTAR FUEGUINA S.A.

Subsidiary BRIGHTSTAR FUEGUINA S.A. is benefitted by a promotional industrial system that is similar to that of IATEC S.A.

On June 17, 2004, the Department of Industry, Commerce and SMEs, reporting to the Argentine Ministry of Economy and Production, issued Resolution No. 146/2004, whereby the Company was included in such system.

The Company is partially or totally exempt, as the case may be, from income tax, VAT and customs duties arising from the import of raw material and the export of finished products from the Province of Tierra del Fuego, Antarctica and Southern Atlantic Islands.

Failure to comply with the minimum and maximum investment, production and headcount requirements will give rise to the penalties set forth in the abovementioned legislation. The Board understands that it met all the requirements during the open periods to be entitled to the tax benefits computed.

Presidential Decree No. 727/2021, published on October 23, 2021, extended the rights and obligations agreed upon under Law No. 19,640 and Presidential Decrees No. 479/95, No. 490/2003 and No. 1234/2007 regulating the industrial promotion in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

This regulation extends the industrial promotion system in the area through December 31, 2038. This term may also be extended for another 15 years as from January 1, 2039, after this decree has been effective for twelve years, provided that Brazil also maintains its own special benefit system in the Manaos free-trade zone.

23. COMPANY ACQUISITIONS

Acquisition of the equity interest in A – Novo Uruguay S.A.

On April 2, 2022, the subsidiary Mirgor Internacional S.A. acquired 3,750 shares of common stock representing 100% of the capital stock and voting rights of A- Novo Uruguay S.A. The company is mainly engaged in providing mobile phone repair services both for retail customers and telephone service providers in Uruguay.

Acquisition of the equity interest in ONTEC Fortinox S.A.U.

To expand its businesses, on November 24, 2022, the Company acquired the control of 100% of the shareholding of ONTEC Fortinox SAU (formerly known as Outokumpu Fortinox S.A.).

ONTEC Fortinox SAU is a company organized under Argentine laws mainly engaged in importing, transforming and selling stainless steel, specialty steel products and anti-wear plates, including pipes, bars, angles, sheets and plates, among other items.

Under IFRS, the following chart discloses the summarized financial information at fair value on the investment as of November 24, 2022, in ONTEC Fortinox SAU:

	Fair value upon acquisition
	ARS 000
Property, plant and equipment	3,077,643
Other nonfinancial receivables	374,954
Inventories	4,243,888
Trade and other receivables	749,173
Cash and short-term deposits	2,276,843
Total assets	**10,722,501**
Trade and other payables	(2,952,258)
Provisions for lawsuits and contingencies	(32,324)
Deferred tax liability	(1,490,803)
Total liabilities	**(4,475,385)**
Total net assets identified at fair value	**6,247,116**
Purchase price at present value	2,035,162
Bargain purchase of shares	**4,211,954**

The fair value of accounts receivable from customers amounts to 777,931. The gross amount of accounts receivable from customers stands at 802,259 and the total contractual amounts is expected to be collected.

The fair value of PP&E was determined based on market valuations of plots of land and buildings of ONTEC Fortinox S.A.U.

Deferred tax liabilities mainly comprise the effect of measuring inventories and PP&E at fair values, which is different from the tax valuation thereof.

As from the acquisition date, ONTEC Fortinox S.A.U. did not provide the Group with revenues from recurring operations or net profit (loss) before taxes from continuing operations. Had the business combination been effected at beginning of year, revenues from recurring operations would have increased by 10,186,768 and net profit before taxes arising from continuous operations would have increased by about 1,113,395.

In addition, as of the current year-end date, six installments payable every six months related to the acquisition of ONTEC Fortinox S.A.U. are still outstanding, which measured at their present value amount to 938,035. From the total amount, 340,487 and 597,548 are disclosed under other current and noncurrent payables, respectively.

24. SUBSEQUENT EVENTS

In addition, no additional relevant events that should be reported took place after year-end.

25. EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

These Financial statements are the English translation of those issued in Spanish. They are presented in accordance with IFRS.

The effects of the differences between IFRS and GAAP of countries in which the accompanying financial statements may be used have not been assessed.

MIRGOR S.A.C.I.F.I.A.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Notes	12.31.2022 ARS 000	12.31.2021 ARS 000
Revenue from ordinary activities	6	39,914,308	37,854,025
Industrial promotion benefit		2,326,063	3,117,616
Cost of sale of goods	7	(42,066,844)	(41,198,394)
Gross profit (loss)		**173,527**	**(226,753)**
Changes in the fair value of grains and oilseeds		520,096	3,487
Other operating profit	9	7,355,402	1,867,371
Administrative expenses	8	(4,103,812)	(3,228,605)
Selling expenses	8	(3,038,583)	(1,464,821)
Other operating expenses	9	(1,420,817)	(731,041)
Operating loss		**(514,187)**	**(3,780,362)**
Finance costs	9	(906,529)	(85,327)
Finance income	9	410,825	430,707
Gain (loss) on exposure to the change in currency purchasing power		14,147,266	5,903,225
Other net expenses	9	(497,827)	(285,502)
Beneficial share purchase		4,211,954	-
Share of profit of associates, net	4	(5,899,734)	9,917,579
Net profit for the year before income tax		**10,951,768**	**12,100,320**
Income tax	10	(1,038,805)	(42,173)
Net profit for the year		**9,912,963**	**12,058,147**
Other comprehensive income			
Conversion of business abroad		14,347	(1,202,564)
Total comprehensive income for the year, net		**9,927,310**	**10,855,583**
Earnings per share (Note 11):			
– basic and diluted, net income for the year attributable to ordinary equity holders of the parent's equityy		**64.87**	**61.10**

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with the report dated 03/09/2023
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.RL.
C.P.C.E.T.F. Cámara Río Grande. Vol. I Fo. 3

MIRGOR S.A.C.I.F.I.A.

