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 YEAR ENDED DECEMBER 31, 2023,

JOINTLY WITH THE INDEPENDENT AUDITORS' REPORT

AND THE STATUTORY AUDIT COMMITTEE'S REPORT

BOARD OF DIRECTORS

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

CHAIRPERSON

Mr. Roberto G. Vázquez (*)

VICE-CHAIRPERSON

Mr. José Luis Alonso

DIRECTORS

Mr. Martín Basaldúa (*)
Mr. Mauricio Blacher (*)
Benjamin Navarro

ALTERNATE DIRECTORS

Mr. Eduardo Mario García Terán
Mr. Eduardo Koroch
Guillermo Reda
Ms. María de las Mercedes Rotondó
Emilse A. Juárez

STATUTORY AUDIT COMMITTEE

Statutory Auditors

Mr. Julio Cueto Rua
Mr. Mario Volman
Javier Rodrigo Siñeriz

Alternate statutory auditors

Mr. Hugo Kaplan
Mr. Gastón Malvarez
Mr. Alejandro Maria Roisentul Wuillams

(*) Audit Committee members.

INDEPENDENT AUDITORS' REPORT

(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 have 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 at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Group's the consolidated financial position as at December 31, 2023 its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the City of Buenos Aires, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements..

Existence and valuation of inventories

Description

Inventories comprise a significant portion of the Group's consolidated assets as ar December 31, 2023, amounting to ARS 265 billion and representing 32.7% of the Group's consolidated assets as of such date.

Inventories are located in own and third-party facilities in Argentina and abroad.

Inventories of raw materials and finished products are measured based on their restated historical cost or net realization value, the lower. The assets related to the agricultural business and classified as inventories, at their net realization value.

We consider that this is a key audit matter due to the materiality of the amounts involved, the number of locations owned by the Group to manage its stock, and the complexity involved in the valuation of many items in stock.

Treatment of the key audit matter in our audit

For inventories in stock as at December 31, 2023, we conducted the following procedures, among others:

Existence of inventories

- For inventories traded in the local market, we gained an understanding of the design and operating performance of controls and policies related to the administrative processes involved in the purchase, management and unloading of inventories.

- We observed, on a sample basis of the locations of inventories, the physical counts conducted by the Group's management.

Valuation of inventories

- For inventories traded in the local market, we gained an understanding of the design and operating performance of controls related to the administrative processes and the Group's accounting policies to value inventories.

- To validate inventories valuation under IFRS, we have evaluated procedures on a sample basis: a) for finished products, the composition of the cost structure; b) for raw materials and materials, the costs recognized by the Group by comparing these costs to the prices of the last purchases (based on their turnover). We assessed the net realizable value for the inventories related to the agriculture business, by comparing the prices against supporting documentation and related expenses

- Evaluated the appropriateness of the financial statement disclosures related to inventories.

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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 our 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 in order 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 management.

- Conclude on the appropriateness of management'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the 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.

Río Grande - Province of Tierra del Fuego, Antarctica and South Atlantic Islands
March 8, 2024

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

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 have audited the financial statements of MIRGOR S.A.C.I.F.I.A. (the Company), which comprise the separate statement of financial position as at December 31, 2023, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the Company's separate financial position as at December 31, 2023 its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the City of Buenos Aires, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the separate financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

Existence and valuation of inventories

Description

Inventories comprise a significant portion of the Company's assets as of December 31, 2023, amounting to ARS 19 billion and thus accounting for 9.9% of the Company's assets as of such date.

Inventories are located in own and third-party facilities in Argentina and abroad.

Inventories of raw materials and finished products are measured based on their restated historical cost or net realization value, the lower. The assets related to the agricultural business and classified as inventories, at their net realization value.

We consider that this is a key audit matter due to the materiality of the amounts involved, the number of locations owned by the Company to manage its stock, and the complexity involved in the valuation of many items in stock.

Treatment of the key audit matter in our audit

For inventories in stock as of December 31, 2023, we conducted the following procedures, among others:

Existence of inventories

- For inventories traded in the local market, we gained an understanding of the design and operating performance of controls and policies related to the administrative processes involved in the purchase, management and unloading of inventories.

- We observed, on a sample basis of the locations of inventories, the physical counts conducted by the Company's management.

Valuation of inventories

- We gained an understanding of the design and operating performance of controls associated with the Company's administrative processes and accounting policies for valuing inventories.

- To validate inventories valuation under IFRS, we have evaluated procedures on a sample basis: a) for finished products, the composition of the cost structure; b) for raw materials and materials, the costs recognized by the Company by comparing these costs to the prices of the last purchases (based on their turnover). We assessed the net realizable value for the inventories related to the agriculture business, by comparing the prices against supporting documentation and related expenses.

- Evaluated the appropriateness of the financial statement disclosures related to inventories.

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 separate financial statements and the related auditors' report. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Responsibilities of management and those charged with governance for the separate financial statements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives 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 level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 our 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 in order 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 management.

- Conclude on the appropriateness of management'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the company audit to obtain sufficient appropriate audit evidence regarding the financial information of company as a basis for forming an opinion on the separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the 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.

Río Grande - Province of Tierra del Fuego, Antarctica and South Atlantic Islands
March 8, 2024

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 Directors of
MIRGOR S.A.C.I.F.I.A.
CUIT (Argentine taxpayer identification number): 30-57803607-1
Registered office: Einstein 1111
Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands

Report on the controls performed as statutory auditor on the consolidated financial statements and the Board's Letter to the Shareholders

Opinion

I have performed the controls established for statutory auditors by current legislation, the by-laws, the relevant regulations and the accounting standards applicable to public accountants with respect to the consolidated financial statements of MIRGOR S.A.C.I.F.I.A., which comprise the statement of financial position as of December 31, 2023, the statements of income, changes in shareholders' equity, and cash flows, as well as the explanatory notes to the consolidated financial statements, which include a summary of significant accounting policies, the inventory and the Board of Directors' Letter to the Shareholders for the fiscal year then ended.

In my opinion, the financial statements mentioned in the previous paragraph, which are attached herein and signed for identification purposes, present fairly, in all material respects, the financial position of MIRGOR S.A.C.I.F.I.A. as of December 31, 2023, and the results of its operations and cash flows for the year then ended, in conformity with Argentine professional accounting standards. In addition, in my opinion, the Board of Directors' letter to the shareholders meets the legal and statutory requirements, whereas the statements regarding the management actions performed and the future prospects are the exclusive responsibility of the Company's Management.

Basis for the opinion

I performed the controls meeting the legal and professional regulations in effect for statutory auditors, such as Argentine Business Associations Law and FACPCE (Argentine Federation of Professional Councils in Economic Sciences) TR No. 15 adopted by Resolution C.S No. 2/2023 issued by the CPCETF (Professional Council in Economic Sciences of Tierra del Fuego, Antarctica and South Atlantic Islands, which establishes that information controls should be carried out in accordance with the auditing standards of FACPCE TR No. 37. Under the abovementioned standards, my responsibilities in connection with the controls on the financial statements and the Board of Directors' Letter to the Shareholders are described further in the "Statutory Audit Committee's responsibilities" section.

To perform my professional task on the financial statements mentioned in the first paragraph, I planned and executed certain procedures on the documentation on the audit conducted by the accountant Karén Grigorian (a partner of Pistrelli, Henry Martin y Asociados S.R.L.), who issued his report dated 08.03.24, in conformity with effective auditing standards. The procedures performed included verifying work planning, the nature, scope and timing of the procedures applied, and the results of the audit conducted by such professional, who stated that he has prepared his examination on the accompanying financial statements in conformity with the auditing standards established in FACPCE Technical Resolution No. 37 adopted by CPCETDF Resolution C.S No. 20/2022. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Considering that the Statutory Audit Committee is not in charge of controlling management, the review did not cover the business methods and decisions from the different Company's areas, which are the exclusive responsibility of the Board of Directors.

In addition, in relation to the Board of Directors' letter to the shareholders for the year ended December 31, 2023, I have verified that it includes the information required by section 66, Argentine General Business Associations Law, and other information required by enforcement agencies and, as regards matters of my competence, the figures agree with the Company's accounting records and other relevant documentation.

I expressly state that I am independent from MIRGOR S.A.C.I.F.I.A. and that I have complied with all the other ethical requirements under the code of ethics issued by the Professional Council in Economic Sciences of Tierra del Fuego, Antarctica and South Atlantic Islands and FACPCE TR Nos. 15 and 37. I believe that the judgmental evidence I have obtained is sufficient and appropriate for my opinion.

Responsibilities of MIRGOR S.A.C.I.F.I.A.'s Management for the financial statements

The Board of Directors of MIRGOR S.A.C.I.F.I.A. is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with Argentine professional accounting standards, and for the internal control that it may deem necessary so that such financial statements are free from material misstatements.

In preparing the financial statements, the Board is responsible for assessing the capacity of MIRGOR S.A.C.I.F.I.A. to continue operating as a going concern, disclosing, if appropriate, the issues related to such capacity and using the going concern basis, unless the Board intends to liquidate the Company or end its operations, or whether there is no other realistic alternative.

With regard to the Letter to the Shareholders, the Board of Directors is responsible for complying with the Argentine Business Associations Law and the provisions issued by enforcement agencies in terms of its contents.

Statutory Audit Committee's responsibilities for the audit of the financial statements and the Board of Directors' Letter to the Shareholders

My goals are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatements, that the Letter to the Shareholders meets legal and regulatory requirements, and to issue a statutory auditor's report containing my opinion. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with FACPCE Technical Resolution No. 37 will always detect a material misstatement when it exists. The misstatements are considered to be material if, individually or as a whole, they may be expected reasonably to affect the economic decisions made by users based on the financial statements and the content of the letter to the shareholders referring to issues pertaining to my professional sphere.

As part of the controls performed on the financial statements and applying audit standards in conformity with FACPCE TR No. 37, I apply my professional judgment and maintain an attitude of professional skepticism during my performance as statutory auditor. I also:

a) Identify and assess the risks of material misstatement of the financial statements, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

b) Obtain an understanding of internal control relevant to the audit to design 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.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of MIRGOR S.A.C.I.F.I.A.

d) Conclude on the appropriateness of MIRGOR S.A.C.I.F.I.A. 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 I conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosures in the financial statements or in the letter to the shareholders or, if information is inadequate, to modify my opinion. My conclusions are based on the evidence obtained through the date of my report as Statutory Audit Committee. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

f) Communicate with the Board of MIRGOR S.A.C.I.F.I.A. in connection with issues such as: the general strategy for planning and executing my procedures as Statutory Audit Committee and the significant findings in performing my duties as the person in charge of the private audit, as well as any other significant internal control deficiencies identified while performing my duties as statutory auditor.

I also provide the Board of MIRGOR S.A.C.I.F.I.A. with a statement that I have met the ethical requirements applicable related to my independence.

Report on other statutory and regulatory requirements

a) As it arises from the books of MIRGOR S.A.C.I.F.I.A., as of December 31, 2023, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System amounted to ARS 197,896,608 , none of which was due and payable as of that date.

b) I have applied the anti-monetary laundering and anti-terrorist financing procedures provided in the related professional standards issued by the CPCECABA (Professional Council in Economic Sciences of the City of Buenos Aires) and adopted by Resolution C.S No. 99/2018 issued by the CPCETF (Professional Council in Economic Sciences of Tierra del Fuego, Antarctica and South Atlantic Islands).

c) The accompanying financial statements and the related inventory result from books kept, in all formal respects, pursuant to current legal requirements.

d) In performing my duties, I believe that I have complied with my duties as statutory auditor, as established by the Argentine General Business Associations Law and the by-laws.

e) I have verified the creation of the directors' guarantees set forth by the legislation.

Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands
March 8, 2024

On behalf of Statutory Audit Committee

Mr. Julio Cueto Rua
Statutory Auditor

STATUTORY AUDIT COMMITTEE'S REPORT ON THE SEPARATE FINANCIAL STATEMENTS

To the Directors of
MIRGOR S.A.C.I.F.I.A.
CUIT (Argentine taxpayer identification number): 30-57803607-1
Registered office: Einstein 1111
Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands

Report on the controls performed as statutory auditor on the separate financial statements and the Board's Letter to the Shareholders

Opinion

I have performed the controls established for statutory auditors by current legislation, the by-laws, the relevant regulations and the accounting standards applicable to public accountants with respect to the separate financial statements of MIRGOR S.A.C.I.F.I.A., which comprise the statement of financial position as of December 31, 2023, the statements of income, changes in shareholders' equity, and cash flows, as well as the explanatory notes to the separate financial statements, which include a summary of significant accounting policies, the inventory and the Board of Directors' Letter to the Shareholders for the fiscal year then ended.

In my opinion, the financial statements mentioned in the previous paragraph, which are attached herein and signed for identification purposes, present fairly, in all material respects, the financial position of MIRGOR S.A.C.I.F.I.A. as of December 31, 2023, and the results of its operations and cash flows for the year then ended, in conformity with Argentine professional accounting standards. In addition, in my opinion, the Board of Directors' letter to the shareholders meets the legal and statutory requirements, whereas the statements regarding the management actions performed and the future prospects are the exclusive responsibility of the Company's Management.

Basis for the opinion

I performed the controls meeting the legal and professional regulations in effect for statutory auditors, such as Argentine Business Associations Law and FACPCE (Argentine Federation of Professional Councils in Economic Sciences) TR No. 15 adopted by Resolution C.S No. 2/2023 issued by the CPCETF (Professional Council in Economic Sciences of Tierra del Fuego, Antarctica and South Atlantic Islands, which establishes that information controls should be carried out in accordance with the auditing standards of FACPCE TR No. 37. Under the abovementioned standards, my responsibilities in connection with the controls on the financial statements and the Board of Directors' Letter to the Shareholders are described further in the "Statutory Audit Committee's responsibilities" section.

To perform my professional task on the financial statements mentioned in the first paragraph, I planned and executed certain procedures on the documentation on the audit conducted by the accountant Karén Grigorian (a partner of Pistrelli, Henry Martin y Asociados S.R.L.), who issued his report dated 08.03.24, in conformity with effective auditing standards. The procedures performed included verifying work planning, the nature, scope and timing of the procedures applied, and the results of the audit conducted by such professional, who stated that he has prepared his examination on the accompanying financial statements in conformity with the auditing standards established in FACPCE Technical Resolution No. 37 adopted by CPCETDF Resolution C.S No. 20/2022. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Considering that the Statutory Audit Committee is not in charge of controlling management, the review did not cover the business methods and decisions from the different Company's areas, which are the exclusive responsibility of the Board of Directors.

In addition, in relation to the Board of Directors' letter to the shareholders for the year ended December 31, 2023, I have verified that it includes the information required by section 66, Argentine General Business Associations Law, and other information required by enforcement agencies and, as regards matters of my competence, the figures agree with the Company's accounting records and other relevant documentation.

I expressly state that I am independent from MIRGOR S.A.C.I.F.I.A. and that I have complied with all the other ethical requirements under the code of ethics issued by the Professional Council in Economic Sciences of Tierra del Fuego, Antarctica and South Atlantic Islands and FACPCE TR Nos. 15 and 37. I believe that the judgmental evidence I have obtained is sufficient and appropriate for my opinion.

Responsibilities of MIRGOR S.A.C.I.F.I.A.'s Management for the financial statements

The Board of Directors of MIRGOR S.A.C.I.F.I.A. is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with Argentine professional accounting standards, and for the internal control that it may deem necessary so that such financial statements are free from material misstatements.

In preparing the financial statements, the Board is responsible for assessing the capacity of MIRGOR S.A.C.I.F.I.A. to continue operating as a going concern, disclosing, if appropriate, the issues related to such capacity and using the going concern basis, unless the Board intends to liquidate the Company or end its operations, or whether there is no other realistic alternative.

With regard to the Letter to the Shareholders, the Board of Directors is responsible for complying with the Argentine Business Associations Law and the provisions issued by enforcement agencies in terms of its contents.

Statutory Audit Committee's responsibilities for the audit of the financial statements and the Board of Directors' Letter to the Shareholders

My goals are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatements, that the Letter to the Shareholders meets legal and regulatory requirements, and to issue a statutory auditor's report containing my opinion. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with FACPCE Technical Resolution No. 37 will always detect a material misstatement when it exists. The misstatements are considered to be material if, individually or as a whole, they may be expected reasonably to affect the economic decisions made by users based on the financial statements and the content of the letter to the shareholders referring to issues pertaining to my professional sphere.

As part of the controls performed on the financial statements and applying audit standards in conformity with FACPCE TR No. 37, I apply my professional judgment and maintain an attitude of professional skepticism during my performance as statutory auditor. I also:

a) Identify and assess the risks of material misstatement of the financial statements, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

b) Obtain an understanding of internal control relevant to the audit to design 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.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of MIRGOR S.A.C.I.F.I.A.

d) Conclude on the appropriateness of MIRGOR S.A.C.I.F.I.A. 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 I conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosures in the financial statements or in the letter to the shareholders or, if information is inadequate, to modify my opinion. My conclusions are based on the evidence obtained through the date of my report as Statutory Audit Committee. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

f) Communicate with the Board of MIRGOR S.A.C.I.F.I.A. in connection with issues such as: the general strategy for planning and executing my procedures as Statutory Audit Committee and the significant findings in performing my duties as the person in charge of the private audit, as well as any other significant internal control deficiencies identified while performing my duties as statutory auditor.