KARÉN GRIGORIAN (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. ROBERTO G. VAZQUEZ
Chairperson

MIRGOR S.A.C.I.F.I.A.

SEPARATE STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2022

	Notes	12.31.2022 ARS 000	12.31.2021 ARS 000
Assets			
Noncurrent assets			
Property, plant and equipment	12	8,408,191	3,669,728
Intangible assets	13	-	11,993
Interest in subsidiaries	4	67,390,957	67,035,514
Other nonfinancial receivables	16	4,653	21,697
Other financial receivables		39,490	-
		75,843,291	70,738,932
Current assets			
Other nonfinancial receivables	16	23,362,488	10,370,832
Inventories	14	5,079,850	6,514,426
Trade and other receivables	15	2,008,826	4,824,210
Cash and short-term deposits	15	548,217	177,044
		30,999,381	21,886,512
Total assets		**106,842,672**	**92,625,444**
Equity and liabilities			
Equity			
Issued capital		18,000	18,000
Capital adjustment		559,998	559,998
Own shares		(2,200,124)	(1,464,796)
Profit set apart for reserves		55,799,399	46,258,617
Unappropriated retained earnings (accumulated losses)		10,056,515	12,058,147
Reserve of conversion (losses)		(1,188,217)	(1,202,564)
Total equity		**63,045,571**	**56,227,402**
Noncurrent liabilities			
Interest-bearing debts and borrowings	15	98,457	-
Lease liabilities	15	371	50,993
Provisions for lawsuits and contingencies	15	522,212	116,212
Trade and other payables	15	791,870	155,515
		1,412,910	322,720
Current liabilities			
Lease liabilities	15	26,684	33,411
Trade and other payables	15	42,357,507	36,041,911
		42,384,191	36,075,322
Total liabilities		**43,797,101**	**36,398,042**
Total equity and liabilities		**106,842,672**	**92,625,444**

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SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Attributable to owners									
		Other capital accounts convertible into shares			Other shareholders' equity components					
	Capital stock ARS 000	Capital adjustment ARS 000	Own shares (Note 2.6 to the consolidated financial statements) ARS 000	Additional paid-in capital (Note 2.6. to the consolidated financial statements) ARS 000	Statutory reserve ARS 000	Other reserves ARS 000	Optional reserve ARS 000	Reserve of conversion (losses) ARS 000	Unappropriated retained earnings (accumulated losses) ARS 000	Total equity ARS 000
As of January 1, 2022	**18,000**	**559,998**	**(1,464,796)**	**-**	**115,598**	**60,935**	**46,082,084**	**(1,202,564)**	**12,058,147**	**56,227,402**
Distribution of cash dividends (Note 2.6. to the consolidated financial statements)	-	-	-	-	-	-	-	-	(2,373,813)	(2,373,813)
Regular Shareholders' Meeting decision of April 29, 2022 (Note 2.6. to the consolidated financial statements)	-	-	-	-	-	(60,935)	9,601,717	-	(9,540,782)	-
Repurchase of own shares	-	-	(735,328)	-	-	-	-	-	-	(735,328)
Other comprehensive income	-	-	-	-	-	-	-	14,347	-	14,347
Net profit for the year	-	-	-	-	-	-	-	-	9,912,963	9,912,963
As of December 31, 2022	**18,000**	**559,998**	**(2,200,124)**	**-**	**115,598**	**-**	**55,683,801**	**(1,188,217)**	**10,056,515**	**63,045,571**

	Attributable to owners									
		Other capital accounts convertible into shares			Other shareholders' equity components					
	Capital stock ARS 000	Capital adjustment ARS 000	Own shares (Note 2.6 to the consolidated financial statements) ARS 000	Additional paid-in capital (Note 2.6. to the consolidated financial statements) ARS 000	Statutory reserve ARS 000	Other reserves ARS 000	Optional reserve ARS 000	Gain (loss) from conversion ARS 000	Unappropriated retained earnings (accumulated losses) ARS 000	Total equity ARS 000
As of January 1, 2021	**18,000**	**559,998**	**(354,905)**	**361,139**	**115,598**	**2,703,036**	**31,032,743**	-	**15,834,032**	**50,269,641**
Distribution of cash dividends (Note 2.6. to the consolidated financial statements)	-	-	-	-	-	(2,746,705)	-	-	(1,041,226)	(3,787,931)
Increase in the statutory, optional and other reserves, as resolved at the Regular Shareholders' Meeting of April 30, 2021	-	-	-	(361,139)	-	104,604	15,049,341	-	(14,792,806)	-
Repurchase of own shares	-	-	(1,109,891)	-	-	-	-	-	-	(1,109,891)
Other comprehensive income	-	-	-	-	-	-	-	(1,202,564)	-	(1,202,564)
Net profit for the year	-	-	-	-	-	-	-	-	12,058,147	12,058,147
As of December 31, 2021	**18,000**	**559,998**	**(1,464,796)**	**-**	**115,598**	**60,935**	**46,082,084**	**(1,202,564)**	**12,058,147**	**56,227,402**

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On behalf of Statutory Audit Committee

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Chairperson

MIRGOR S.A.C.I.F.I.A.

SEPARATE STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	12.31.2022 ARS 000	12.31.2021 ARS 000
Operating activities		
Comprehensive income for the year before income tax	10,966,115	10,897,756
Adjustments to reconcile the comprehensive net income for the period with net cash flows		
PP&E depreciation	447,860	348,811
Amortization of intangible assets	53,012	40,120
Increase in the allowance for inventories obsolescence	79,614	192,516
Loss (Profit) on share of profit (loss) of associates, net	5,899,734	(9,917,579)
Beneficial share purchase	(4,211,954)	-
Profit on exposure to the change in currency purchasing power	454,206	487,037
Adjustment of operating assets and liabilities		
Decrease (increase) in trade and other receivables, net of intercompany receivables	2,903,564	(2,966,031)
Decrease (Increase) in inventories, net of the obsolescence charge	1,354,962	(3,777,178)
Increase in other nonfinancial receivables, net of income tax charge	(14,021,477)	(2,251,593)
Decrease in trade and other payables, net of intercompany payables	(310,159)	(93,058)
Increase (Decrease) in provisions for lawsuits and contingencies	406,000	(48,885)
Cash flows arising from (used) in operating activities, net	**4,021,477**	**(7,088,084)**
Investing activities		
Acquisitions of PP&E, net	(5,426,942)	(2,438,210)
PP&E deletion	240,619	101,042
Acquisition of intangible assets	(41,019)	(4,638)
Deletions of intangible assets	-	4,586
Payment from purchase of assets	(1,257,949)	-
Net cash flows used in investing activities	**(6,485,291)**	**(2,337,220)**
Financing activities		
Decrease in lease liabilities, net	(57,349)	(211,947)
Increase in other financial receivables	(39,490)	-
Increase in trade payables and loans, net	98,457	-
Increase in intercompany payables and receivables	6,396,716	13,886,025
Dividends paid	(2,373,813)	(3,787,931)
Purchase of own shares	(735,328)	(1,109,891)
Net cash flows used in arising from financing activities	**3,289,193**	**8,776,256**
Loss on exposure to the change in currency purchasing power	(454,206)	(487,037)
Increase (decrease) in cash and cash equivalents, net	**371,173**	**(1,136,085)**
Cash and cash equivalents as of January 1	177,044	1,256,485
Increase in cash and cash equivalents from merger (note 1)	-	56,644
Cash and cash equivalents as of December 31	**548,217**	**177,044**

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Chairperson

MIRGOR S.A.C.I.F.I.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES OF THE COMPANY

The separate financial statements of Mirgor S.A.C.I.F.I.A. (hereinafter, "the Company") for the year ended December 31, 2022, were authorized for issue in accordance with a resolution of the Company's Board of Directors on March 9, 2023.

MIRGOR S.A.C.I.F.I.A. is a "sociedad anónima" (corporation) organized under Argentine laws, with registered domicile at Einstein 1111, Río Grande, Province of Tierra del Fuego, Antarctica and South Atlantic Islands (hereinafter, "Tierra del Fuego"), whose Class C shares are listed in the BCBA (Buenos Aires stock exchange).

On December 4, 2020, the Company and its subsidiaries Interclima S.A. (hereinafter, "ICSA") and Holdcar S.A. (hereinafter, "Holdcar") entered into a preliminary merger-purpose agreement within a corporate reorganization framework. On May 14, 2021, in the minutes of the Special Shareholders' Meeting No. 81, Mirgor shareholders approved by unanimity the merger of ICSA and Holdcar.

The Company's main activity is manufacturing temperature control equipment for the automobile sector and exports related to the agricultural sector. Through its subsidiaries (jointly with the Company, the "Mirgor Group") it also engages in the manufacture and trade of TV sets, mobile phones and car; real estate leases, and the provision of warehousing and technical support services for the automobile and electronic consumer goods industries, among other activities. See note 4 to the consolidated financial statements for more information.

2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

2.1. Professional accounting standards applied

The Company prepares its separate financial statements in accordance with the Argentine professional accounting standards effective in the Province of Tierra del Fuego and current CNV regulations, as approved by General Resolution No. 622 (as amended in 2013), whereby stock and/or corporate bond issuers, subject to certain exceptions, are required to prepare their financial statements under FACPCE Technical Resolution No. 43 (as amended), which set forth the adoption of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), while other entities may opt to use IFRS or the IFRS for SMEs replacing current Argentine professional accounting standards.

These separate financial statements as of December 31, 2022, were prepared consistently with the professional accounting standards used in preparing the consolidated financial statements as of such date, which should be read together with these separate financial statements.

2.2. Basis of preparation

These separate financial statements for the year ended December 31, 2022, were prepared in agreement with the same basis of preparation described in note 2.2. to the consolidated financial statements as of that date.

2.3. Summary of significant accounting policies

The significant accounting policies applied by the Company in preparing its separate financial statements are consistent with the significant accounting policies applied in preparing the Company's related annual consolidated financial statements as of December 31, 2022, which are described in note 2.4. to such statements.