I also provide the Board of MIRGOR S.A.C.I.F.I.A. with a statement that I have met the ethical requirements applicable related to my independence.

Report on other statutory and regulatory requirements

a) As it arises from the books of MIRGOR S.A.C.I.F.I.A., as of December 31, 2023, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System amounted to ARS 197,896,608 , none of which was due and payable as of that date.

b) I have applied the anti-monetary laundering and anti-terrorist financing procedures provided in the related professional standards issued by the CPCECABA (Professional Council in Economic Sciences of the City of Buenos Aires) and adopted by Resolution C.S No. 99/2018 issued by the CPCETF (Professional Council in Economic Sciences of Tierra del Fuego, Antarctica and South Atlantic Islands).

c) The accompanying financial statements and the related inventory result from books kept, in all formal respects, pursuant to current legal requirements.

d) In performing my duties, I believe that I have complied with my duties as statutory auditor, as established by the Argentine General Business Associations Law and the by-laws.

e) I have verified the creation of the directors' guarantees set forth by the legislation.

Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands
March 8, 2024

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 26 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. 53 BEGINNING JANUARY 1, 2023 AND ENDED DECEMBER 31, 2023

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. 53 ended December 31, 2023.

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 telephones. 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 telephones 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 telephones. 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 2023, 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 telephones, 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 P&E, inventories and intangible assets.

In March 2023, it acquired 100% of the shares of Sauceco S.A, (Mirgor AGRO S.A.U.), owner of a rural property unit in Bolívar, Province of Buenos Aires, with 1,453 ha. earmarked for agricultural and cattle production, allowing the Company to expand its agricultural and cattle production business. Although it was already engaged in the grain purchase and export market, this acquisition allows it to enter the grain origination and cattle production business.

In 2023, Mirgor decided to increase its operations at a regional level and started operating in the Dominican Republic. As of the first fiscal year-end, it already had six stores at the main Dominican malls. Upon organizing Mirgor USA LLC and Mirgor Honduras S.A., the Group started supplying large telephone operators located in Central America and the Caribbean Islands.

The group of companies consolidating with Mirgor (“Mirgor Group” or “Group”): IATEC, CAPDO, GMRA, Famar, BASA, BFSA, Ontec-Fortinox, Mirgor Internacional, A-Novo, Rulned, IATEC PY, Mirgor Chile, IATEC RD, Mirgor USA, Mirgor Honduras Mirgor Agro and Malten is organized in business units (business segments), namely: 1) automotive; 2) electronic consumer goods (including mobile telephones, 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

On December 10, 2023, the new federal authorities took office and issued a series of emergency measures to address the critical economic situation being faced by Argentina. Among the main goals sought by the measures are: regulatory flexibilization to achieve economic development purposes, reduction of expenses to minimize fiscal deficit, cut in subsidies, among others. In the context of a change of government, the Argentine peso experienced a significant devaluation which showed in the official exchange rate.

As regards the Argentine government’s indebtedness level, significant commitments have been undertaken for the following years, and there is the need to obtain refinancings in 2024, both in local and foreign currency. In addition, there are other critical macroeconomic indicators, such as the fiscal deficit, the BCRA’s reserves and the inflation indicators published by the INDEC, with a 211.4% retail price inflation accumulated over the last 12 months.

In addition, the previous administration established the PAIS tax (tax for an inclusive and supportive Argentina), which will be maintained for imports of goods and services involving freight and other transportation services, and will be increased as from December 13, 2023, to 17.5% at the official exchange rate (it used to be 7.5%), with certain exceptions (regular expenses, fuel, goods associated with power generation). Moreover, the obligation to pay over 95% of the PAIS tax in advance as a payment on account remains. The rates applicable to payment of services in general and to the import of luxury items remains unchanged at 25% and 30%, respectively. It is also important to replace the SIRA import system by a statistical and import system which will not require a previous license approval. Anyway, the access to the foreign exchange market to make the payments related to the imports made as from December 13, 2023, will be subject to a payment schedule based on the goods type, and in the case of services, the term will depend on whether they are rendered by a related or non-related party.

Moreover, Presidential Decree No. 28/23 dated December 13, 2023, established a new ratio for calculating exports whereby exporters will convert 80% of the foreign currency into Argentine pesos at the official exchange rate, and the remaining 20%, through sales transactions involving securities purchased in foreign currency and sold in Argentine pesos.

The purpose of these measures and of a package of decrees and laws which are under approval is based on creating the appropriate conditions for the BCRA (Central Bank of Argentina) to accumulate reserves, while setting the grounds for progressive deflation. In this regard, the purpose of the considerable foreign exchange adjustment (in addition to the increase in the PAIS tax) is to adjust the external sector so that demand and supply are aligned in a surplus path for the BCRA.

As an immediate result, and also due to the adjustment of some prices, the inflation rate in December soared to 25.5% per month (consistent with 211% p.a.). Therefore, the real salary fell 13% per month (20% p.a.), according to statistics provided by the INDEC and by the Department of Labor, Employment and Social Security.

The counterpart of such erosion in purchasing power was a reduction in economic activity: the EMEA (economic activity monthly indicator) published by the INDEC showed a 3.1% monthly fall, accumulating a 4.8% decrease over the last three months of 2023. In annual terms, it decreased by 1.5% over the last quarter, and particularly in December, it fell by 4.5% p.a.

However, if we break down this indicator, the activity associated to the wholesale and retail activity decreased by 2.3% p.a. over the last quarter and 8.5% p.a. in December. In line with the above, the sale of household appliances fell 13.5% p.a. in real terms in Q4 2023, according to the INDEC's official figures.

Annual sector behavior

Auto industry

According to ADEFA, car sales in Argentina went up in 2023. Accumulated local demand increased by 8.2% to 406,940 vehicles, from 376,257 units in 2022.

In addition, exports also contributed to the increase in car demand, which rose 1.1% from 322,286 units in 2022 to 325,984 this year.

As a result, production grew by 13.7% in 2023. During the year, 610,715 units were produced, representing an addition of 73,822 units as compared to 2022.

Mirgor in the auto industry

The production of Mirgor's auto air conditioning systems fell by 7.18%, from 133,415 units in 2022 to 123,842 units in 2023.

The production of infotainment systems grew by 120.94%, from 172,579 units in 2021 to 315,282 units in 2022.

Sales of air quality and control systems for cars reached 128,890 units in 2023, as compared to the 129,851 units sold in the same period in 2022, down by 0.67%.

In infotainment, units also increased from 140,584 in 2022 to 305,754 units in 2023.

Consumer electronics

Based on market data, 9,709,018 mobile phones were manufactured in 2023, representing a 5.91% decrease as compared to 2022. As to TV sets, 2,452,759 units were produced, about 25% less as compared to 2022.

In 2023, the apparent demand for mobile phones accounted for 8,654,540 units, which represents a 18.97% fall as compared to 2022. The demand for TV sets stood at 2,356,350 units, down 30.79% as compared to the 2022 demand.

Mirgor's performance in the consumer electronics industry

Television sets

The production of TV sets fell by 18.83% in 2023, from 475,223 units in 2022 to 385,753 units in 2022.

Sales decreased by 21.36% in 2022. Units went up from 445,741 un 2022 to 350,544.

Mobile telephones

In 2022, the Group's production fell by 15.48%, from 5,388,767 in 2022 to 4,554,387 in 2023.

Sales decreased by 22.75% in 2023. Units went up from 5,337,826 un 2022 to 4,123,617.

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 2023 went down by 2.43% from those recorded in the same period of 2022, from about, in restated amounts, ARS 1.17 billion to about ARS 1.14 billion the current year.

The gross margin stood at 25.57%, up by 6 points with respect to the prior-year margin, from about ARS 230.83 billion in 2021 to ARS 293.11 billion in 2022.

Administrative expenses climbed by 52.48%, 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 5.44% and fell by 3.639.37% as compared to the previous year, respectively.

Total net comprehensive loss stood at ARS 153,084,092,000 from the ARS 30,914,403,000 comprehensive income the prior year, accounting for -13.35% and 2.63% of revenues in 2023 and 2022, 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. 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.

In addition, on May 18, 2023, the Company implemented a share-based payment plan aimed at retaining the Group's key personnel. As of the cutoff date of these financial statements, 2,400,000 shares were granted, and another 4,107,000 shares will be granted gradually until the plan's end date set for December 2026.

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, six out of the eight 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, 2023

Financial position and ratios

	12.31.2023	**12.31.2022**
Noncurrent assets	153,583,390	100,007,002
Current assets	655,936,707	479,193,771
Total	**809,520,097**	**579,200,773**
Equity	48,605,049	196,328,727
Noncurrent liabilities	56,549,661	13,793,004
Current liabilities	704,365,387	369,079,042
Total liabilities	**760,915,048**	**382,872,046**
Total	**809,520,097**	**579,200,773**

	12.31.2023	**12.31.2022**
a) Liquidity	0.93	1.30
b) Solvency	0.06	0.51
c) Tied - up capital	0.19	0.17
d) Return on equity	(0.76)	0.19

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, 2023, amounted to about ARS 809.520 billion which represents a 39.77% year-to-year increase as compared to fiscal 2022 in restated amounts.

Noncurrent assets grew by 53.57% while current assets rose by 36.88% with respect to the end of 2022.

Inventories went up from around ARS 184.48 billion to around ARS 265.14 billion, which entails a 43.72% increase.

“Property, plant and equipment” within noncurrent assets had the highest variation increasing by 59.15% with respect to the prior year.

Current liabilities went up by 90.84% with respect to the amounts booked in 2022 in restated amounts.

Noncurrent liabilities rose by 309.99% as compared to 2022, mainly as a result of the increase in lease liabilities.

Shareholders’ equity for 2023 amounted to about ARS 48.60 billion, representing a 75.24% increase with respect to 2022.

Profit (loss) for the year

	12.31.2023	12.31.2022
Revenue	(151,765,584)	90,610,632
Finance income (loss)	44,459,386	(38,067,127)
Share of loss of associates, net	875,684	(2,213,246)
Beneficial share purchase	-	13,116,347
Other expense/income, net	(1,725,037)	(3,756,348)
Loss on exposure to the change in currency purchasing power	(43,895,575)	(21,292,122)
Profit (loss) for the year before income tax	**(152,051,126)**	**38,398,136**
Income tax	(5,261,948)	(7,528,411)
Net profit (loss) for the year	**(157,313,074)**	**30,869,725**
Conversion of business abroad	4,228,982	44,678
Another integral result of the year	**4,228,982**	**44,678**
Total comprehensive income (loss) for the year, net	**(153,084,092)**	**30,914,403**

	12.31.2023	12.31.2022
Attributable to:		
Subsidiary owners	(153,084,321)	30,914,403
Noncontrolling interests	229	-
Total comprehensive income (loss) for the year, net	**(153,084,092)**	**30,914,403**

Sales for the year (including the industrial promotion benefit item) amounted to about ARS 1.15 trillion, representing an 2.43% year-to-year decrease (about ARS 1.17 trillion).

Total net comprehensive loss for 2023 stood at about ARS 153.08 billion, whereas the Company obtained income for ARS 30.91 at restated amounts in 2022.

In addition, net finance income during the year stood at about ARS 44.46 billion, which represents 3.88% of sales, whereas in 2022 this resulted in an approximate ARS 38.07billion loss equivalent to -3.24% of sales.

The loss on exposure to the change in currency purchasing power stood at about ARS 43.89 billion, representing a -3.83% of sales, whereas in 2022, the gain amounted to about ARS 21.29 billion; that is, 1.81% of sales.

Administrative and selling expenses stood at about ARS 180.69 billion, which represent -15.76% of sales, whereas in 2022, they amounted to about ARS 149.27 billion, equivalent to -12.71% of sales.

Other operating expenses resulted in an ARS 262.97 billion loss, representing -22.94% of sales, whereas it stood at about ARS 7.43 billion profit or 0.63% of sales in 2022.

Cash flow

	12.31.2023	12.31.2022
Net cash flows provided by operating activities	145,170,268	63,478,415
Net cash flows used in investing activities	(15,493,883)	(38,803,223)
Net cash flows used in financing activities	(10,830,437)	(7,810,188)
Loss on exposure to the change in currency purchasing power	(34,129,524)	(50,205,810)
Increase (Decrease) in cash and cash equivalents	**84,716,424**	**(33,340,806)**

Cash flows provided by operating activities in fiscal 2023 stood at about ARS 145.17 billion, up from ARS 63.48 billion in 2022.

Cash flows used in investment activities stood at about ARS 15.49 billion in 2023, while they stood at about ARS 38.80 billion in 2022.

Cash flows used in financing activities amounted to about ARS 10.83 billion in 2023, while they amounted to about ARS 7.81 billion in 2022.

The loss on exposure to changes in currency purchasing power stood at ARS 34.13 billion in 2023, whereas it amounted to about ARS 50.20 billion in 2022.

Prospects

In addition to the production activities undertaken by the Group in the industrial facilities owned in the Province of Tierra del Fuego, the Group is already designing new processes for future products in the automotive and electronic industry, consolidating the Group’s technological leadership and opening up new industrial development prospects.

The extension of the Tierra del Fuego industrial promotion system also diversified the island’s production matrix and enabled the possibility to enhance the Group’s activities by developing new production and business projects.

However, 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 to the Fund for extending Tierra del Fuego’s Production Matrix for own investment projects.

In this context, 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.

As to agricultural activities, which grew significantly over the last year, positioned the Group as a relevant actor not only as a commodity exporter, but also as a direct producer and generator of value-added projects which may increase the Group companies' income sources.

In line with the intention to promote the Group's growth and the diversification of activities, the acquisition of Fortinox provided 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.

In the retail sales business, the focus is placed on maintaining leadership with the store network managed by the Group and attracting new trademarks as exclusive distributors and representatives, aimed at increasing its commercial portfolio, extending its share in new regional markets, while enhancing online channels.

At a regional level, the Group continues its growth trend, which was shown in Q4 in the increased revenue levels at the different country markets in which the Group has business units. In this regard, great efforts are being made to continue expanding the Group's presence in several regional countries and diversifying business as part of the international expansion strategy.

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 (accumulated losses) at beginning of year	31,316,756
Absorption of the optional and other reserves	(31,316,756)
Net result for the year	(157,313,303)
Unappropriated retained earnings (accumulated losses) at end of year	**(157,313,303)**

The General and Special Shareholders' Meeting held on April 26, 2023, decided to (i) to earmark the remainder amount of profit for the year to increase the optional reserve for existing investments and working capital; (i) distribute cash dividends for ARS 1,500,000 (3,837,201 restated as of the date of the accompanying financial statements) payable in a single installment to be settled in May.

As to profit (loss) for 2023, considering the business variations during the year ended December 31, 2023, and the economic and financial estimates for the following year, the Board of Directors proposes to absorb accumulated losses with the optional reserve.

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 8, 2024

Mr. José Luis Alonso
Vice-Chairperson

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.

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 site 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 8, 2024

Mr. José Luis Alonso
Vice-Chairperson

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 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. 53 BEGINNING JANUARY 1, 2023

SUMMARY OF EVENTS (*)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

(Figures stated in thousands of Argentine pesos. See note 2(2) to the consolidated financial statements)

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

In Q4 2023, the economic activity was characterized by the uncertainty caused by the behavior and changes shown by the main economic variables which, either directly or indirectly, affect the industrial sectors in which the Mirgor Group operates.

The changes in the Argentine consumer price index published by the INDEC (Argentine Statistics and Census Institute) for Q4 showed a 53.29% inflation, reaching an accumulated 211.41% for 2024. The Argentine peso experienced the most significant depreciation among emerging currencies in 2023, as it depreciated by 356.34% as compared to the US dollar, whereas the currencies of the main Latin American countries appreciated. Finally, the net reserves held by the BCRA (Central Bank of Argentina) decreased.

During this period, the Group continued having difficulties to obtain the necessary licenses to clear components, inputs and assets through customs. These restrictions affect the Group’s production and business activities, since they make it difficult to meet the obligations undertaken with foreign suppliers, as well as production lines and the various sales channels when and as due.

Although the Mirgor Group focuses on the search for operating efficiencies and increasing productivity by optimizing the use of resources and investments, it finds it hard to reach positive results like those of Q1 2023.

Sales in Q4 2023 stood at around ARS 256.42 billion, 15.45% lower than sales booked in the same period the prior year, for around ARS 303.26 billion considered in constant currency.

The gross margin for the quarter stood at about ARS 54.37 billion, which represents a 6.95% fall as compared to the ARS 58.43 billion for Q4 2022.

The operating margin decreased to about ARS 220.81 billion in Q4 2023 as compared to the ARS 15.08 billion for Q4 2022.