2.4. Significant opinions, estimates and accounting assumptions

The significant judgments, estimates and assumptions used for the preparation of these separate financial statements are consistent with those described in note 2.5. to the consolidated financial statements as of December 31, 2022.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The IFRS applicable as from January 1, 2022, and those not effective as of the date of issuance of the Company's separate financial statements were described in note 2.7. and 3, respectively, to the consolidated financial statements as of December 31, 2022.

4. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Company holds direct and indirect interests in the following subsidiaries:

	(Direct and indirect) equity interest percentage in common stock as of:		Year-end of last financial
Subsidiary	**12.31.2022**	**12.31.2021**	**statements issued**
Capdo S.A.	100	100	12/31/2022
IATEC S.A.	100	100	12/31/2022
GMRA S.A.	100	100	12/31/2022
Famar Fueguina S.A.	100	100	12/31/2022
Brightstar Argentina S.A.	100	100	12/31/2022
Brightstar Fueguina S.A.	100	100	12/31/2022
Mirgor Internacional S.A. (Uy)	100	100	12/31/2022
Rulned S.A. (Uy)	100	100	12/31/2022
IATEC S.A. (Py)	100	-	12/31/2022
Anovo S.A. (Uy)	100	-	12/31/2022
ONTEC FORTINOX S.A.U.	100	-	12/31/2022

MIRGOR S.A.C.I.F.I.A.

	100%	100%	100%	100%	100%	100%	100%	100%

Interest in the subsidiaries' and associates' statement of financial position

	IATEC	GMRA	CAPDO	FAMAR	BRIGHTSTAR ARGENTINA S.A.	BRIGHTSTAR FUEGUINA S.A.	MIRGOR INTERNACIONAL	FORTINOX
	12.31.2022	12.31.2022	12.31.2022	12.31.2022	12.31.2022	12.31.2022	12.31.2022	
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Equity under professional accounting standars	**50,591,643**	**1,537,257**	**351,976**	**436,390**	**235,595**	**5,633,797**	**3,066,244**	**3,727,008**
A. Inventories - Replacement cost	(2,438,151)	(1,061,254)	-	(489,954)	-	(116,400)	-	(366,365)
B. Inventories - Adjustment for inflation	1,644,122	1,187,510	-	510,414	669	138,124	-	493,252
C. Deferred tax on inventory adjustments	-	(296,878)	-	-	-	-	-	-
D. Present value of payroll taxes	(257,165)	(64,948)	-	(16,875)	-	(14,591)	-	69,202
E. Leases	9,091	174,874	-	-	-	-	-	-
Equity under IFRS	**49,549,540**	**1,476,561**	**351,976**	**439,975**	**236,264**	**5,640,930**	**3,066,244**	**3,923,097**

5. OPERATING SEGMENT INFORMATION

Operating segment information was presented in note 4 to the consolidated financial statements as of December 31, 2022.

6. REVENUES FROM ORDINARY ACTIVITIES

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Sale of goods	13,791,273	16,943,294
Service-charge income	2,027,950	-
Export of assets	24,095,062	20,906,163
Export rebates	23	4,568
Total revenue from ordinary activities	**39,914,308**	**37,854,025**

7. COST OF GOODS SOLD AND SERVICES RENDERED

	12.31.2022 ARS 000	12.31.2021 ARS 000
Inventories at beginning of year (*)	4,912,127	2,678,326
Purchases for the year	33,824,149	33,662,505
Operating expenses - Note 8	4,062,807	5,930,067
Export duties	3,986,499	4,071,485
Creation of the allowance for inventories obsolescence and impairment in value (note 14)	79,614	192,516
Use of the allowance for inventories obsolescence and impairment in value (note 14)	(121,942)	(424,378)
Inventories at end of year (*)	(4,676,410)	(4,912,127)
Cost of sale of goods	**42,066,844**	**41,198,394**

(*) Not including raw material in transit or the allowance for impairment in value and obsolescence of inventories. (Note 14)

8. OPERATING, ADMINISTRATIVE AND SELLING EXPENSES

	12.31.2022				12.31.2021
Account	**Operating expenses**	**Administrative expenses**	**Selling expenses**	**Total**	**Total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Salaries & wages	2,131,255	1,529,658	264,302	3,925,215	3,929,329
Contributions and employee benefits	637,081	518,507	33,275	1,188,863	1,063,843
Insurance	48,359	54,174	1,728	104,261	82,086
Fees	32,206	407,932	2,500	442,638	443,162
Taxes, rates and assessments	164,755	361,056	129,481	655,292	674,432
Advertising expenses	-	-	1,555	1,555	64,915
Bank expenses and tax on bank account transactions	-	246,991	6,258	253,249	204,669
Intangible assets amortization	119	52,893	-	53,012	40,120
PP&E depreciations	184,307	156,473	107,080	447,860	348,811
Leases and logistics services	107,552	13,715	121,473	242,740	144,700
Customs clearing and dispatch expenses	-	-	937,362	937,362	772,760
Maintenance	171,390	-	20,408	191,798	173,796
Traveling and living expenses	2,367	23,535	94	25,996	74,684
Transportation, shipping and handling	352,347	-	1,352,686	1,705,033	2,186,980
Cleaning and surveillance expenses	129,806	1,126	-	130,932	118,286
Contingencies	-	446,085	16,753	462,838	6,833
Miscellaneous	101,263	291,667	43,628	436,558	294,087
Total 12 months 12.31.2022	**4,062,807**	**4,103,812**	**3,038,583**	**11,205,202**	
Total 12 months 12.31.2021	**5,930,067**	**3,228,605**	**1,464,821**		**10,623,493**

MIRGOR S.A.C.I.F.I.A.

9. OTHER INCOME AND EXPENSE

9.1. Other operating profit

	12.31.2022 ARS 000	12.31.2021 ARS 000
Foreign exchange difference	6,989,856	1,610,536
Miscellaneous	365,546	256,835
Total other operating profit	**7,355,402**	**1,867,371**

9.2. Other operating expenses

	12.31.2022 ARS 000	12.31.2021 ARS 000
Foreign exchange difference	(1,420,817)	(731,041)
Total other operating expenses	**(1,420,817)**	**(731,041)**

9.3. Finance costs

	12.31.2022 ARS 000	12.31.2021 ARS 000
Present value	(906,529)	(85,327)
Total financial costs	**(906,529)**	**(85,327)**

9.4. Finance income

	12.31.2022 ARS 000	12.31.2021 ARS 000
Profit on short-term deposits	397,889	241,717
Other finance income	12,936	188,990
Total financial income	**410,825**	**430,707**

9.5. Other net expenses

	12.31.2022 ARS 000	12.31.2021 ARS 000
Severance payments	(265,505)	(243,053)
Income on sale of PP&E	(81,502)	-
Miscellaneous	(150,820)	(42,449)
Total other net expenses	**(497,827)**	**(285,502)**

10. INCOME TAX

Tax Reform Law No. 27,430, as amended by Law No. 27,468, effective for the years beginning on or after January 1, 2018, establishes the following provisions for the tax adjustment for inflation:

a) The adjustment shall be applied to the fiscal year in which the consumer price index, general level, exceeds 100% over the 36 months preceding the closing of the tax year subject to the calculation.

b) As to the first, second and third tax year as from the effective date, the procedure shall be applicable if the variation of such index, calculated from the beginning to the end of each of those tax years, exceeds 55%, 30% and 15% in the first, second and third year of application, respectively.

c) The positive or negative tax adjustment for inflation, as the case may be, is related to the first and second tax years beginning as from January 1, 2018, which is to be calculated in the event that the cases provided for by subsections (a) and (b) above, 1/3 (one third) shall be computed in that such period and the remaining 2/3 (two thirds), in equal parts, in the 2 (two) immediately subsequent tax periods."

In addition, Law No. 27,541 on Social Solidarity and Production Reactivation of December 23, 2019, establishes that the positive or negative adjustment for inflation, as the case may be, for the first year beginning January 1, 2019, to be calculated if the cases mentioned in points (a) and (b) above are met should be charged a sixth to that tax period and the remaining five sixths, in equal parts, to the following five tax periods in nominal currency, whereas the 100% of the adjustment may be deducted in the year in which it is assessed for the years beginning January 1, 2021. This does not bar the computation of the remaining prior-year thirds, mentioned in point (c) above.

A reconciliation between income tax expense and the product of accounting profit multiplied by the tax rate for years ended December 31, 2022, and 2021, is as follows:

	12.31.2022	**12.31.2021**
	ARS 000	**ARS 000**
Comprehensive income for the year before income tax	10,951,768	12,100,320
At the 35% statutory tax rate	(3,833,119)	(4,235,112)
Tax-exempt income from activities carried out in Tierra del Fuego at the statutory tax rate	2,699,374	4,144,161
Subtotal	**(1,133,745)**	**(90,951)**
Charge for the allowance for impairment in value of deferred income tax assets	94,940	48,778
Income tax for the year	**(1,038,805)**	**(42,173)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the fiscal year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding.

Diluted earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares and other convertible financial instruments) by the weighted average number of ordinary shares outstanding plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive potential financial instruments, basic and diluted earnings per share coincide.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Total net comprehensive income for the year attributable to ordinary equity holders of the parent used in the basic and diluted earnings per share computations	**9,927,310**	**10,855,583**

	12.31.2022	12.31.2021
	In thousands	**In thousands**
Weighted average number of ordinary shares attributable to basic and diluted earnings per share (in thousands of shares)	**151,060**	**177,660**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting year-end and the date of issuance of these separate financial statements.

12. PROPERTY, PLANT AND EQUIPMENT

Changes in cost of acquisition and accumulated depreciation as of December 31, 2022

	12.31.2022				
	Acquisition cost				
Main account	**At beginning of year**	**Additions (1)**	**Disposals**	**Transfers**	**At end of year**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Plots of land	96,990	319,224	-	-	416,214
Buildings and construction	1,503,675	615,173	(42,961)	917,964	2,993,851
Machinery, equipment and tools	3,262,300	95,982	-	-	3,358,282
Vehicles	141,210	15,805	(40,994)	-	116,021
Furniture and office supplies	294,917	-	(49,196)	-	245,721
Fixtures	590,474	41,726	(210,698)	-	421,502
Die-stamping	1,049,661	-	(676,458)	-	373,203
Computer hardware	893,900	-	(58,648)	-	835,252
Rights to use real property	330,048	-	-	-	330,048
Works in process	2,418,955	4,339,032	(221,631)	(917,964)	5,618,392
PP&E impairment	-	-	-	-	-
	10,582,130	**5,426,942**	**(1,300,586)**	**-**	**14,708,486**

MIRGOR S.A.C.I.F.I.A.