Segment evolution over the quarter

Automotive

The automotive industry's growth in the region has been showing a deceleration trend. This is shown by most automotive companies in Brazil. In Argentina, production increased 1.79% in Q4 2023 as compared to Q4 2022. Argentine sales in Q3 2023 rose by 0.94% as compared to Q3 2022. This increase in sales gives rise to an 8.2% accumulated increase in the four quarters of 2023. The share of Argentine vehicles over total sales on the domestic market continues to break records. The continuity of foreign trade regulation policies explains this situation.

Mirgor Group's production of air conditioning equipment fell by 26%, and its production of car stereos rose 143% as compared to Q4 of the previous year. With respect to production, in Q4 2023, air conditioning units for cars reached 25,396 in 2023, as compared to the 34,407 units sold over the same period in 2022, while production of car radio systems stood at 88,668 units as compared to the 36,548 units produced in Q4 2022.

Mirgor Group's sales fell by 1% in air quality and temperature control equipment and rose by 161% in car radio systems as compared to the volumes sold in Q4 2022. In Q4 2023, sales of air quality and control systems for cars reached 34,144 units as compared to the 34,422 units sold in the same period in 2022. In addition, car radio sales reached 103,767 units as compared to the 39,772 units sold in Q4 2022.

Electronic consumer goods

Mobile telephones

The apparent demand for mobile phones fell 25% as compared to fiscal 2022. Argentine accumulated production levels decreased 5.91% as compared to 2022. Samsung continued to be the main trademark in the market (with a 49% share in units) and focused its volumes in medium- and low- end products. Motorola continues to be the first runner-up, focusing on medium-end mobile phones.

As to the Mirgor Group, production decreased 36% in Q4 2023 to 763,435 units from 1,192,205 units of Q4 2022.

Sales shrank by 56% in Q4 2023 with respect to the same period the previous year. Units went down from 1,266,674 in Q4 2022 to 555,551.

Television sets

The apparent demand of Argentine television sets for this fiscal year showed a 30.79% decrease as compared to fiscal 2022. Argentine accumulated production levels decreased 18.97% as compared to 2022.

The production of television sets fell by 43% in Q4 2023, from 172,051 units in 2022 to 98,223 units in 2023.

Sales shrank by 43% in Q4 2023 with respect to the same period last year. Units went down from 172,051 in Q4 2022 to 98,223.

2. CONSOLIDATED EQUITY STRUCTURE

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Noncurrent assets	153,583,390	100,007,002	69,245,012	63,912,249	52,020,778
Current assets	655,936,707	479,193,771	374,743,427	443,403,075	279,428,800
Total assets	**809,520,097**	**579,200,773**	**443,988,439**	**507,315,324**	**331,449,578**
Shareholders' equity	**48,605,049**	**196,328,727**	**175,096,428**	**156,543,459**	**107,271,214**
Noncurrent liabilities	56,549,661	13,793,004	5,473,587	7,625,383	7,688,066
Current liabilities	704,365,387	369,079,042	263,418,424	343,146,482	216,490,298
Total liabilities	**760,915,048**	**382,872,046**	**268,892,011**	**350,771,865**	**224,178,364**
Total liabilities and shareholders' equity	**809,520,097**	**579,200,773**	**443,988,439**	**507,315,324**	**331,449,578**

3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS STRUCTURE

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Operating profit (loss) from continuing operations	(151,765,584)	90,610,632	34,719,368	21,428,802	10,393,474
Finance income (loss)	44,459,386	(38,067,127)	2,752,632	(6,898,670)	1,878,600
Beneficial share purchase	-	13,116,347	-	24,470,332	-
Share of loss of associates, net	875,684	(2,213,246)	(1,992,230)	2,649,354	(14,991,500)
Other expense/income, net	(1,725,037)	(3,756,348)	(2,457,987)	(645,434)	(92,056)
Gain (loss) on exposure to the change in currency purchasing power	(43,895,575)	(21,292,122)	7,556,537	11,712,039	33,872,590
Profit for the year before income tax, net	**(152,051,126)**	**38,398,136**	**40,578,320**	**52,716,423**	**31,061,108**
Income tax	(5,261,948)	(7,528,411)	(3,028,327)	(3,394,050)	(4,580,007)
Net profit (loss) for the year	**(157,313,074)**	**30,869,725**	**37,549,993**	**49,322,373**	**26,481,101**
Noncontrolling interests	-	-	-	7,920	6,565
Conversion of business abroad	4,228,982	44,678	(3,744,876)	-	-
Other comprehensive income (loss) for the period	**4,228,982**	**44,678**	**(3,744,876)**	**7,920**	**6,565**
Comprehensive income (loss) for the year, net	**(153,084,092)**	**30,914,403**	**33,805,117**	**49,330,293**	**26,487,666**

4. STATISTICAL DATA (in thousands of units)

	12/31/2023		12/31/2022		12/31/2021		12/31/2020		12/31/2019	
	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.
Production	976	5,402	1,459	6,060	1,157	5,960	1,675	3,376	758	3,081
Sales	782	4,910	1,534	6,148	1,328	6,044	1,802	3,885	850	3,241
– Local sales	782	4,910	1,534	6,148	1,328	6,044	1,802	3,885	850	3,241
Equipment with air conditioning	34	129	34	130	33	120	32	85	29	124
Mobile phones	556	4,124	1,267	5,338	1,178	5,452	1,622	3,337	712	2,821
Media- TV	89	351	165	446	80	333	111	270	65	198
Car stereo	104	306	40	141	37	139	36	193	44	98
Moderms	-	22	28	94	9	29	-	-	-	-

5. RATIOS

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Liquidity	0.93	1.30	1.42	1.29	1.29
Solvency	0.06	0.51	0.65	0.45	0.48
Tied-up capital	0.19	0.17	0.16	0.13	0.16
Return on equity	(0.76)	0.19	0.24	0.46	0.33

6. PROSPECTS

In addition to the production activities undertaken by the Group in the industrial facilities owned in the Province of Tierra del Fuego, it is already designing new processed for future products in the automotive and electronic industry, consolidating the Group's technological leadership and opens up new industrial development prospects.

The extension of the Tierra del Fuego industrial promotion system also diversified the island's production matrix and enabled the possibility to enhance the Group's activities by developing new production and business projects.

However, 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 to the Fund for extending Tierra del Fuego's Production Matrix for own investment projects.

In this context, 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.

As to agricultural activities, which grew significantly over the last year, positioned the Group as a relevant actor not only as a commodity exporter, but also as a direct producer and generator of value-added projects which may increase the Group companies' income sources.

In line with the intention to promote the Group's growth and the diversification of activities, the acquisition of Fortinox provided 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.

In the retail sales business, the focus is placed on maintaining leadership with the store network managed by the Group and attracting new trademarks as exclusive distributors and representatives, aimed at increasing its commercial portfolio, extending its share in new regional markets, while enhancing online channels.

At a regional level, the Group continues its growth trend, which was shown in Q4 in the increased revenue levels at the markets of the different countries in which the Group has business units. In this regard, great efforts are being made to continue expanding the Group's presence in several regional countries and diversifying business as part of the international expansion strategy.

City of Buenos Aires,
March 8, 2024

Mr. José Luis Alonso
Vice-Chairperson

(*) 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. 53,

BEGINNING JANUARY 1 AND ENDED DECEMBER 31, 2023

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: 31.05.70.

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: 48,98%.
- Voting rights: 62,25%

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 March 8, 2024
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. JOSÉ LUIS ALONSO
Vice-Chairperson

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	Notes	12.31.2023 ARS 000	12.31.2022 ARS 000
Revenue from ordinary activities	5	996,371,967	1,014,014,666
Industrial promotion benefit	22	149,967,006	160,840,469
Cost of goods sold and services rendered	6	(854,226,168)	(944,020,890)
Subtotal		292,112,805	230,834,245
Agricultural production result		994,798	-
Gross profit		**293,107,603**	**230,834,245**
Changes in the fair value of grains and oilseeds		(1,204,969)	1,619,619
Administrative expenses	7	(75,544,217)	(49,544,604)
Selling expenses	7	(105,151,264)	(99,728,556)
Other operating expenses	8	(262,972,737)	7,429,928
Operative result		(151,765,584)	90,610,632
Financial income and costs, net	8	44,459,386	(38,067,127)
Gain on exposure to the change in currency purchasing power		(43,895,575)	(21,292,122)
Other net expenses	8	(1,725,037)	(3,756,348)
Bargain purchase of shares	23	-	13,116,347
Share of loss of associates	20	875,684	(2,213,246)
Profit before income tax		**(152,051,126)**	**38,398,136**
Income tax	9	(5,261,948)	(7,528,411)
Net profit for the year		**(157,313,074)**	**30,869,725**
Other comprehensive income			
Translation adjustment		4,228,982	44,678
Total comprehensive income for the year, net		**(153,084,092)**	**30,914,403**
Net profit for the year attributable to:			
Owners		(157,313,303)	30,869,725
Noncontrolling interests		229	-
		(157,313,074)	**30,869,725**
Total comprehensive income for the year, net:			
Owners		(153,084,321)	30,914,403
Noncontrolling interests		229	-
		(153,084,092)	**30,914,403**
Net earnings per share:			
– basic and diluted, net for the period attributable to ordinary equity holders of the parent's equity		(1,027.69)	176.65

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

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MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. JOSÉ LUIS ALONSO
Vice-Chairperson

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2023

	Notes	12.31.2023 ARS 000	12.31.2022 ARS 000
Assets			
Noncurrent assets			
Property, plant and equipment	11	142,162,998	89,324,119
Other assets		1,320	-
Intangible assets	13	2,585,562	2,626,179
Investment in associates	20	7,947,071	7,593,267
Other nonfinancial receivables	16	457,266	226,742
Other financial receivables	15	347,916	144,811
Deferred tax assets	9	14,164	91,884
Biological assets	12	67,093	-
		153,583,390	**100,007,002**
Current assets			
Other financial receivables	15	21,821,937	-
Other nonfinancial receivables	16	109,573,326	94,157,561
Biological assets	12	7,485,741	-
Inventories	14	265,141,977	184,482,052
Trade and other receivables	15	52,657,000	163,424,352
Other financial assets	15	84,309,651	6,899,155
Cash and short-term deposits	15	114,947,075	30,230,651
		655,936,707	479,193,771
Total assets		**809,520,097**	**579,200,773**
Equity and liabilities			
Equity			
Issued capital		18,000	18,000
Capital adjustment		1,781,930	1,781,930
Share-based payments		4,382,718	-
Premium for own shares		2,400,922	-
Treasury shares		(5,637,682)	(6.851.355)
Profit set apart for reserves		201,243,149	173,763,594
Reserve of conversion (losses)		528,784	(3.700.198)
Unappropriated retained earnings		(157,313,303)	31,316,756
Equity attributable to the owners of the controlling company		**47,404,518**	**196,328,727**
Non-controlling interests		1,200,531	-
Total equity		**48,605,049**	**196,328,727**
Noncurrent liabilities			
Lease liabilities	15	49,062,735	1,341,236
Trade and other payables	15	853,624	2,429,173
Provisions for lawsuits and contingencies	15	1,663,708	3,287,611
Deferred tax liability	9	4,969,594	6,734,984
		56,549,661	13,793,004
Current liabilities			
Interest-bearing debts and borrowings	15	23,929,365	2,966,672
Lease liabilities	15	5,591,729	1,521,933
Trade and other payables	15	674,844,293	364,499,948
Other financial liabilities	15	-	90,489
		704,365,387	369,079,042
Total liabilities		**760,915,048**	**382,872,046**
Total equity and liabilities		**809,520,097**	**579,200,773**

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

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C.P.C.E.T.F. Cámara Río Grande. Vol. 1 Fo. 237

MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. JOSÉ LUIS ALONSO
Vice-Chairperson

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	Attributable to owners of the parent												
		Other capital accounts convertible into shares			Other shareholders' equity components								
	Capital stock	Capital adjustment	Own shares (Note 2.6)	Share-based payments (Note 2.6)	Additional paid-in capital	Statutory reserve	Other reserves (Note 2.6)	Optional reserve (Note 2.6)	Reserve of conversion (losses)	Unappropriated retained earnings (accumulated losses)	Total	Non-controlling interests	Total equity
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of December 31, 2021 Adjustment for inflation As of January 1, 2023	**18,000**	**1,781,930**	**(6,851,355)**	**-**	**-**	**359,981**	**-**	**173,403,613**	**(3,700,198)**	**31,316,756**	**196,328,727**	**-**	**196,328,727**
Resolution of Shareholders' Meeting of April 28, 2023 (Note 2.6)	-	-	-	-	-	-	-	31,316,756	-	(31,316,756)	-	-	-
Distribution of cash dividends (Note 2.6)	-	-	-	-	-	-	-	(3,837,201)	-	-	(3,837,201)	-	(3,837,201)
Share-based payments (Note 2.6)	-	-	-	7,997,313	-	-	-	-	-	-	7,997,313	-	7,997,313
Granting of share-based payment plan (Note 2.6)	-	-	1,213,673	(3,614,595)	2,400,922	-	-	-	-	-	-	-	-
Addition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,200,302	1,200,302
Other comprehensive income	-	-	-	-	-	-	-	-	4,228,982	-	4,228,982	-	4,228,982
Net profit for the year	-	-	-	-	-	-	-	-	-	(157,313,303)	(157,313,303)	229	(157,313,074)
As of December 31, 2023	**18,000**	**1,781,930**	**(5,637,682)**	**4,382,718**	**2,400,922**	**359,981**	**-**	**200,883,168**	**528,784**	**(157,313,303)**	**47,404,518**	**1,200,531**	**48,605,049**

	Attributable to owners of the parent								
		Other capital accounts convertible into shares			Other shareholders' equity components				
	Capital stock	Capital adjustment	Own shares (Note 2.6)	Statutory reserve	Other reserves (Note 2.6)	Optional reserve (Note 2.6)	Reserve for conversion	Unappropriated retained earnings (accumulated losses)	Total equity
	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**	**1,781,930**	**(4,561,487)**	**359,981**	**189,756**	**143,503,132**	**(3,744,876)**	**37,549,991**	**175,096,427**
Distribution of cash dividends (Note 2.6)	-	-	-	-	-	-	-	(7,392,235)	(7,392,235)
Resolution of Shareholders' Meeting of April 29, 2022 (Note 2.6)	-	-	-	-	(189,756)	29,900,481	-	(29,710,725)	-
Repurchase of own shares	-	-	(2,289,868)	-	-	-	-	-	(2,289,868)
Other comprehensive income (loss)	-	-	-	-	-	-	44,678	-	44,678
Net profit (loss) for the year	-	-	-	-	-	-	-	30,869,725	30,869,725
As of December 31, 2022	**18,000**	**1,781,930**	**(6,851,355)**	**359,981**	**-**	**173,403,613**	**(3,700,198)**	**31,316,756**	**196,328,727**

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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. JOSÉ LUIS ALONSO
Vice-Chairperson

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	12.31.2023 ARS 000	12.31.2022 ARS 000
Operating activities		
Comprehensive income for the year before income tax	(147,822,144)	38,442,814
Accrued interest, net	35,648,836	24,497,393
Adjustments to reconcile comprehensive net profit (loss) for the year with net cash flows		
PP&E depreciation	17,240,698	11,563,989
Financial results from leases	21,332,320	-
Amortization of intangible assets	1,361,781	1,979,007
Title price difference	(92,191,110)	-
Increase in the allowance for inventories obsolescence	1,384,724	7,127,476
Profit from sales of investment properties	-	(40,071)
Loss on share of net profit (loss) of associates	(875,684	2,213,246
Foreign exchange difference	273,570,669	(3,384,086)
Beneficial share purchase	-	(13,116,347)
Variation in the provisions for lawsuits and contingencies	(1,623,903)	731,067
Share-based payments	7,997,313	-
Loss on exposure to the change in currency purchasing power	34,129,524	50,205,810
Adjustment of operating assets and liabilities		
Decrease in trade and other receivables, net of intercompany receivables and foreign exchange differences	72,215,612	9,138,021
Increase in inventories, net of the allowance for obsolescence	(82,044,649)	(7,517,128)
Increase in biological assets	(7,552,834)	-
Increase in other nonfinancial receivables	(15,646,289)	(44,104,157)
Increase in other financial receivables	(203,105)	(144,811)
Increase (Decrease) in trade and other payables, net of income tax and minimum presumed income tax	28,248,509	(14,113,808)
Net cash flows provided by operating activities	145,170,268	63,478,415
Investing activities		
PP&E additions	(25,953,955)	(38,290,376)
PP&E deletion	178,600	1,544,650
Profit from sales of investment properties	-	948,943
Deletions of intangible assets	-	99,237
Acquisition of intangible assets	(1,321,164)	(4,106,906)
Acquisition of other assets	(1,320)	-
Sale (Acquisition) of debt securities	14,780,614	2,334,256
Decrease (Increase) in hedging instruments, net	(90,489)	89,268
Payment from purchase of assets	(4,842,559)	(3,917,349)
Increase in non-controlling interests	1,200,302	-
Collection from capital reduction of Ciapex S.A.	521,880	2,494,733
Decrease in intercompany receivables/payables	34,208	321
Net cash flows used in investing activities	**(15,493,883)**	**(38,803,223)**
Financing activities		
Increase in loans, net	20,962,693	2,272,793
Decrease in lease liabilities, net	(6,133,992)	(400,878)
Purchase of own shares	-	(2,289,868)
Increase in financial credits	(21,821,937)	-
Dividends paid	(3,837,201)	(7,392,235)
Net cash flows used in financing activities	**(10,830,437)**	**(7,810,188)**
Loss on exposure to the change in currency purchasing power	(34,129,524)	(50,205,810)
Net decrease in cash and cash equivalents	**84,716,424**	**(33,340,806)**
Cash and cash equivalents as of January 1	30,230,651	56,481,194
Increase in cash and cash equivalents for acquisition of companies	-	7,090,263
Cash and cash equivalents as of December 31	**114,947,075**	**30,230,651**

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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. JOSÉ LUIS ALONSO
Vice-Chairperson

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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, 2023, were authorized for issue in accordance with a resolution of the Company's Board of Directors on 08.03.24.