	12.31.2022					
	Depreciation					
Main account	At beginning of year	Average rate	Disposals	Charges for the year	At end of year	Residual value
	ARS 000		ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	-	-	-	-	-	416,214
Buildings and construction	710,319	2%	(42,961)	70,763	738,121	2,255,730
Machinery, equipment and tools	2,736,096	20%	-	232,941	2,969,037	389,245
Vehicles	116,455	20%	(40,994)	8,492	83,953	32,068
Furniture and office supplies	195,845	20%	(41,894)	22,731	176,682	69,039
Fixtures	532,639	25%	(210,698)	23,810	345,751	75,751
Die-stamping	1,046,601	20%	(673,433)	28	373,196	7
Computer hardware	846,151	20%	(49,987)	23,086	819,250	16,002
Rights to use real property	198,026	-	-	66,009	264,035	66,013
Works in process	-	-	-	-	-	5,618,392
PP&E impairment	530,270	-	-	-	530,270	(530,270)
	6,912,402		**(1,059,967)**	**447,860**	**6,300,295**	**8,408,191**

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.

Changes in cost of acquisition and accumulated depreciation as of December 31, 2021

	12.31.2021					
	Acquisition cost					
Main account	At beginning of year	Additions (1)	Disposals	Transfers	Addition from merger	At end of year
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	10,180	-	(138)	-	86,948	96,990
Buildings and construction	1,334,310	50,783	-	1,798	116,784	1,503,675
Machinery, equipment and tools	2,994,010	744	(44,800)	42,705	269,641	3,262,300
Vehicles	92,581	-	(4,433)	-	53,062	141,210
Furniture and office supplies	180,717	8,024	(508)	29	106,655	294,917
Fixtures	538,029	-	(15,617)	586	67,476	590,474
Die-stamping	1,050,233	-	(4,515)	-	3,943	1,049,661
Computer hardware	863,481	-	(30,253)	1,048	59,624	893,900
Rights to use real property	197,152	-	(197,152)	-	330,048	330,048
Works in process	10,240	2,378,659	(17,228)	(46,166)	93,450	2,418,955
PP&E impairment	-	-	-	-	-	-
	7,270,933	**2,438,210**	**(314,644)**	**-**	**1,187,631**	**10,582,130**

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Main account	12.31.2021 Depreciation: At beginning of year	Average rate	Disposals	Transfers	Addition from merger	Charges for the year	At end of year	Residual value
	ARS 000		ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	-	-	-	-	-	-	-	96,990
Buildings and construction	658,962	2%	(699)	-	22,728	29,328	710,319	793,356
Machinery, equipment and tools	2,486,749	20%	(60,049)	-	193,545	115,851	2,736,096	526,204
Vehicles	92,581	20%	(1,112)	-	14,742	10,244	116,455	24,755
Furniture and office supplies	126,557	20%	(150)	9,134	30,452	29,852	195,845	99,072
Fixtures	479,569	25%	(179)	(8,431)	34,765	26,915	532,639	57,835
Die-stamping	1,047,212	20%	(4,566)	-	3,943	12	1,046,601	3,060
Computer hardware	815,901	20%	(20,044)	(703)	22,627	28,370	846,151	47,749
Rights to use real property	84,573	-	(126,803)	-	132,017	108,239	198,026	132,022
Works in process	-	-	-	-	-	-	-	2,418,955
PP&E impairment	530,270	-	-	-	-	-	530,270	(530,270)
	6,322,374		(213,602)	-	454,819	348,811	6,912,402	3,669,728

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.

13. INTANGIBLE ASSETS

Changes in cost of acquisition and accumulated amortization

	Software, patents and licenses	Goodwill	Total
	ARS 000	ARS 000	ARS 000
Acquisition cost			
As of January 1, 2021	446,355	928,014	1,374,369
Additions for the year	4,638	-	4,638
Disposals for the year	(47,257)	(928,014)	(975,271)
Addition from merger (note 1)	95,542	-	95,542
As of December 31, 2021	**499,278**	**-**	**499,278**
Additions for the year	41,019	-	41,019
As of December 31, 2022	**540,297**	**-**	**540,297**
Amortization and impairment in value			
As of January 1, 2021	394,294	924,888	1,319,182
Amortization charge for the year	40,120	-	40,120
Amortization of deletions for the year	(42,671)	(924,888)	(967,559)
Addition from merger (note 1)	95,542	-	95,542
As of December 31, 2021	**487,285**	**-**	**487,285**
Amortization charge for the year	53,012		53,012
As of December 31, 2022	**540,297**	**-**	**540,297**
Net carrying amount			
As of December 31, 2021	**11,993**	**-**	**11,993**
As of December 31, 2022	**-**	**-**	**-**

14. INVENTORIES

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Raw materials	2,570,708	3,808,894
Finished goods	821,109	1,103,233
Merchandise	1,284,593	-
Subtotal	4,676,410	4,912,127
Raw material in transit	485,972	1,727,159
Allowance for obsolescence and impairment of inventories	(82,532)	(124,860)
	5,079,850	**6,514,426**

The changes in the allowance for inventories impairment and obsolescence as of December 31, 2022, and 2021, as detailed below, have been included in cost of goods sold and services provided in the separate statement of comprehensive income:

	12.31.2022	12.31.2021
	ARS 000	ARS 000
At beginning of year	(124,860)	(356,660)
Increase (1)	(79,614)	(192,516)
Use (1)(2)	61,181	304,008
Profit on exposure to change in currency purchasing power	60,761	120,370
Addition from merger (note 1)	-	(62)
At end of year	**(82,532)**	**(124,860)**

(1) Charged to the "Cost of sale of goods and services rendered" account within the comprehensive statement of income.
(2) Use for its specific purpose.