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).

The Company's main activity is manufacturing temperature control equipment for the automobile sector, as well as for agricultural businesses, and holding companies. In addition, 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 radios, metallurgical items 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 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, 2023, 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.

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

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.

In addition, the comparative information includes certain reclassifications to adjust it to the presentation criteria used as of December 31, 2022.

2.3. Basis of consolidation

These consolidated financial statements comprise the Company's financial statements as of December 31, 2023. Consolidated subsidiaries and their equity interests as of the relevant dates are:

Subsidiary	(Direct and indirect) equity interest percentage in common stock as of: 12.31.2023	12.31.2022	Year-end of last financial statements issued
Capdo S.A.	100	100	12/31/2023
IATEC S.A.	100	100	12/31/2023
GMRA S.A.	100	100	12/31/2023
Famar Fueguina S.A.	100	100	12/31/2023
Brightstar Argentina S.A.	100	100	12/31/2023
Brightstar Fueguina S.A.	100	100	12/31/2023
Mirgor Internacional S.A. (Uy)	100	100	12/31/2023
Rulned S.A. (Uy)	100	100	12/31/2023
IATEC S.A. (Py)	100	100	12/31/2023
Anovo S.A. (Uy)	100	100	12/31/2023
ONTEC FORTINOX S.A.U.	100	100	12/31/2023
Mirgor Agro S.A.U.	100	-	12/31/2023
MIRGOR CHILE SpA (Ch)	100	-	12/31/2023
IATEC S.A.S (Rep. Dom.)	100	-	12/31/2023
MIRGOR USA LLC (USA)	100	-	12/31/2023
MALTEN S.A.	70	-	12/31/2023
MIRGOR Honduras S.A. (Hn)	100	-	12/31/2023

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 March 10, 2023, the Group acquired control of 100% of the shareholding of Mirgor Agro S.A.U. (formerly known as Sauceco S.A.); consequently, the financial statements as of December 31, 2023, presented comparatively, include consolidated profit (loss) as from the moment the Group gained control. This affects 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, 2023, 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.

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

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 211.41% and 94.79% for the years ended December 31, 2023, and 2022, 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.

(v) As of December 31, 2023, and 2022, the restated items were as follows: Property and equipment, other assets, 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.

(vi) 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. Por último, los resultados financieros son expresados en términos reales, segregando los efectos de la inflación.

(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 gain (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 income (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 period, 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, and are restated breaking down the effects of inflation.

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 telephones 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.

Income from agricultural production

It comprises the valuation of agricultural products obtained until the harvest—or slaughter—thereof since the last previous measurement at fair value less the expenses estimated at the point of sale. It also includes the variation for the period as regards the valuation of biological assets resulting from their biological transformation until the measurement at period-end, if prior to the harvest or slaughter. Thus, income (loss) from agricultural production comprises: (a) the value of agricultural products obtained upon their harvest or biological growth, plus (b) the valuation booked in connection with biological assets during the year, less (c) the impairment in value booked in connection with the biological assets, if any, during the year, less (d) the costs accrued during the period attributable to the biological transformation of the assets until they are ready to be sold. Income (loss) arising from the change in the fair value less the expenses estimated at the point of sales of agricultural products and earmarked for sale after their harvest, collection or biological growth, are not part of the income (loss) from agricultural production and they are disclosed in a separate item in the statement of profit or loss after the gross margin under “Changes in fair value of agricultural products.”

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.

Own plots of land were 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 Company performs an annual review of the estimated useful lives of tangible and intangible assets, respectively, including the potential impact of changes related to the use thereof and to climate-related regulations, if any, including any physical and transition risks. Specifically, the Company determines whether climate-related laws and regulations may affect useful lives or residual values, for example, by banning or restricting the use of the Company’s machinery and equipment driven by fossil fuels or imposing additional energy efficiency requirements. As of the date of issuance of these financial statements, no regulations having such impact on the Company’s transactions have been identified.

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. 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. El período y el método de amortización para un activo intangible con una vida útil finita se revisan al menos al cierre de cada ejercicio sobre el que se informa.

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.

2.4.9. Biological assets

Sown fields

- at an initial development stage as of year-end: they were valued at their cost as of each year-end.
- at an advanced stage as regards their biological development as of year-end: They were valued at the net present value of discounted cash flows associated to the development of the sown crops, as per the estimate made by the Group's Board of Directors with the assistance of agricultural engineers. The fair value assessed is considered to be level 3, as it shows non-observable data.

See key sources of uncertainty for estimates in note 2.5.2.

Cattle was measured at fair value taking as level 1 inputs the related quoted values as of year-end at the markets in which the Company usually operates, net of the additional costs arising from their sale.

See the fair value hierarchy levels used by the Group in note 15.11.

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, 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 19 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(101) 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.

Upon assessing the fair value measurement, the impact of potential issues related to the climate, including the legislation, which may affect the fair value measurement of assets and liabilities in the financial statements, has been considered. The Company assessed whether its plant, property and equipment items are exposed to physical risks, such as floods and increasing wildfires, but it understand that those risks are not present nowadays due to circumstances related to the location of their plants. In addition, the Company assessed that at present it is not affected by transition risks, such as those arising from energy efficiency requirements or emission reductions due to potential changes in climate-related legislation and regulations. The goals voluntarily set in connection with these issues are included in their budgets and business plans and they have no material impact on the measurement of recoverable values.

Impairment losses 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.

Likewise, for this class of assets, at each closing date of the reporting period, an evaluation is carried out to determine if there is any indication that the previously recognized impairment losses no longer exist or 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. Share-based payments

Certain Group employees (including top management) were included in a share-based payment benefit plan. These transactions with share-based payments will be settled using equity items.

On August 30, 2021, the Company’s Board of Directors approved the implementation of an employee incentive plan assessed on the value of the shares, which is aimed at retaining key employees and aligning the long-term interests of the Company and its shareholders.

The abovementioned plan consists in delivering to the beneficiary employees Company “C” class shares listed at BYMA (Bolsas y Mercados Argentinos S.A.), a program subject to the selected employees’ permanence at the Company. That is to say, the actual delivery of shares will depend on the employee’s permanence in the Group.

On May 18, 2023, the share-based payment plan related to the program approved by the Board of Directors on August 30, 2021, was executed and communicated.

The cost of transactions involving share-based payments to be settled with equity instruments was initially measured at fair value as of the grant date assessed through the appropriate valuation model based on the circumstances. The cost of this kind of plans, and the related variations, is recognized in shareholders' equity under "Share-based payment plans" throughout the year in which the service conditions are met, with contra to "Salaries and wages" in the statement of profit or loss. The accumulated expenses recognized for these plans as of each year-end date and until the consolidation date (irrevocability) shows to what extent the consolidation period has been met and the Group's best estimate on the number of equity instruments which will eventually be part of the employees' consolidated benefit. During the fiscal year ended December 31, 2023, the Group recognized 7,997,313 as profit with contra to the shareholders' equity account, 3,614,595 of which is related to 2,400,000 shares delivered to the related beneficiaries on June 26, 2023.

2.4.17. Economic context

On December 10, 2023, the new federal authorities took office and issued a series of emergency measures to address the critical economic situation being faced by Argentina. Among the main goals sought by the measures are: regulatory flexibilization to achieve economic development purposes, reduction of expenses to minimize fiscal deficit, cut in subsidies, among others. In the context of a change of government, the Argentine peso experienced a significant devaluation which showed in the official exchange rate.

As regards the Argentine government's indebtedness level, significant commitments have been undertaken for the following years, and there is the need to obtain refinancings in 2024, both in local and foreign currency. In addition, there are other critical macroeconomic indicators, such as the fiscal deficit, the BCRA's reserves and the inflation indicators published by the INDEC, with a 211.4% retail price inflation accumulated over the last 12 months.

In addition, the previous administration established the PAIS tax (tax for an inclusive and supportive Argentina), which will be maintained for imports of goods and services involving freight and other transportation services, and will be increased as from December 13, 2023, to 17.5% at the official exchange rate (it used to be 7.5%), with certain exceptions (regular expenses, fuel, goods associated with power generation). Moreover, the obligation to pay over 95% of the PAIS tax in advance as a payment on account remains. The rates applicable to payment of services in general and to the import of luxury items remains unchanged at 25% and 30%, respectively. It is also important to replace the SIRA import system by a statistical and import system which will not require a previous license approval. Anyway, the access to the foreign exchange market to make the payments related to the imports made as from December 13, 2023, will be subject to a payment schedule based on the goods type, and in the case of services, the term will depend on whether they are rendered by a related or non-related party.

Moreover, Presidential Decree No. 28/23 dated December 13, 2023, established a new ratio for calculating exports whereby exporters will convert 80% of the foreign currency into Argentine pesos at the official exchange rate, and the remaining 20%, through sales transactions involving securities purchased in foreign currency and sold in Argentine pesos.

The purpose of these measures and of a package of decrees and laws which are under approval is based on creating the appropriate conditions for the BCRA (Central Bank of Argentina) to accumulate reserves, while setting the grounds for progressive deflation. In this regard, the purpose of the considerable foreign exchange adjustment (in addition to the increase in the PAIS tax) is to adjust the external sector so that demand and supply are aligned in a surplus path for the BCRA.

As an immediate result, and also due to the adjustment of some prices, the inflation rate in December soared to 25.5% per month (consistent with 211% p.a.). Therefore, the real salary fell 13% per month (20% p.a.), according to statistics provided by the INDEC and by the Department of Labor, Employment and Social Security.

The counterpart of such erosion in purchasing power was a reduction in economic activity: the EMEA (economic activity monthly indicator) published by the INDEC showed a 3.1% monthly fall, accumulating a 4.8% decrease over the last three months of 2023. In annual terms, it decreased by 1.5% over the last quarter, and particularly in December, it fell by 4.5% p.a.

However, if we break down this indicator, the activity associated to the wholesale and retail activity decreased by 2.3% p.a. over the last quarter and 8.5% p.a. in December. In line with the above, the sale of household appliances fell 13.5% p.a. in real terms in Q4 2023, according to the INDEC's official figures.

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.

Significant estimates and opinions for valuing biological assets

The Group produces crops in several regions, either individually or in association with third parties, within a production term of six months or under, depending on the crop type. The fair value estimate of biological assets is based on the present value of future cash flows considering Management's best estimate assisted by the agricultural engineers in charge of production.

Future cash flows are based on the following key hypotheses.

- Upon the flowering stage, biological assets are valued using the discounted cash flows method while in other cases, the historical cost method is used.
- The biological assets which are temporarily attached to the ground are recognized and measured at fair value, breaking down their value from the value of the soil.

- The areas are measured with satellite technology (GPS) upon sowing, and remeasured when works are performed (e.g. fertilization).
- Grains are exchanged on active markets and prices are always available, since they are commodities. The price used to assess fair value is the forward price as of the date of issuance of the financial statements considering the estimated harvest date.
- Yields are estimated by Group-implemented techniques based on key variables, such as: the experience of its associates and internal specialists to consider each area's historical yields, rain, solar radiation, sowing date, seed type used, necessary fertilizer quantity, impact of pests and diseases and other technical information on the fields.
- The discount rate considered for discounting future cash flows is based on WACC (Weighted Average Cost of Capital) and CAPM (Capital Asset Pricing Model) based on each activity's specific rates and ratios.

Cash flow estimates is based on management budgets, which have been prepared using the information available and the expectations as of December 31, 2023.

Management opinions and accounting estimates in environmental matters

The Group is constantly developing its responsible and sustainable corporate strategy and is committed to continuously improving environmental performance, minimizing the environmental impact of its operations and providing the maximum value for society.

In this sense, the Group voluntarily defined several environmental sustainability goals for the medium term (year 2030) and long-term (year 2050), which are aligned with the United Nations Agenda 2030 SDG (Sustainable Development Goals).

The main goals committed are related to maximizing energy efficiency and renewable energy, reducing gas emissions and increasing air quality, reducing the carbon footprint, maximizing water management, achieving waste management efficiency by promoting circular economy, and also the efficiency as regards the use of materials.

The Group takes into account climate-related issues in preparing estimates and assumptions which may be affected by those issues considering their impact both on physical and transition risks. The Group believes that its business model and products will continue to be feasible after the transition to a more sustainable economy (for example, carbon reduction or increased energy efficiency), although climate-related issues could increase uncertainties in connection with the estimates and assumptions supporting various financial statement items. The Group performs a close follow-up on significant changes and developments, including the assessment of any new legislation related to climate and the environment, as well as the impact caused by the changes in the industry in which it operates. The elements and considerations which could be more directly affected by climate-related issues in the event of potential future changes in regulations are as follows:

- Useful life of property, plant and equipment Upon reviewing the residual values and expected useful lives of assets, the Group takes into account climate-related issues, such as climate-related legislation and regulations which may restrict the use of assets or require significant capital expenditures.

- Impairment of nonfinancial assets: The value in use may be affected by several different ways due to the transition risk in particular, such as climate-related legislation and regulations and the changes in the Group's demand of products. The Group concluded that no climate-related assumption constitutes a key assumption for the test related to the impairment in value of indefinite useful life assets for 2023.

Since regulations in Argentina, where all of its businesses are carried out, has not yet been changed by the global trends on the matter, climate-related changes do not currently have a significant impact on the abovementioned accounting measurements or on any other.

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. Repurchase of own shares

On May 9, 2019, and August 30, 2021, the Company's Board approved the acquisition of its proprietary 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 ARS 1 billion, respectively, 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 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 and 4,000 per 10 shares in Bolsas y Mercados Argentinos S.A., respectively, f) source of funding: the acquisition will be made with realized and liquid income 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 proprietary shares is effective, they cannot sell MIRGOR shares in their possession or held directly or indirectly during the applicable term.

In addition, on May 18, 2023, the Company's Board of Directors reported an employee incentive plan to retain certain top employees and align their interests with those of the Company and its shareholders (Note 2(4)16)). The plan consists in delivering to certain class "C" Company shares, so the employee's stay in the Group is subject to the actual delivery of shares. The cost of share-based payment plans to be settled with equity instruments was initially measured at fair value as of the grant date assessed through the appropriate valuation model based on the circumstances. As of December 31, 2023, it stands at 2,400,922. On June 26, 2023, 2,400,000 shares were distributed under the abovementioned incentive plan.

As of December 31, 2023, the Group has 2,600,000 own shares amounting to 5,637,682 in its portfolio.

2.6.2. Distribution of cash dividends

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 (7,392,235 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 (189,756 restated as of the date of the accompanying financial statements), and to allocate such amount to the optional reserve for investments and working capital.

On April 28, 2023, the Shareholders' Meeting considered the use of earnings for the 2022 fiscal year and approved the following: (i) to earmark the remainder amount of profit for the year to increase the optional reserve for existing investments and working capital, and (i) distribute cash dividends for ARS 1.50 billion (3,837,201 restated as of the date of the accompanying financial statements) payable in a single installment to be settled in May.

2.7. Changes in significant accounting policies

As from the year beginning January 1, 2023, 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:

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. This standard is not applicable to the Group.

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. Esta norma no ha tenido impacto en los estados financieros consolidados del Grupo.

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. This standard had no impact on 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. This standard had no impact on the Group’s consolidated financial statements.

IAS 21 - Effects of variations in foreign exchange rates

In August 2023, the IASB issued the amendments to IAS 21 “Effects of variations in foreign exchange rates”. The amendment to IAS 21 specifies how an entity should assess whether currency is exchangeable and how to determine a spot exchange rate when it is not. The amendments refer to the following:

- Specify when a currency is exchangeable into another currency and when it is not: a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable: when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as of the measurement date. Upon estimating the spot exchange rate, an entity’s goal is to reflect the rate that would have applied to an orderly transaction between market participants at the measurement date in the economic conditions prevailing. The amendments specify that an entity may use an unadjusted observable rate or other estimation techniques.
- Require the disclosure of additional information when a currency is not exchangeable: a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency’s lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The Company considers that the existing foreign exchange restrictions do not imply a lack of exchangeability, as there is an active single and free foreign exchange market to which Companies access and at which they may operate.

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).

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 year; (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.

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.

Amendments to IAS 7 and IFRS 7: statements of cash flows and financial instruments

In May 2023, the IASB issued amendments to IAS 7 “Statements of cash flows” and NIIF 7 “Financial instruments: disclosures”. These amendments specify the information requirements to be disclosed to improve current requirements aimed at helping financial statement users understand the effects of supplier financing agreements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, financial institutions pay amounts that entities owe to their suppliers. Companies agree to settle such arrangements with financial arrangements based on such arrangements’ terms and conditions, either on the same date or on a date subsequent to that on which the financial institution settles the payable to the supplier.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including the terms and conditions for such arrangements, quantitative information of the liabilities related to such arrangements at the beginning and end of the reporting period, and the type and effect of non-cash changes on the carrying amounts of such arrangements. The information on such arrangements may be aggregated, unless the individual arrangements are subject to different or unique terms and conditions. Under IFRS 7, supplier finance arrangements are included as an example of other factors that may be important for disclosure purposes.

Given the current situation and the Company’s practice over the last few years, no significant impacts are expected.

The amendments are effective for reporting periods beginning as from January 1, 2024.

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 radios, and provides tire removal services.
- The electronic consumer goods and telephones segment, which produces and markets television sets and mobile telephones, 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 telephones and other electronic products.
- The agricultural segment, which is engaged in exporting cereal and oilseeds, and is also engaged in cattle and agricultural production.
- The steel sales segment engaged in manufacturing and selling steel.
- The "Others" segment, comprising other minor activities.

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

Mirgor Group operates in the territory of Argentina, Uruguay, Chile, Paraguay, Dominican Republic, Honduras and the United States of America.

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.

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The results of each segment and their reconciliation to Mirgor Group's comprehensive income for years ended December 31, 2023, and 2022, are presented below:

Fiscal year ended, December 31, 2023	**Automotive**	**Consumer electronics and mobile phones**	**Retail**	**Farming**	**Services**	**Marketing of steels**	**Other services**	**Segments consolidated total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Revenue	101,732,944	497,254,020	302,759,434	52,250,261	9,940,233	32,435,075	-	996,371,967
Industrial promotion benefit	11,159,917	138,807,089	-	-	-	-	-	149,967,006
Total profit	**112,892,861**	**636,061,109**	302,759,434	**52,250,261**	**9,940,233**	**32,435,075**	**-**	**1,146,338,973**
Profit (loss)								
Depreciation and amortization	(6,386,167)	(7,243,498)	(4,361,630)	(25,170)	-	(586,014)	-	(18,602,479)
Operating profit (loss) for the segment	**(57,904,182)**	**(109,115,004)**	**11,255,033**	**(682,792)**	**584,215**	**4,046,304**	**50,843**	**(151,765,584)**

Fiscal year ended, December 31, 2022	**Automotive**	**Consumer electronics and mobile phones**	**Retail**	**Farming**	**Services**	**Marketing of steels**	**Other services**	**Segments consolidated total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Revenue	88,748,021	619,901,571	220,964,888	75,532,783	8,831,387	-	36,016	1,014,014,666
Industrial promotion benefit	15,576,408	145,264,061	-	-	-	-	-	160,840,469
Total profit	**104,324,429**	**765,165,632**	**220,964,888**	**75,532,783**	**8,831,387**	**-**	**36,016**	**1,174,855,135**
Profit (loss)								
Depreciation and amortization	(862,108)	(10,413,265)	(2,262,958)	-	-	-	(4,665)	(13,542,996)
Operating profit (loss) for the segment	**(13,039,512)**	**89,611,394**	**2,767,620**	**8,010,836**	**2,834,140**	**-**	**426,154**	**90,610,632**

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The assets and liabilities for each segment as of December 31, 2023, and 2022 are disclosed below:

Assets and liabilites per segment	Automotive	Consumer electronics and mobile phones	Retail	Farming	Services	Marketing of steels	Not attributable to a specific business segment	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of December 31, 2023								
Nonoperating assets								
– Investment in associates	-	-	-	-	-	-	7,947,071	7,947,071
– Other financial assets	-	-	-	-	-	-	84,309,651	84,309,651
– Other nonfinancial receivables	21,640,401	50,078,056	19,366,138	15,785,987	1,507,012	1,647,211	5,788	110,030,592
– Other financial receivables	-	-	-	-	-	-	22,169,853	22,169,853
– Deferred tax assets	-	-	-	-	-	-	14,164	14,164
Total nonoperating assets	21,640,401	50,078,056	19,366,138	15,785,987	1,507,012	1,647,211	114,446,527	224,471,331
Operating assets	94,496,456	287,087,988	129,974,089	21,951,276	16,358,698	34,474,306	705,953	585,048,766
Total assets	**116,136,857**	**337,166,044**	**149,340,227**	**37,737,263**	**17,865,709**	**36,121,517**	**115,152,480**	**809,520,097**
Nonoperating liabilities								
– Interest-bearing debts and borrowings	-	-	-	-	-	-	23,929,365	23,929,365
– Lease liabilities	-	-	-	-	-	-	54,654,464	54,654,464
– Provisions for lawsuits and contingencies	-	-	-	-	-	-	1,663,708	1,663,708
– Deferred tax liability	-	-	-	-	-	-	4,969,594	4,969,594
Total nonoperating liabilities	-	-	-	-	-	-	85,217,131	85,217,131
Operating liabilities	40,683,001	524,757,468	61,409,850	14,581,514	4,809,109	20,419,484	9,037,491	675,697,917
Total liabilities	**40,683,001**	**524,757,468**	**61,409,850**	**14,581,514**	**4,809,109**	**20,419,484**	**94,254,622**	**760,915,048**

Assets and liabilites per segment	Automotive	Consumer electronics and mobile phones	Retail	Farming	Services	Marketing of steels	Not attributable to a specific business segment	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of December 31, 2022								
Nonoperating assets								
– Investment in associates	-	-	-	-	-	-	7,593,267	7,593,267
– Other financial assets	-	-	-	-	-	-	6,899,155	6,899,155
– Other nonfinancial receivables	9,713,185	5,987,161	9,714,035	63,134,549	3,177,135	1,167,635	1,490,603	94,384,303
– Other financial receivables	-	-	-	-	-	-	144,811	144,811
– Deferred tax assets	-	-	-	-	-	-	91,884	91,884
Total nonoperating assets	9,713,185	5,987,161	9,714,035	63,134,549	3,177,135	1,167,635	16,219,720	109,113,420
Operating assets	64,390,538	267,768,504	74,988,742	5,389,152	17,395,846	32,223,053	7,931,518	470,087,353
Total assets	**74,103,723**	**273,755,665**	**84,702,777**	**68,523,701**	**20,572,981**	**33,390,688**	**24,151,238**	**579,200,773**
Nonoperating liabilities								
– Interest-bearing debts and borrowings	-	-	-	-	-	-	2,966,672	2,966,672
– Lease liabilities	-	-	-	-	-	-	2,863,169	2,863,169
– Provisions for lawsuits and contingencies	-	-	-	-	-	-	3,287,611	3,287,611
– Deferred tax liability	-	-	-	-	-	-	6,734,984	6,734,984
Total nonoperating liabilities	-	-	-	-	-	-	15,852,436	15,852,436
Operating liabilities	48,489,793	277,159,944	17,863,645	131,383	5,919,051	9,193,558	8,262,236	367,019,610
Total liabilities	**48,489,793**	**277,159,944**	**17,863,645**	**131,383**	**5,919,051**	**9,193,558**	**24,114,672**	**382,872,046**

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5. REVENUES FROM ORDINARY ACTIVITIES

	12.31.2023 ARS 000	12.31.2022 ARS 000
Sale of goods	935,096,222	929,950,433
Sale of services	9,940,233	8,831,387
Sale of cereals	51,328,895	75,191,166
Export of assets	-	5,668
Lease profit	6,617	36,012
Total revenue from ordinary activities	**996,371,967**	**1,014,014,666**

6. COST OF GOODS SOLD AND SERVICES RENDERED

	12.31.2023 ARS 000	12.31.2022 ARS 000
Inventories at beginning of year (*)	159,120,898	91,664,852
Purchases for the year	787,041,505	897,597,389
Operating expenses and services - Note 7	143,535,732	100,140,937
Export duties	9,878,583	12,417,853
Creation of the allowance for inventories obsolescence and impairment in value. Note 14	7,286,521	7,127,476
Use of the allowance for inventories obsolescence and impairment in value. Note 14	(5,901,797)	(5,806,719)
Stock at end of year (*)	(246,735,274)	(159,120,898)
Cost of goods sold and services rendered	**854,226,168**	**944,020,890**

(*) 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	12/31/2023 Operating expenses and services	12/31/2023 Administrative expenses	12/31/2023 Selling expenses	12/31/2023 Total	12/31/2022 Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Salaries & wages	40,634,085	37,777,641	12,001,312	90,413,038	77,136,804
Contributions and employee benefits	11,765,055	9,439,947	3,194,069	24,399,071	22,806,014
Insurance	1,467,053	499,386	2,198,272	4,164,711	3,647,045
Fees	2,883,636	8,814,009	849,615	12,547,260	10,136,721
Services, taxes, assessments and contributions	32,258,461	2,583,113	46,459,799	81,301,373	51,646,214
Advertising expenses	-	3,796	10,993,475	10,997,271	10,347,628
Credit card commissions	-	-	7,265,572	7,265,572	6,309,527
Bank expenses and tax on bank account transactions	246,473	7,332,302	2,652,913	10,231,688	8,063,029
Intangible assets amortization	676,091	685,690	-	1,361,781	1,979,007
PP&E and investment Facilities depreciations	13,467,211	210,526	3,562,961	17,240,698	11,563,989
Leases and logistics services	7,254,490	1,830,215	2,441,970	11,526,675	7,318,553
Customs clearing and dispatch expenses	9,696,318	-	291,218	9,987,536	3,791,537
Maintenance	2,307,411	1,928,985	290,703	4,527,099	3,148,605
Traveling and living expenses	178,344	1,608,373	238,426	2,025,143	1,041,182
Transportation, shipping and handling	13,842,237	-	9,569,323	23,411,560	14,473,085
Cleaning and surveillance expenses	3,246,064	231,901	2,014,437	5,492,402	4,529,318
Royalties	-	-	27,782	27,782	-
Allowance for doubtful accounts	-	-	606,221	606,221	5,881,176
Contingencies	-	1,348,871	-	1,348,871	1,835,374
Miscellaneous	3,612,803	1,249,462	493,196	5,355,461	3,759,289
Total 12 months as of 12/31/2023	**143,535,732**	**75,544,217**	**105,151,264**	**324,231,213**	
Total 12 months as of 12/31/2022	**100,140,937**	**49,544,604**	**99,728,556**		**249,414,097**

8. OTHER INCOME AND EXPENSES

8.1. Other operating profit

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Foreign exchange difference	(218,118,912)	17,665,935
Taxes and import duties on goods	(48,462,429)	-
Miscellaneous	3,608,604	4,045,842
Total other operating profit	**(262,972,737)**	**7,429,928**

8.2. Finance income

	12.31.2023 ARS 000	12.31.2022 ARS 000
Profit on short-term deposits	63,223,255	(11,064,164)
Interest	(35,648,836)	(24,497,393)
Foreign exchange difference and net present value	16,884,967	(2,503,079)
Miscellaneous	-	(2,491)
Total finance income	**44,459,386**	**(38,067,127)**

8.3. Other expense, net

	12.31.2023 ARS 000	12.31.2022 ARS 000
Profit (loss) on sale of PP&E	5,574	(360,993)
Severance payments	(1,758,834)	(1,720,630)
Profit from sales of investment properties	-	40,072
Miscellaneous	28,223	(1,714,797)
Total other expense, net	**(1,725,037)**	**(3,756,348)**

9. INCOME TAX

Mirgor Group calculated the current and deferred income tax charge for the year ended December 31, 2023, 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 income. 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**
-	14,301,209	-	25%	-
14,301,209	143,012,092	3,575,302	30%	14,301,209
143,012,092	Onwards	42,188,567	35%	143,012,092

(b) The amounts set in the scale will be adjusted annually as from January 1, 2023, 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.

The major components of income tax expense for the years ended December 31, 2023, and 2022, are:

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current income tax		
Current income tax charge	(6,949,618)	(1,900,655)
Deferred income tax		
Related to the origin and reversal of temporary differences	88,978	(5,348,545)
Variation in the allowance for impairment of deferred income tax credit	1,598,692	(279,211)
Income tax for the year (*)	**(5,261,948)**	**(7,528,411)**

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

A reconciliation between income tax expense and the product of accounting profit multiplied by the tax rate for years ended December 31, 2023, and 2022, is as follows:

	12.31.2023 ARS 000	12.31.2022 ARS 000
Profit before income tax	(152,051,126)	38,398,136
At the statutory tax rate	45,615,338	(11,519,441)
Exempt profit due to activities performed in Tierra del Fuego	(53,026,462)	4,270,241
Subtotal	(7,411,124)	(7,249,200)
Estimate difference from previous year	550,484	-
Charge for the allowance for impairment of deferred income tax assets	1,598,692	(279,211)
Income tax for the year	**(5,261,948)**	**(7,528,411)**

Deferred income tax

Deferred income tax breaks down as follows:

	12.31.2023 ARS 000	12.31.2022 ARS 000
NOLs to be offset against future taxable income	468,465	1,622,178
Valuation of mutual funds	5,939	(37,045)
Present value effect	19,139	15,001
Trade receivables	1,234	3,301
Deferral of the tax adjustment for inflation	16,703	567,516
Inventories valuation	-	17,168
Severance payments	5,614	5,387
Allowance for impairment in value of deferred tax asset	(502,930)	(2,101,622)
Deferred income tax asset	**14,164**	**91,884**

	12.31.2023 ARS 000	12.31.2022 ARS 000
Allowance for impairment in value of inventories	198,852	213,738
NOLs to be offset against future taxable income	1,062,750	191,089
PP&E and investment properties	(1,576,308)	(4,370,457)
Valuation of mutual funds	(1,552,262)	(88,972)
Present value effect	-	443,233
Trade receivables	68,058	42,937
Deferral of the tax adjustment for inflation	139,128	189,224
Inventories valuation	(3,368,217)	(3,395,038)
Provision for lawsuits	58,405	39,262
Deferred income tax liabilities	**(4,969,594)**	**(6,734,984)**

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:

	12.31.2023 ARS 000	12.31.2022 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	**(153,084,321)**	**30,914,403**

	12.31.2023 In thousands	12.31.2022 In thousands
Weighted average number of ordinary shares attributable to basic and diluted earnings per share (in thousands of shares)	**177,400**	**175,000**

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, 2023

	12.31.2023					
	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	9,624,449	2,517,339	7,711,255	-	-	19,853,043
Buildings and construction	37,843,979	507,164	-	-	3,493,927	41,845,070
Machinery, equipment and tools	68,781,338	4,200,159	-	(23,008)	7,110,626	80,069,115
Vehicles	750,234	129,831	-	(8,279)	-	871,786
Furniture and office supplies	4,990,329	23,832	-	-	577	5,014,738
Fixtures	13,698,105	988,759	-	(8,989)	2,637,536	17,315,411
Die-stamping	2,063,166	-	-	-	-	2,063,166
Computer hardware	7,129,663	60,090	-	-	7,695	7,197,448
Works in process	37,414,854	17,522,402	-	(169,101)	(13,250,361)	41,517,794
Rights to use real property	11,187,428	36,592,967	-	-	-	47,780,395
Breeding farm	-	4,379	-	-	-	4,379
PP&E impairment	-	-	-	-	-	-
	193,483,545	**62,546,922**	**7,711,255**	**(209,377)**	-	**263,532,345**

	12.31.2023						
	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	-	-	-	-	-	-	19,853,043
Buildings and construction	10,086,838	2%	-	-	3,416,750	13,503,588	28,341,482
Machinery, equipment and tools	61,922,014	10%	-	(23,008)	4,660,826	66,559,832	13,509,283
Vehicles	477,064	20%	-	-	88,892	565,956	305,830
Furniture and office supplies	4,259,701	20%	-	-	233,432	4,493,133	521,605
Fixtures	7,797,656	25%	-	(7,769)	2,014,977	9,804,864	7,510,547
Die-stamping	2,062,860	20%	-	-	187	2,063,047	119
Computer hardware	6,908,919	20%	-	-	160,285	7,069,204	128,244
Works in process	-	-	-	-	-	-	41,517,794
Rights to use real property	6,718,131	20%	-	-	6,665,000	13,383,131	34,397,264
Breeding farm	-	14%	-	-	349	349	4,030
PP&E impairment	3,926,243	-	-	-	-	3,926,243	(3,926,243)
	104,159,426		-	**(30,777)**	**17,240,698**	**121,369,347**	**142,162,998**

(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, 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
Plots of land	406,982	994,088	8,460,360	(236,981)	-	9,624,449
Buildings and construction	32,597,224	2,084,585	1,837,445	(1,533,558)	2,858,283	37,843,979
Machinery, equipment and tools	61,146,317	2,200,475	4,107,915	(9,741)	1,336,372	68,781,338
Vehicles	583,896	238,675	70,627	(142,964)	-	750,234
Furniture and office supplies	5,090,226	32,592	43,139	(153,200)	(22,428)	4,990,329
Fixtures	8,115,725	3,990,321	490,769	(656,130)	1,757,420	13,698,105
Die-stamping	4,169,708	-	-	(2,106,542)	-	2,063,166
Computer hardware	7,415,036	26,822	18,199	(182,634)	(147,760)	7,129,663
Works in process	18,485,155	25,781,377	-	(1,069,791)	(5,781,887)	37,414,854
Rights to use real property	8,245,987	2,941,441	-	-	-	11,187,428
PP&E impairment	-	-	-	-	-	-
	146,256,256	**38,290,376**	**15,028,454**	**(6,091,541)**	**-**	**193,483,545**