15. FINANCIAL ASSETS AND LIABILITIES

15.1. Other financial receivables

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Contributions to be converted into equity	39,490	-
	39,490	**-**

15.2. Trade and other receivables

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Current:		
Trade receivables	1,562,070	4,465,634
Trade receivables of associates - Note 18	446,756	358,576
	2,008,826	**4,824,210**

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For the terms and conditions of receivables from related parties, refer to note 18. Trade payables are non-interest bearing and their average collection term is generally from 30 to 60 days. The information on the objectives and policies related to the Company's risk management is included in note 19.2. to the consolidated financial statements as of December 31, 2022.

Below is a breakdown of trade receivables by due date:

				Past due
	Total	Without due date	To fall due	<30 days
	ARS 000	ARS 000	ARS 000	ARS 000
12.31.2022	2,008,826	446,756	1,450,123	111,947
12.31.2021	4,824,210	358,575	4,165,307	300,328

15.3.Trade and other payables

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Noncurrent:		
Trade payables of associates - Note 18	11,808	28,993
Other accounts payable	780,062	126,522
	791,870	**155,515**
Current:		
Trade payables	4,249,576	4,836,163
Trade payables of associates - Note 18	35,668,634	29,166,553
Salaries & wages and payroll taxes payable	819,890	1,618,028
Vacation accrual	163,059	146,601
Health and safety assessment	73,425	45,560
Turnover tax payable and withholdings/additional withholdings to be deposited	28,481	26,509
Income tax accrual	565,504	-
Value-added tax payables and withholdings/additional withholdings to be deposited	-	52,092
Other taxes payable	332,774	92,801
Customer prepayments	23,763	216
Other accounts payable	416,296	40,207
Directors' fees payable	16,105	17,181
	42,357,507	**36,041,911**

Terms and conditions of the above liabilities: (i) trade payables are noninterest bearing and are normally settled on 60-day terms; (ii) the other trade payables are non-interest bearing and are normally settled on 30-day terms, and (iii) interest payable is generally settled on a quarterly basis throughout the year.

The information on the objectives and policies related to the Company's risk management is included in note 19.2. to the consolidated financial statements as of December 31, 2022.

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15.4. Lease liabilities

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Noncurrent		
Lease liabilities in foreign currency	371	50,993
Total lease liabilities	**371**	**50,993**

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Current		
Lease liabilities in foreign currency	26,684	33,411
Total lease liabilities	**26,684**	**33,411**

15.5. Interest-bearing debts and borrowings

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Noncurrent		
Provisions for lawsuits and contingencies	98,457	-
Total accrued litigation and contingencies	**98,457**	**-**

15.6. Provisions for lawsuits and contingencies

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Noncurrent		
Provisions for lawsuits and contingencies	522,212	116,212
Total provisions for lawsuits and contingencies	**522,212**	**116,212**

15.7. Cash and short-term deposits

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Cash on hand and in banks	72,619	119,494
Short-term investments	475,598	57,550
To the separate statement of financial position	**548,217**	**177,044**

For the purpose of the separate statement of cash flow, cash and cash equivalents comprise the following as of December 31, 2022, and 2021:

	12.31.2022	12.31.2021
	ARS 000	**ARS 000**
Cash on hand and in banks	72,619	119,494
Short-term investments	475,598	57,550
To the separate statement of cash flows	**548,217**	**177,044**

15.8. Information on fair values

As of December 31, 2022, and 2021, the carrying amounts of financial assets do not differ significantly from their fair values.

Derivative transactions

It is the Company's policy to recognize financial instruments as long as they are considered to be immaterial. During the fiscal years ended December 31, 2022, and 2021, the Company did not sign this type of agreements.

15.9. Changes in liabilities from financing activities

			Changes other than cash		
	12.31.2021	Variation (1)	Foreign exchange difference	Accrued interest	12.31.2022
	ARS 000	ARS 000		ARS 000	ARS 000
Lease liabilities	84,404	(57,349)	-	-	27,055

			Changes other than cash		
	12.31.2020	Variation (1)	Foreign exchange difference	Accrued interest	12.31.2021
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Lease liabilities	142,384	(211,947)	153,967	-	84,404

(1) Net of gain (loss) on exposure to the change in currency purchasing power.

15.10. Assets and liabilities in foreign currency

The main financial assets and liabilities stated in foreign currency have been disclosed in note 15.13. to the consolidated financial statements.