	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
Plots of land	-	-	-	-	-	-	9,624,449
Buildings and construction	9,293,074	2%	805,375	(861.332)	849,721	10,086,838	27,757,141
Machinery, equipment and tools	51,503,707	10%	4,037,026	-	6,381,281	61,922,014	6,859,324
Vehicles	496,982	20%	70,627	(142.964)	52,419	477,064	273,170
Furniture and office supplies	3,824,634	20%	33,314	(130.461)	532,214	4,259,701	730,628
Fixtures	6,966,011	25%	472,620	(656.130)	1,015,155	7,797,656	5,900,449
Die-stamping	4,159,534	20%	-	(2.097.122)	448	2,062,860	306
Computer hardware	6,894,030	20%	18,199	(155.663)	152,353	6,908,919	220,744
Works in process	-	-	-	-	-	-	37,414,854
Rights to use real property	4,640,952	20%	-	(503.219)	2,580,398	6,718,131	4,469,297
PP&E impairment	3,926,243	-	-	-	-	3,926,243	(3,926,243)
	91,705,167		**5,437,161**	**(4.546.891)**	**11,563,989**	**104,159,426**	**89,324,119**

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.
(2) Corresponds to the initial balances of Sociedades A-Novo S.A. and Ontec Fortinox S.A. (Note 23)

Signed for identification purposes
with the report dated March 8, 2024
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. JOSÉ LUIS ALONSO
Vice-Chairperson

12. INVESTMENT PROPERTY

	12/31/2023 In thousands of ARS	12/31/2022 In thousands of ARS
Noncurrent		
Under development		
Cattle	9,575	-
Under production		
Cattle	57,518	-
	67,093	**-**
Current		
Under development		
Sown fields	7,416,801	-
Cattle	37,296	-
Under production		
Cattle	31,644	-
	7,485,741	**-**

	Cattle	Sown fields - Grain	Total
Stock of biological assets at beginning of year	-	-	-
Cattle purchases	73,964	-	73,964
Initial recognition and change in fair value of biological assets	40,386	954,412	994,798
Operating expenses	21,683	6,804,606	6,826,289
Deletion due to harvest /cattle sales	-	(342,217)	(342,217)
Stock of biological assets at end of year	**136,033**	**7,416,801**	**7,552,834**

Cattle

	In thousands of ARS	Head
Cattle under development	46,871	183
Cattle under production	89,162	236
	136,033	**419**

Sown fields - Grain and oilseeds

Crop	Head	Tn
Wheat	469,482	7,330
Corn	2,311,658	30,652
Soybean	3,906,681	23,828
Sunflower	532,830	3,183
Barley	196,150	4,255
Total	**7,416,801**	**69,248**

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, 2022	4,350,633	-	4,350,633
Additions for the year	4,106,906	-	4,106,906
Disposals for the year	(99,237)	-	(99,237)
As of December 31, 2022	**8,358,302**	**-**	**8,358,302**
Additions for the year	975,624	345,540	1,321,164
As of December 31, 2023	**9,333,926**	**345,540**	**9,679,466**
Amortization and impairment in value			
As of January 1, 2022	3,753,116	-	3,753,116
Amortization charge for the year	1,979,007	-	1,979,007
As of December 31, 2022	**5,732,123**	**-**	**5,732,123**
Amortization charge for the year	1,361,781	-	1,361,781
As of December 31, 2023	**7,093,904**	**-**	**7,093,904**
Residual value			
As of December 31, 2022	**2,626,179**	**-**	**2,626,179**
As of December 31, 2023	**2,240,022**	**345,540**	**2,585,562**

14. INVENTORIES

	12.31.2023 ARS 000	12.31.2022 ARS 000
Raw materials	97,678,779	94,439,585
Finished goods	142,863,460	60,610,272
Merchandise	6,193,035	4,071,041
Subtotal	246,735,274	159,120,898
Raw material in transit	23,649,201	29,218,928
Allowance for obsolescence and impairment of inventories	(5,242,498)	(3,857,774)
	265,141,977	**184,482,052**

The changes in the allowance for inventories impairment and obsolescence as of December 31, 2023, and 2022, as detailed below, have been included in cost of goods sold and services provided in the statement of comprehensive income:

	12.31.2023 ARS 000	12.31.2022 ARS 000
At beginning of year	**(3,857,774)**	**(2,537,017)**
Increase (1)	(7,286,521)	(7,127,476)
Use (1) (2)	5,901,797	5,806,719
At end of year	**(5,242,498)**	**(3,857,774)**

(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

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current		
Trade receivables	56,632,521	177,548,451
Trade receivables of associates – Nota 18	-	34,208
Allowance for impairment of doubtful accounts (1)	(3,975,521)	(14,158,307)
	52,657,000	**163,424,352**

(1) The variations are described in note 15.10.

Trade payables are noninterest bearing and their average collection term is generally from 30 to 60 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:

	Total	Without due date	To fall due	Past due <30 days
	ARS 000	ARS 000	ARS 000	ARS 000
12.31.2023	52,657,000	-	48,917,746	3,739,254
12.31.2022	163,424,352	34,208	152,601,915	10,788,229

15.2. Trade and other payables

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Noncurrent		
Other accounts payable	853,624	2,429,173
	853,624	**2,429,173**
Current		
Trade payables	627,365,699	318,769,802
Salaries & wages and payroll taxes payable	13,594,537	12,883,183
Annual statutory bonus and vacation accrual	2,792,856	2,740,235
Income tax accrual, net	5,652,154	4,454,823
Health and safety assessment	1,466,420	1,185,492
Turnover tax payable and withholdings/additional withholdings to be deposited	1,262,008	1,865,690
Value-added tax payables and withholdings/additional withholdings to be deposited	286,153	530,670
Excise taxes payable	5,353,419	3,099,079
Other liabilities related to restructuring	-	5,269,472
Other taxes payable	7,192,966	11,329,460
Customer prepayments	2,624,857	246,037
Other accounts payable	7,145,697	2,016,523
Royalties payable	60,748	43,124
Directors' fees payable	46,779	66,358
	674,844,293	**364,499,948**

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

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current		
Loans received	20,756,199	-
Debt with financial entities in national currency	6,283	-
Bank loans in local currency	-	60,454
Bank loans in foreign currency	3,166,883	2,906,218
Total interest-bearing noncurrent debts and borrowings	**23,929,365**	**2,966,672**

15.4. Lease payables

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

	12.31.2023 ARS 000	12.31.2022 ARS 000
Right-of-use assets	34,397,264	4,469,297
Lease payables	54,654,464	2,863,169

For further information on the changes in right-to-use assets for the years ended December 31, 2023, and 2022, please refer to note 11. Below is a breakdown of lease payables for the abovementioned fiscal years..

	12.31.2023 ARS 000	12.31.2022 ARS 000
At beginning of year	2,863,169	3,264,047
Finance costs - present value	(11,652,444)	(810,753)
Finance costs - Foreign exchange difference	55,451,757	785,342
Additions	16,676,842	3,675,261
Decreases (1)	(8,684,860)	(4,050,728)
At end of year	**54,654,464**	**2,863,169**

(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

	12.31.2023 ARS 000	12.31.2022 ARS 000
Noncurrent		
Provisions for lawsuits and contingencies	1,663,708	3,287,611
Total provisions for lawsuits and contingencies	**1,663,708**	**3,287,611**

15.6. Other financial assets

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Current		
Debt securities	84,134,753	6,763,914
Mutual guarantee company	174,898	135,241
	84,309,651	**6,899,155**

15.7. Other financial liabilities

	12.31.2023	12.31.2022
		ARS 000
Current		
Liabilities for forward exchange transactions	-	90,489
	-	**90,489**

15.8. Other financial receivables

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Current		
Contributions to be converted into equity	347,916	144,811
	347,916	**144,811**
Noncurrent		
Contributions to be converted into equity	538,751	-
Loans granted	21,283,186	-
Total provisions for lawsuits and contingencies	**21,821,937**	**-**

15.9. Cash and short-term deposits

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Cash on hand and in banks	17,565,019	12,497,122
Short-term investments	97,382,056	17,733,529
To the consolidated statement of financial position	**114,947,075**	**30,230,651**

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following as of December 31, 2023, and 2022:

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Cash on hand and in banks	17,565,019	12,497,122
Short-term investments	97,382,056	17,733,529
To the consolidated statements of cash flows	**114,947,075**	**30,230,651**

15.10. Impairment of financial assets

Trade and other receivables

As of December 31, 2023, the value of trade receivables for an original carrying amount of 3,975,521 were impaired and fully booked as allowance. The amounts and changes of the allowance for doubtful accounts are detailed below:

	12.31.2023 ARS 000	12.31.2022 ARS 000
At beginning of year	14,158,307	16,734,159
(Loss) on exposure to change in currency purchasing power	(9,611,756)	(8,143,428)
Uses	(1,177,251)	(313,600)
Charge for the year	606,221	5,881,176
At end of year	**3,975,521**	**14,158,307**

15.11. Information on fair values

As of December 31, 2023, and 2022, Management estimates that the carrying amounts of financial assets and biological 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, 2023, 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, 2023, and 2022, agreements were signed to cover the potential devaluation of the Argentine peso in the amount of about USD 446,000,000 and USD 431,000,000, respectively, since Mirgor Group carries significant payables in foreign currency to industrial suppliers abroad.

As of December 31, 2023, there are no amounts arising from such transactions, whereas as of December 31, 2022, the amount is disclosed under the "Other liabilities" account, and it stands at 90,489. 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, 2023, and 2022, profit (loss) for these transactions amounted to ARS 5,952,541 (loss) and ARS 4,251,318 (loss), respectively, and was disclosed in "Foreign exchange differences" under "Other operating profit and expenses".

15.12. Changes in liabilities from financing activities

			Changes other than cash		
	12.31.2022	Variation (1)	Foreign exchange difference	Accrued interest	12.31.2023
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Bank loans	2,966,672	20,962,693	-	-	23,929,365
Lease liabilities	2,863,169	(3,660,462)	55,451,757	-	54,654,464

			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	574,326	2,180,277	92,516	119,553	2,966,672
Lease liabilities	3,264,047	(1,186,220)	785,342	-	2,863,169

(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, 2023, and 2022, 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	12.31.2023	12.31.2022
				ARS 000	ARS 000
ASSETS					
Current assets					
Cash on hand and in banks					
Cash	USD	1,721	805.45	1,386,507	946,614
Cash in banks	USD	12,508	805.45	10,074,774	6,902,749
				11,461,281	**7,849,363**
Short-term investments					
Placement of certificates of deposit	USD	6,769	805.45	5,452,358	1,033,014
				5,452,358	1,033,014
Other financial assets					
Mutual guarantee company	USD	217	805.45	174,898	135,241
				174,898	**135,241**
Trade and other receivables					
Trade receivables	EUR	112	889.38	99,378	322,157
	USD	36,128	805.45	29,099,625	98,994,024
				29,199,003	**99,316,181**
Other financial receivables					
Loans granted	**CCL**	331	973,31	321,827	-
Contributions to capitalize	**CCL**	21,867	973,31	21,283,186	-
				21,605,013	**-**
Other nonfinancial receivables					
Prepayments to suppliers for the purchase of goods	EUR	15	894.71	13,621	1,059,860
	USD	69,925	808.45	56,531,080	47,994,324
Funds delivered as security	USD	6,854	808.45	5,541,178	1,652,858
				62,085,879	**50,707,042**
Reimbursements receivable	USD	-	808.45	-	2,308
				-	**2,308**
Insurance to be accrued	USD	1,114	808.45	**900,450**	**553,543**
				900,450	**553,543**
Total current assets				**130,878,882**	**159,596,692**
Total assets				**130,878,882**	**159,596,692**

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Item	Amounts in thousands and currency		Effective exchange rate	12.31.2023	12.31.2022
				ARS 000	ARS 000
LIABILITIES					
Current liabilities					
Interest-bearing payables and loans					
Bank loans	USD	25,686	808.45	20,765,469	-
Import financing	USD	3,693	808.45	2,985,597	2,906,218
Lease liabilities	USD	6,263	808.45	5,063,068	337,993
				28,814,134	**3,244,211**
Trade and other payables					
Trade payables	USD	119,300	808.45	96,447,915	289,903,436
	EUR	8,480	894.71	7,587,362	3,959,732
	BRL	1,414	178.00	251,707	81,006
	CNY	3,984,589	116.12	462,690,508	-
	JPY	48,335	5.74	277,407	8,150
				567,254,899	**293,952,324**
Customer prepayments	USD	122	808.45	98,293	3,413
				98,293	**3,413**
Royalties payable	EUR	53	808.45	43,124	43,124
				43,124	**43,124**
Other accounts payable	USD	4,302	973.31	4,187,549	568,363
	MEP	2,000	995.00	1,990,000	-
				6,177,549	**568,363**
Total current liabilities				**602,387,999**	**297,811,435**
Noncurrent liabilities					
Interest-bearing debts and borrowings					
Lease liabilities	USD	60,114	808.45	48,599,053	585,203
				48,599,053	**585,203**
Trade and other payables					
Other accounts payable	CCL	877	973.31	853,624	2,429,173
				853,624	**2,429,173**
Total current liabilities				**49,452,677**	**3,014,376**
Total liabilities				**651,840,676**	**300,825,811**

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. The foreign exchange differences, which have been assessed by breaking down the effects of inflation, were charged to profit (loss) for each year.

16. OTHER NONFINANCIAL RECEIVABLES

	12.31.2023 ARS 000	12.31.2022 ARS 000
Noncurrent		
Warranties	94,347	-
Loans and advances to personnel	194,137	141,662
Turnover tax withholdings and additional withholdings	327,281	2,011,594
Payroll taxes to be recovered	678	4,229
Miscellaneous	-	5,126
Allowance for impairment of tax credits	(159,177)	(1,935,869)
	457,266	**226,742**

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current		
Prepayments to suppliers for the purchase of goods	67,577,959	53,732,299
Turnover tax withholdings and additional withholdings	1,605,490	3,395,088
Income tax balance in favor and withholdings	3,643,036	3,951,190
Loans and advances to personnel	384,308	343,318
Funds delivered as security - Note 19.5	8,203,253	1,652,858
Insurance to be accrued	958,329	716,798
VAT balance in favor	9,043,245	10,718,825
Prepayment of export duties	16,065,818	18,641,210
Miscellaneous	2,091,888	1,005,975
	109,573,326	**94,157,561**

17. CAPITAL STOCK

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

	12.31.2023 In thousands	12.31.2022 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, 2023	180,000	18,000
December 31, 2022	**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 chart shows the total amount of payables to and receivables from related parties as of December 31, 2023, and 2022:

		Trade and other receivables
		ARS 000
Parent company:		
Il Tevere S.A.	12.31.2023	-
	12.31.2022	34,208

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: 62.25%
Percentage of shares: 48.98%.

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, 2023, 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 period 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

The Group performs transactions in foreign currency; therefore, foreign currency hedge transactions are carried out.

The devaluation of the Argentine peso had an adverse impact on Argentine companies' capacity to repay its payables in foreign currency. In addition, it caused a very high inflation rate at the initial period, significantly reduced real salaries, had an adverse impact on companies aimed at the domestic market, such as utility companies and the financial industry, and negatively affected the Argentine Government's capacity to repay its sovereign debt.

If the Argentine peso would be considerably devalued as a result of inflation levels, all the negative effects on the Argentine economy related to such devaluation could be repeated, adversely affecting the Argentine economy and on the Group's business in the long term.

In addition, a considerable increase in the value of the Argentine peso against the US dollar also poses risks for the Argentine economy. The appreciation of the Argentine peso against the US dollar would adversely affect the financial situation of entities which assets stated in foreign currency exceed their liabilities stated in foreign currency. In addition, in the short term, a considerable real appreciation would negatively affect exports. This could have a negative impact on GDP growth and employment, and also reduce the revenues of the Argentine government sector, reducing tax collections in real terms, since at present the government sector is considerably based on export duties. To sum up, the Group cannot guarantee that foreign exchange rate fluctuations will not have an adverse impact on the Argentine economy. If that were the case, the Group's equity or financial situation, among others, as well as the results, operations and businesses, may be considerably affected in a negative manner.

The Group has both assets and liabilities stated in foreign currency, so foreign currency exchange variations may negatively or positively affect its equity and economic situation. Below is a sensibility analysis carried out considering foreign exchange variations.

Variation in the foreign exchange rate	**Likelihood**	
	(-) 2%	**(+) 2%**
Impact on profit (loss)	(2.492)	27.492

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, 2023.

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

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, 2023, 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.

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

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, 2023	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	-	-	23,929,365	-	23,929,365
Lease liabilities	-	185,662	5,406,067	49,062,735	54,654,464
Trade and other payables	51,333,482	386,042,512	237,468,299	853,624	675,697,917
	51,333,482	**386,228,174**	**266,803,731**	**49,916,359**	**754,281,746**

As of 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	-	-	2,966,672	-	2,966,672
Lease liabilities	-	-	1,521,933	-	1,521,933
Trade and other payables	26,364,584	249,085,742	89,049,622	2,429,173	366,929,121
	26,364,584	**249,085,742**	**93,538,227**	**2,429,173**	**371,417,726**

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, 2023, 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.

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Interest-bearing payables and loans	23,929,365	2,966,672
Lease liabilities	54,654,464	2,863,169
Trade payables	627,365,699	318,769,802
Less: Cash on hand and in banks	(114,947,075)	(30,230,651)
Net debt	**591,002,453**	**294,368,992**
Equity	48,605,049	196,328,727
Total capital	48,605,049	196,328,727

Total capital and net debt	**639,607,502**	**490,697,719**
Indebtedness ratio	**92**%	**60%**

19.5. Climate risks

This risk type is related to agricultural production and to the risk of experiencing different climate events, such as drought, excessive rain, hail, flood or other climate events affecting crop yields.

The Group's production could be affected by the abovementioned climate risks.

19.6. Crop diseases

The Group's crops are subject to diseases and plagues like any crop developed by any other Argentine producer, and their effect could be devastating, as they could ruin the affected crops in part or un full, as well as the Company's and its subsidiaries' businesses and transactions.

19.7. Guarantees granted

Mirgor S.A.C.I.F.I.A. granted guarantees for the obligations undertaken by the subsidiary IATEC S.A.U. with Samsung Electronics Co. Limited for manufacturing mobile cellular radio communication devices under the "Samsung" brand at the plant in Río Grande, Tierra del Fuego. Likewise, it also granted guarantees for the obligations undertaken by the subsidiary IATEC S.A.U. with Pioneer do Brasil Ltd. for producing electronic products for Pioneer-brand automobiles at the plant in Río Grande, Tierra del Fuego.

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

Finally, Mirgor and its subsidiaries made a security deposit for the transactions carried out by different Group companies with foreign suppliers.

Grantor	Year	Guaranteed company	Supplier	Guaranteed asset
MIRGOR	2020	MIRGOR	Montaplast GMBH	Security deposit
MISA	2021	MIRGOR	Raymond Gmbh & Co KG	Security deposit
MISA	2022	MIRGOR	ATX Hardware GmbH West	Security deposit
MISA	2022	FAMAR	SIIX Corporation	Security deposit
MISA	2022	MIRGOR	Torquetools S.L.	Security deposit
MISA	2023	MIRGOR	Marquardt GmbH	Security deposit
MISA	2023	MIRGOR	Tristone Flowtech Ltd	Security deposit
MISA	2023	MIRGOR	Innerio Heat Exchanger GmbH	Security deposit
MISA	2023	MIRGOR	Global Commercial Trading LLC	Security deposit
MISA	2022	IATEC PY	Hisense	Security deposit
MISA	2023	MIRGOR	Kunstof	Security deposit
MISA	2022	IATEC	Synergia	Security deposit
MISA	2022	MISA	Banco HSBC	Security deposit
MISA	2023	MIRGOR	Banco CMF	Security deposit
MISA	2023	A-NOVO	Harman	Security deposit
IATEC	2023	-	Sulken	Security deposit
MIRGOR	2023	-	Sulken	Security deposit
MIRGOR	2023	MIRGOR USA	Hanon	Security deposit
MIRGOR	2023	-	Samu Dies	Security deposit
IATEC	2023	IATEC RD	Samsung Dominicana	Security deposit
ONTEC FORTINOX	2023	ONTEC FORTINOX	Perficon Stell Gmbh	Security deposit

20. INTERESTS IN ASSOCIATES

As of December 31, 2023, 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, 2023, and 2022, is as follows:

Company	Business activity	Equity	Profit for the period	Percentage in the capital stock (1)	Carrying amount as of 12/31/2023	Carrying amount as of 12/31/2022
CIAPEX S.A.	Investment and financing	15,922,761	1,754,535	49.91%	7,947,071	7,593,267
Total					**7,947,071**	**7,593,267**

(1) Related to 178,801,093 Class "A" shares, granting one vote each, and 42,917,608 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 income 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 income 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: Las utilidades atribuibles a Tierra del Fuego, gozan de una liberación del 100% del pago del impuesto a las ganancias, de acuerdo al Art. 1 y 4 inc. a) de la Ley N° 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.

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 23.10.21. 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.U.

The subsidiary IATEC S.A.U. 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 telephones at the industrial plant located in the City of Río Grande, Tierra del Fuego.

Such laws, as amended, provides for promotional benefits for industrial activities involving transformation and assembly processes applied to inputs imported by IATEC S.A.U. 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 telephone 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 telephone 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 telephones 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 telephone 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.U. 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.U. 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 radios. 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	9,584,016
Other nonfinancial receivables	1,167,635
Inventories	13,215,792
Trade and other receivables	2,332,982
Cash and short-term deposits	7,090,263
Total assets	**33,390,688**
Trade and other payables	(9,193,558)
Provisions for lawsuits and contingencies	(100,659)
Deferred tax liability	(4,642,474)
Total liabilities	**(13,936,691)**
Total net assets identified at fair value	**19,453,997**
Purchase price at present value	6,337,650
Bargain purchase of shares	**13,116,347**

Acquisition of equity interest in MIRGOR AGRO S.A.U. (formerly known as SAUCECO S.A.)

On March 10, 2023, MIRGOR S.A.C.I.F.I.A acquired 100% of the equity interest of MIRGOR AGRO S.A.U. (formerly known as SAUCECO S.A.). The Company is engaged in operating all kinds of agricultural establishments, breeding, reproduction, purchase and sale of cattle and animals, agricultural activities at all stages, import, export, storage and consignment of goods, assets, fruits and agricultural and cattle production.

In addition, the Company owns a rural property comprising two plots of land located in Urdampilleta, Bolívar, Province of Buenos Aires, with a total area of 1452.72 hectares.

Under IFRS, the following chart discloses the summarized financial information at fair value on the investment as of March 10, 2023, in MIRGOR AGRO S.A.U. (formerly known as SAUCECO S.A.):

	Fair value upon acquisition
	ARS 000
Property, plant and equipment	7,711,256
Other nonfinancial receivables	1,870
Trade and other receivables	7,677
Cash and short-term deposits	4,727
Total assets	**7,725,530**
Trade and other payables	(138)
Total liabilities	**(138)**
Total net assets identified at fair value	**7,725,392**
Purchase price at present value	8,070,932
Bargain purchase of shares	**(345,540)**

The fair value of PP&E was determined based on market valuations of plots of land and buildings of MIRGOR AGRO S.AU. (formerly known as SAUCECO S.A.).

As from the acquisition date, MIRGOR AGRO S.A.U. (formerly known as SAUCECO S.A) did not provide the Group with revenues from recurring operations or net profit (loss) before taxes arising from continuous operations. . Had the business combination been effected at beginning of the reporting year, revenues from recurring operations would have increased by 28,453 and net profit before taxes arising from continuous operations would have decreased by about 6,713.

Moreover, as of the year-end date of the financial statements, an installment which measured at present value stands at 3,231,490, is yet to be paid. This liability is disclosed in “Other accounts payable”.

Acquisition of MIRGOR CHILE SpA (formerly known as PowerCase SPA)

On April 3, 2023, the subsidiary Mirgor Internacional S.A. acquired 175,000 shares of common stock representing 100% of the capital stock and voting rights of MIRGOR CHILE SpA (formerly known as PowerCase SPA). The Company, organized in Chile, is mainly engaged in the sale, import and export of all kinds of technology, household and office products and items, either of its own or owned by third parties.

24. INTEREST IN JOINT VENTURE – MALTÉN S.A.

On August 8, 2023, the company Malten S.A., in which MIRGOR S.A.C.I.F.I.A. has a 70% interest on its capital and voting rights, was organized. The remaining 30% is owned by DG Agropecuaria S.A.

As of December 31, 2023, the interest held by DG Agropecuaria S.A. on Malten S.A.'s shareholders' equity is disclosed under "Non-controlling interests" in the consolidated statement of changes in equity.

The Company is engaged in transforming agricultural products and byproducts, particularly barley, wheat, rye and hop for producing, selling and exporting brewing malt.

25. SUBSEQUENT EVENTS

No significant facts to be reported occurred subsequent to year-end, except for the following:

Share-based benefit plan

Subsequent to year-end, the delivery of the second stage of the benefit plan involving 2,500,700 shares started (note 2.4.16). The cost of the transaction, measured as of the date of the accompanying financial statements, stood at about ARS 3,764,510.

26. TRANSLATION INTO ENGLISH OF THE COMPANY'S FINANCIALS STATEMENTS

These Financial statements are the English translation of those issued in Spanish. They are presented in accordance with Argentine GAAPs.

The effects of the differences between Argentine GAAPs 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, 2023

	Notes	12.31.2023 ARS 000	12.31.2022 ARS 000
Revenue from ordinary activities	6	114,979,528	124,296,206
Industrial promotion benefit		9,643,403	7,243,538
Cost of sale of goods	7	(118,541,560)	(130,999,368)
Subtotal		**6,081,371**	**540,376**
Agricultural production result		569,723	-
Gross profit (loss)		**6,651,094**	**540,376**
Changes in the fair value of grains and oilseeds		(1,236,939)	1,619,619
Administrative expenses	8	(15,343,997)	(12,779,584)
Selling expenses	8	(4,972,434)	(9,462,380)
Other operating income and expenses	9	(53,585,229)	(850,921)
Operating loss		**(68,487,505)**	**(20,932,890)**
Financial income and costs, net	9	13,011,362	(1,614,814)
Gain (loss) on exposure to the change in currency purchasing power		74,384,806	63,458,494
Other net expenses	9	(727,573)	(1,550,271)
Beneficial share purchase		-	13,116,347
Share of profit of associates, net	4	(176,328,706)	(18,372,223)
Net profit for the year before income tax		**(158,147,616)**	**34,104,643**
Income tax	10	834,313	(3,324,918)
Net profit for the year		**(157,313,303)**	**30,869,725**
Other comprehensive income			
Conversion of business abroad		4,228,982	44,678
Total comprehensive income for the year, net		**(153,084,321)**	**30,914,403**
Earnings per share (Note 11):			
– basic and diluted, net income for the year attributable to ordinary equity holders of the parent’s equityy		**(1,027.69)**	**176.65**

Signed for identification purposes
with the report dated March 8, 2024
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. JOSÉ LUIS ALONSO
Vice-Chairperson

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

SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

	Notes	12.31.2023 ARS 000	12.31.2022 ARS 000
Assets			
Noncurrent assets			
Property, plant and equipment	12	64,642,555	26,183,749
Intangible assets	13	411,721	-
Interest in subsidiaries	4	56,031,695	209,860,591
Other nonfinancial receivables	16	19,935	48,425
Other financial receivables		121,392	122,975
		121,227,298	236,215,740
Current assets			
Other financial receivables	15	8,534,859	-
Other nonfinancial receivables	16	36,488,347	72,718,639
Biological assets	17	7,079,638	-
Inventories	14	19,392,152	15,819,041
Trade and other receivables	15	1,531,664	6,255,637
Cash and short-term deposits	15	1,734,236	1,707,190
		74,760,896	96,500,508
Total assets		**195,988,194**	**332,716,247**
Equity and liabilities			
Equity			
Issued capital		18,000	18,000
Capital adjustment		1,781,930	1,781,930
Own shares		(5,637,682)	(6,851,355)
Share-based payments		4,382,718	-
Premium for own shares		2,400,922	-
Profit set apart for reserves		201,243,149	173,763,593
Unappropriated retained earnings (accumulated losses)		(157,313,303)	31,316,757
Reserve of conversion (losses)		528,784	(3,700,198)
Total equity		**47,404,518**	**196,328,727**
Noncurrent liabilities			
Interest-bearing debts and borrowings	15	-	306,603
Lease liabilities	15	46,281,709	1,155
Provisions for lawsuits and contingencies	15	687,742	1,626,208
Trade and other payables	15	865,331	2,465,944
		47,834,782	4,399,910
Current liabilities			
Interest-bearing debts and loans	15	239,398	-
Lease liabilities	15	3,694,569	83,096
Trade and other payables	15	96,814,927	131,904,514
		100,748,894	131,987,611
Total liabilities		148,583,676	136,387,520
Total equity and liabilities		**195,988,194**	**332,716,247**

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with the report dated March 8, 2024
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. JOSÉ LUIS ALONSO
Vice-Chairperson

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

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	Attributable to owners										
		Other capital accounts convertible into shares		Other shareholders' equity components							
	Capital stock	Capital adjustment	Own shares (Note 2.6 to the consolidated financial statements)	Share-based payments (Note 2(6) to the consolidated financial statements)	Additional paid-in capital (Note 2.6. to the consolidated financial statements)	Statutory reserve	Other reserves	Optional reserve	Reserve of conversion (losses)	Unappropriated 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	ARS 000
As of January 1, 2023	**18,000**	**1,781,930**	**(6,851,355)**	**-**	**-**	**359,981**	**-**	**173,403,613**	**(3,700,198)**	**31,316,756**	**196,328,727**
Regular Shareholders' Meeting decision of April 28, 2023 (Note 2(6) to the consolidated financial statements)	-	-	-	-	-	-	-	31,316,756	-	(31,316,756)	-
Distribution of cash dividends (Note 2(6) to the consolidated financial statements)	-	-	-	-	-	-	-	(3,837,201)	-	-	(3,837,201)
Share-based payments (Note 2(6) to the consolidated financial statements)	-	-	-	7,997,313	-	-	-	-	-	-	7,997,313
Granting of the share-based payment plan (Note 2(6) to the consolidated financial statements)	-	-	1,213,673	(3,614,595)	2,400,922	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	4,228,982	-	4,228,982
Net profit (loss) for the year	-	-	-	-	-	-	-	-	-	(157,313,303)	(157,313,303)
As of December 31, 2023	**18,000**	**1,781,930**	**(5,637,682)**	**4,382,718**	**2,400,922**	**359,981**	**-**	**200,883,168**	**528,784**	**(157,313,303)**	**47,404,518**

	Attributable to owners								
		Other capital accounts convertible into shares		Other shareholders' equity components					
	Capital stock	Capital adjustment	Own shares (Note 2.6 to the consolidated financial statements)	Statutory reserve	Other reserves	Optional reserve	Gain (loss) from conversion	Unappropriated retained earnings (accumulated losses)	Total equity
	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**	**1,781,930**	**(4,561,487)**	**359,981**	**189,756**	**143,503,132**	**(3,744,876)**	**37,549,991**	**175,096,427**
Distribution of cash dividends (Note 2(6) to the consolidated financial statements)	-	-	-	-	-	-	-	(7,392,235)	(7,392,235)
Regular Shareholders' Meeting decision of April 29, 2022 (Note 2(6) to the consolidated financial statements)	-	-	-	-	(189,756)	29,900,481	-	(29,710,725)	-
Repurchase of own shares	-	-	(2,289,868)	-	-	-	-	-	(2,289,868)
Other comprehensive income (loss)	-	-	-	-	-	-	44,678	-	44,678
Net profit (loss) for the year	-	-	-	-	-	-	-	30,869,725	30,869,725
As of December 31, 2022	**18,000**	**1,781,930**	**(6,851,355)**	**359,981**	**-**	**173,403,613**	**(3,700,198)**	**31,316,756**	**196,328,727**

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MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

MR. JOSÉ LUIS ALONSO
Vice-Chairperson

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

SEPARATE STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	12.31.2023 ARS 000	12.31.2022 ARS 000
Operating activities		
Comprehensive income for the year before income tax	(153,918,634)	34,149,321
Adjustments to reconcile the comprehensive net income for the period with net cash flows		-
PP&E depreciation	5,278,455	1,394,670
Amortization of intangible assets	97,673	165,084
Financial results from leases	20,676,316	-
Increase in the allowance for inventories obsolescence	610,017	247,924
Share-based payments	248,526	-
Loss (Profit) on share of profit (loss) of associates, net	176,328,706	18,372,223
Beneficial share purchase	-	(13,116,347)
Profit on exposure to the change in currency purchasing power	1,354,283	1,414,432
Adjustment of operating assets and liabilities		
Decrease in trade and other receivables, net of intercompany receivables	4,401,905	9,041,920
(Increase) Decrease in inventories, net of the obsolescence charge	(4,183,128)	4,219,455
Increase in biological assets	(7,079,638)	-
Decrease (Increase) in other nonfinancial receivables, net of income tax charge	37,093,095	(43,663,951)
Increase (Decrease) in trade and other payables, net of intercompany payables	23,548,054	(965,861)
(Decrease) Increase in provisions for lawsuits and contingencies	(938,466)	1,264,315
Cash flows arising from (used) in operating activities, net	**103,517,164**	**12,523,185**
Investing activities		
Acquisitions of PP&E, net	(10,298,824)	(16,899,912)
PP&E deletion	8,279	749,306
Acquisition of intangible assets	(509,394)	(127,736)
Payment from purchase of assets	-	(3,917,349)
Acquisition of Companies	(4,842,559)	-
Integrated contributions to Societies	(1,826,152)	-
Net cash flows used in investing activities	**(17,468,650)**	**(20,195,691)**
Financing activities		
Decrease in lease liabilities, net	(4,231,005)	(178,589)
Increase in other financial receivables	(8,533,276)	(122,975)
(Decrease) Increase in trade payables and loans, net	(1,041,043)	306,603
(Decrease) Increase in intercompany payables and receivables	(67,024,660)	19,919,863
Dividends paid	(3,837,201)	(7,392,235)
Purchase of own shares	-	(2,289,868)
Net cash flows (used in) arising from financing activities	**(84,667,185)**	**10,242,799**
Loss on exposure to the change in currency purchasing power	(1,354,283)	(1,414,432)
Increase (decrease) in cash and cash equivalents, net	**27,046**	**1,155,861**
Cash and cash equivalents as of January 1	1,707,190	551,329
Cash and cash equivalents as of December 31	**1,734,236**	**1,707,190**

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On behalf of Statutory Audit Committee

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Vice-Chairperson

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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, 2023, were authorized for issue in accordance with a resolution of the Company's Board of Directors on 08.03.23.