16. OTHER NON-FINANCIAL RECEIVABLES

	12.31.2022	12.31.2021
	ARS 000	ARS 000
Noncurrent		
Deferred income tax credit	34,720	143,942
Allowance for impairment in value of deferred income tax credit	(30,067)	(125,008)
Miscellaneous	-	2,763
	4,653	**21,697**

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	12.31.2022	12.31.2021
	ARS 000	ARS 000
Current		
Prepayments to suppliers for the purchase of goods	15,117,520	6,584,876
Prepayments to suppliers for the purchase of PP&E	-	651,373
Turnover tax withholdings and additional withholdings	32,468	122,766
Loans and advances to personnel	33,452	54,462
Income tax balance in favor and withholdings	-	56,437
Insurance to be accrued	5,962	7,061
Funds delivered as security	226,810	300,328
VAT balance in favor	2,171,186	1,247,432
Prepayment of export duties	5,706,375	1,344,803
Miscellaneous	68,715	1,294
	23,362,488	**10,370,832**

17. SOCIAL STOCK, CAPITAL RESERVES AND OTHER EQUITY COMPONENTS

The breakdown of the social stock issued, subscribed and paid-in, capital adjustments, issuances premiums, statutory reserve and other equity components were disclosed in note 17 to the consolidated financial statements as of December 31, 2022.

18. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties for the year ended December 31, 2022, and 2021:

		Accounts receivable (1)	Accounts payable (1)	Loans granted net of settled payables	Dividends earned / (paid)	Sales. / (Purchases)	Salaries & wages and severance payments	Fees
		ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Associate:								
IATEC S.A.	12.31.2022	3	35,214,544	(20,465,516)	-	17,989	-	-
	12.31.2021	6	28,759,764	(18,018,369)	-	(155,186)	-	-
CAPDO S.A.	12.31.2022	-	11,808	2,306	-	271	-	-
	12.31.2021	1,500	28,993	-	-	1,806	-	-
GMRA S.A.	12.31.2022	420,818	278,220	(34,820)	-	66,046	-	-
	12.31.2021	356,842	181,592	224,577	-	(262,552)	-	-
Il Tevere S.A.	12.31.2022	4	-	-	(1,266,429)	3,382	-	-
	12.31.2021	107	-	37	(1,828,434)	1,447	-	-
Famar Fueguina S.A:	12.31.2022	25,005	-	31,121	-	-	-	-
	12.31.2021	-	11,910	(896,999)	-	-	-	-
IATEC Paraguay S.A.	12.31.2022	926	-	926	-	-	-	-
	12.31.2021	-	-	-	-	-	-	-
Brightstar Argentina S.A.	12.31.2022	-	-	(62)	-	-	-	-
	12.31.2021	121	-	121	-	-	-	-
Mirgor Internacional S.A.	12.31.2022	-	175,870	(66,376)	-	-	-	-
	12.31.2021	-	213,287	(213,287)	-	-	-	-
Key management personnel:								
Directors	12.31.2022	-	-	-	-	-	1,086,490	9
	12.31.2021	-	-	-	-	-	195,966	6,923

(1) Amounts classified under "Trade and other receivables" and "Trade and other payables", respectively.

Signed for identification purposes
with the report dated 03/09/2023
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.RL.
C.P.C.E.T.F. Cámara Río Grande. Vol. I Fo. 3

MIRGOR S.A.C.I.F.I.A.

KARÉN GRIGORIAN (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. ROBERTO G. VAZQUEZ
Chairperson

Main parent company

Parent company: Il Tevere S.A.

Registered office: Beauvoir 17, piso 1 – Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands.

Main activity: Holding company.

Percentage of voting rights: 62.88%

Percentage of shares: 49.65%.

Subsidiaries

The Company holds equity in the companies and in the percentages of capital stock disclosed in note 4 to the separate financial statements.

Terms and conditions of transactions with related parties

The terms and conditions of transactions with related parties was disclosed in note 18 to the consolidated financial statements as of December 31, 2022.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, MARKET RISK, CREDIT RISK, LIQUIDITY RISK, CAPITAL MANAGEMENT AND GUARANTEES GRANTED

The notes on market risk, credit risk, liquidity risk, capital management and guarantees granted are briefly described in the notes 19.1., 19.2., 19.3., 19.4. and 19.5. to the consolidated financial statements as of December 31, 2022.

20. RESTRICTIONS TO THE DISTRIBUTION OF EARNINGS

Restrictions to distribution of earnings were described in note 21 to the consolidated financial statements as of December 31, 2022.

21. TAX SITUATION OF THE COMPANY

The conditions and characteristics of the industrial promotion of the Company were described in note 22.1. to the consolidated financial statements as of December 31, 2022.

MIRGOR S.A.C.I.F.I.A.

22. SAFEGUARDING OF BOOKS

In compliance with effective CNV regulations (General Resolution No. 629/2014), we advise that the corporate books (Shareholders' Meeting Minutes, Board of Directors' Meeting Minutes, Audit Committee´s Meeting Minutes, Share Deposit and Shareholders' Meeting Attendance and Statutory Audit Committee Meetings Minutes books) and the statutory accounting records (the journal, auxiliary journals and inventory and financial statements book) are safeguarded at the Company's offices in Miñones 2177, PB, City of Buenos Aires City, and Einstein No. 1111, Río Grande, Tierra del Fuego.

Moreover, we advise that the remaining documents supporting the transactions and the accounting and corporate records are distributed between the Company's administrative offices and the following provider of third-party documentation safekeeping and preservation services: ADEA Administradora de Archivos S.A., CUIT: 30-68233570-6, Address: Ruta Provincial 36, KM 31,5, Florencio Varela, Province of Buenos Aires.

23. SUBSEQUENT EVENTS

The most important subsequent events were described in note 24 to the consolidated financial statements as of December 31, 2022.