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).

The Company's main activity is manufacturing temperature control equipment for the automobile sector, agricultural businesses, and holding companies. In addition, 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 radios, metallurgical items 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, 2023, 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, 2023, 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, 2023, 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, 2023.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The IFRS issued applicable as of January 1, 2023 and those that were not in force on the date of issuance of these separate financial statements of the Company have been described in Notes 2.7 and 3, respectively, to the consolidated financial statements as of December 31, 2023.

4. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Company holds direct and indirect interests in the following subsidiaries:

Subsidiary	(Direct and indirect) equity interest percentage in common stock as of: 12.31.2023	12.31.2022	Year-end of last financial statements issued
Capdo S.A.	100	100	12/31/2023
IATEC S.A.	100	100	12/31/2023
GMRA S.A.	100	100	12/31/2023
Famar Fueguina S.A.	100	100	12/31/2023
Brightstar Argentina S.A.	100	100	12/31/2023
Brightstar Fueguina S.A.	100	100	12/31/2023
Mirgor Internacional S.A. (Uy)	100	100	12/31/2023
Rulned S.A. (Uy)	100	100	12/31/2023
IATEC S.A. (Py)	100	100	12/31/2023
Anovo S.A. (Uy)	100	100	12/31/2023
ONTEC FORTINOX S.A.U.	100	100	12/31/2023
Mirgor Agro S.A.U.	100	-	12/31/2023
MIRGOR CHILE SpA (Ch)	100	-	12/31/2023
IATEC S.A.S (Rep. Dom.)	100	-	12/31/2023
MIRGOR USA LLC (USA)	100	-	12/31/2023
MALTEN S.A.	70	-	12/31/2023
MIRGOR Honduras S.A. (Hn)	100	-	12/31/2023

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	MIRGOR AGRO S.A.U.	MALTEN S.A
	12.31.2023	12.31.2023	12.31.2023	12.31.2023	12.31.2023	12.31.2023	12.31.2023		31.12.2023	31.12.2023
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Equity under professional accounting standars	91,900,173	17,293,976	1,051,393	6,022,398	641,019	13,558,661	12,886,385	12,697,275	818,073	4,001,771
A. Inventories - Replacement cost	(154,729,302)	(23,984,970)	-	(5,419,841)	-	(1,705,032)	-	(8,762,145)	-	-
B. Inventories - Adjustment for inflation	55,283,192	18,291,695	-	3,160,229	-	419,737	-	4,037,759	-	-
C. Deferred tax on inventory adjustments	-	1,992,646	-	-	-	-	-	1547400	-	-
D. Present value of payroll taxes	(1,020,800)	(207,530)	-	(76,062)	-	(66,849)	-	56,051	-	-
E. Leases	(46,856)	(335,123)	-	-	-	-	-	-	-	-
Equity under IFRS	**(8,613,593)**	**13,050,694**	**1,051,393**	**3,686,724**	**641,019**	**12,206,517**	**12,886,385**	**9,576,340**	**818,073**	**4,001,771**

5. OPERATING SEGMENT INFORMATION

Operating segment information was presented in note 4 to the consolidated financial statements as of December 31, 2023.

6. REVENUES FROM ORDINARY ACTIVITIES

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Sale of goods	58,062,136	42,947,078
Service-charge income	5,836,042	6,315,191
Export of assets	51,081,350	75,033,865
Export rebates	-	72
Total revenue from ordinary activities	**114,979,528**	**124,296,206**

7. COST OF GOODS SOLD AND SERVICES RENDERED

	12.31.2023 ARS 000	12.31.2022 ARS 000
Inventories at beginning of year (*)	10,562,377	15,296,739
Purchases for the year	86,427,179	101,330,664
Operating expenses - Note 8	24,466,989	12,651,892
Export duties	9,871,415	12,414,263
Creation of the allowance for inventories obsolescence and impairment in value (note 14)	610,017	247,924
Use of the allowance for inventories obsolescence and impairment in value (note 14)	(157,676)	(379,737)
Inventories at end of year (*)	(13,238,741)	(10,562,377)
Cost of sale of goods	**118,541,560**	**130,999,368**

(*) 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

	12.31.2023				12.31.2022
Account	**Operating expenses**	**Administrative expenses**	**Selling expenses**	**Total**	**Total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Salaries & wages	7,045,900	8,280,468	1,101,584	16,427,952	12,223,420
Contributions and employee benefits	1,740,225	2,741,146	77,121	4,558,492	3,702,210
Insurance	184,696	192,352	4,334	381,382	324,677
Fees	121,509	889,309	13,523	1,024,341	1,378,408
Taxes, rates and assessments	941,861	970,632	786,861	2,699,354	2,040,630
Advertising expenses	-	3,784	6,922	10,706	4,842
Bank expenses and tax on bank account transactions	-	898,358	73,495	971,853	788,637
Intangible assets amortization	65	97,608	-	97,673	165,084
PP&E depreciations	5,232,110	46,345	-	5,278,455	1,394,670
Leases and logistics services	1,270,146	29,957	548,836	1,848,939	755,911
Customs clearing and dispatch expenses	2,061,508	-	290,422	2,351,930	2,919,017
Maintenance	677,661	75,624	122	753,407	597,274
Traveling and living expenses	28,656	79,569	37,356	145,581	80,954
Transportation, shipping and handling	3,710,684	-	1,996,658	5,707,342	5,309,603
Cleaning and surveillance expenses	671,601	-	-	671,601	407,732
Contingencies	-	503,992	-	503,992	1,441,313
Miscellaneous	780,367	534,853	35,200	1,350,420	1,359,474
Total 12 months 12.31.2023	**24,466,989**	**15,343,997**	**4,972,434**	**44,783,420**	
Total 12 months 12.31.2022	**12,651,892**	**12,779,584**	**9,462,380**		**34,893,856**

9. OTHER INCOME AND EXPENSE

9.1. Other operating profit

	12.31.2023 ARS 000	12.31.2022 ARS 000
Foreign exchange difference	(53,672,869)	(1,989,259)
Taxes and import duties on goods	(547,655)	-
Miscellaneous	635,295	1,138,338
Total other operating profit	**(53,585,229)**	**(850,921)**

9.2. Finance costs

	12.31.2023 ARS 000	12.31.2022 ARS 000
Present value	13,433,963	(2,823,001)
Profit on short-term deposits	(390,403)	1,167,903
Other financial costs	(32,198)	40,284
Total financial income and costs, net	**13,011,362**	**(1,614,814)**

9.3. Other net expenses

	12.31.2023 ARS 000	12.31.2022 ARS 000
Severance payments	(502,517)	(826,803)
Income on sale of PP&E	-	(253,803)
Miscellaneous	(225,056)	(469,665)
Total other net expenses	**(727,573)**	**(1,550,271)**

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, 2023, and 2022, is as follows:

	12.31.2023 **ARS 000**	**12.31.2022** **ARS 000**
Comprehensive income for the year before income tax	(158,147,616)	34,104,643
Tax rate	35%	35%
At the legal tax rate of 35%	55,351,666	(11,936,625)
DDJJ estimate difference from previous year	550,484	-
Variation of permanent differences	(55,067,837)	8,701,707
Income tax for the year	**834,313**	**(3,234,918)**

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.

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

	12.31.2023	12.31.2022
	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	**(153,084,321)**	**30,914,403**

	12.31.2023	12.31.2022
	In thousands	In thousands
Weighted average number of ordinary shares attributable to basic and diluted earnings per share (in thousands of shares)	**177,400**	**175,000**

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, 2023

	12.31.2023				
	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	1,296,122	-	-	-	1,296,122
Buildings and construction	9,323,081	-	-	-	9,323,081
Machinery, equipment and tools	10,457,947	1,616,090	-	3,683,168	15,757,205
Vehicles	361,299	-	(8,279)	-	353,020
Furniture and office supplies	765,194	-	-	-	765,194
Fixtures	1,312,589	165,140	-	93,450	1,571,179
Die-stamping	1,162,183	-	-	-	1,162,183
Computer hardware	2,601,039	-	-	-	2,601,039
Rights to use real property	1,027,795	33,446,716	-	-	34,474,511
Works in process	17,496,101	8,517,594	-	(3,776,618)	22,237,077
PP&E impairment	-	-	-	-	-
	45,803,350	**43,745,540**	**(8,279)**	**-**	**89,540,611**

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	12.31.2023					
	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	-	-	-	-	-	1,296,122
Buildings and construction	2,298,565	2%	-	177,942	2,476,507	6,846,574
Machinery, equipment and tools	9,245,808	20%	-	1,116,585	10,362,393	5,394,812
Vehicles	261,437	20%	-	31,296	292,733	60,287
Furniture and office supplies	550,201	20%	-	33,875	584,076	181,118
Fixtures	1,076,695	25%	-	122,229	1,198,924	372,256
Die-stamping	1,162,161	20%	-	22	1,162,183	-
Computer hardware	2,551,208	20%	-	27,930	2,579,138	21,901
Rights to use real property	822,225	-	-	3,768,577	4,590,802	29,883,709
Works in process	-	-	-	-	-	22,237,077
PP&E impairment	1,651,301	-	-	-	1,651,301	(1,651,301)
	19,619,601		**-**	**5,278,455**	**24,898,056**	**64,642,555**

(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, 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	302,034	994,088	-	-	1,296,122
Buildings and construction	4,682,559	1,915,696	(133,784)	2,858,610	9,323,081
Machinery, equipment and tools	10,159,052	298,895	-	-	10,457,947
Vehicles	439,739	49,218	(127,658)	-	361,299
Furniture and office supplies	918,394	-	(153,200)	-	765,194
Fixtures	1,838,781	129,938	(656,130)	-	1,312,589
Die-stamping	3,268,725	-	(2,106,542)	-	1,162,183
Computer hardware	2,783,673	-	(182,634)	-	2,601,039
Rights to use real property	1,027,795	-	-	-	1,027,795
Works in process	7,532,811	13,512,077	(690,177)	(2,858,610)	17,496,101
PP&E impairment	-	-	-	-	-
	32,953,563	**16,899,912**	**(4,050,125)**	**-**	**45,803,350**

	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	-	-	-	-	-	1,296,122
Buildings and construction	2,211,988	2%	(33,784)	220,361	2,298,565	7,024,516
Machinery, equipment and tools	8,520,412	20%	-	725,396	9,245,808	1,212,139
Vehicles	362,650	20%	(127,658)	26,445	261,437	99,862
Furniture and office supplies	609,876	20%	(130,461)	70,786	550,201	214,993
Fixtures	1,658,679	25%	(656,130)	74,146	1,076,695	235,894
Die-stamping	3,259,196	20%	(2,097,122)	87	1,162,161	22
Computer hardware	2,634,979	20%	(155,663)	71,892	2,551,208	49,831
Rights to use real property	616,668	-	-	205,557	822,225	205,570
Works in process	-	-	-	-	-	17,496,101
PP&E impairment	1,651,301	-	-	-	1,651,301	(1,651,301)
	21,525,749		**(3,300,818)**	**1,394,670**	**19,619,601**	**26,183,749**

(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, 2022	1,554,790	-	1,554,790
Additions for the year	127,736	-	127,736
As of December 31, 2022	**1,682,526**	**-**	**1,682,526**
Additions for the year	163,854	345,540	509,394
As of December 31, 2023	**1,846,380**	**345,540**	**2,191,920**
Amortization and impairment in value			
As of January 1, 2022	1,517,442	-	1,517,442
Amortization charge for the year	165,084	-	165,084
As of December 31, 2022	**1,682,526**	**-**	**1,682,526**
Amortization charge for the year	97,673	-	97,673
As of December 31, 2023	**1,780,199**	**-**	**-**
Net carrying amount			
As of December 31, 2022	**-**	**-**	**-**
As of December 31, 2023	**66,181**	**345,540**	**411,721**

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

14. INVENTORIES

	12.31.2023 ARS 000	12.31.2022 ARS 000
Raw materials	12,281,339	8,005,381
Finished goods	957,402	2,556,996
Subtotal	13,238,741	10,562,377
Cereals and oilseeds	6,095,130	4,000,321
Raw material in transit	767,633	1,513,354
Allowance for obsolescence and impairment of inventories	(709,352)	(257,011)
	19,392,152	**15,819,041**

The changes in the allowance for inventories impairment and obsolescence as of December 31, 2023, and 2022, as detailed below, have been included in cost of goods sold and services provided in the separate statement of comprehensive income:

	12.31.2023 ARS 000	12.31.2022 ARS 000
At beginning of year	(257,011)	(388,824)
Increase (1)	(610,017)	(247,924)
Use (1)(2)	(16,803)	190,523
Profit on exposure to change in currency purchasing power	174,479	189,214
At end of year	**(709,352)**	**(257,011)**

(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.

15. FINANCIAL ASSETS AND LIABILITIES

15.1. Other financial receivables

	12.31.2023 ARS 000	12.31.2022 ARS 000
Noncurrent:		
Contributions to be converted into equity	121,392	122,975
	121,392	**122,975**
Current:		
Loans granted	8,534,544	-
Credit with financial entities in national currency	315	-
	8,534,859	**-**

15.2. Trade and other receivables

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Current:		
Trade receivables	462,501	4,864,406
Trade receivables of associates - Note 18	1,069,163	1,391,231
	1,531,664	**6,255,637**

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, 2023.

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
12.31.2023	1,531,664	1,069,163	146,204	316,297
12.31.2022	6,255,637	1,391,232	4,515,793	348,612

15.3. Trade and other payables

	12.31.2023	12.31.2022
	ARS 000	ARS 000
Noncurrent:		
Trade payables of associates - Note 18	11,707	36,771
Other accounts payable	853,624	2,429,173
	865,331	**2,465,944**
Current:		
Trade payables	40,272,587	13,233,503
Trade payables of associates - Note 18	43,753,189	111,074,853
Salaries & wages and payroll taxes payable	3,591,898	2,553,200
Vacation accrual	527,280	507,778
Health and safety assessment	76,854	228,651
Turnover tax payable and withholdings/additional withholdings to be deposited	54,629	88,692
Income tax accrual	-	1,761,023
Other taxes payable	569,633	1,036,284
Customer prepayments	2,680,375	74,000
Other accounts payable	5,252,959	1,296,378
Directors' fees payable	35,523	50,152
	96,814,927	**131,904,514**

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, 2023.

15.4. Lease liabilities

	12.31.2023 ARS 000	12.31.2022 ARS 000
Noncurrent		
Lease liabilities in foreign currency	46,281,709	1,155
Total lease liabilities	**46,281,709**	**1,155**

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current		
Lease liabilities in foreign currency	3,694,569	83,096
Total lease liabilities	**3,694,569**	**83,096**

	12.31.2023 ARS 000	12.31.2022 ARS 000
Noncurrent		
Import financing	-	306,603
Total interest-bearing non-current debts and loans	**-**	**306,603**

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current		
Import financing	239,398	-
Total interest-bearing current debts and loans	**239,398**	**-**

15.5. Interest-bearing debts and borrowings

	12.31.2023 ARS 000	12.31.2022 ARS 000
Noncurrent		
Provisions for lawsuits and contingencies	687,742	1,626,208
Total accrued litigation and contingencies	**687,742**	**1,626,208**

15.6. Cash and short-term deposits

	12.31.2023 ARS 000	12.31.2022 ARS 000
Cash on hand and in banks	250,375	226,141
Short-term investments	1,483,861	1,481,049
To the separate statement of financial position	**1,734,236**	**1,707,190**

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

For the purpose of the separate statement of cash flow, cash and cash equivalents comprise the following as of December 31, 2023, and 2022:

	12.31.2023 ARS 000	12.31.2022 ARS 000
Cash on hand and in banks	250,375	226,141
Short-term investments	1,483,861	1,481,049
To the separate statement of cash flows	**1,734,236**	**1,707,190**

15.7. Information on fair values

As of December 31, 2023, and 2022, 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, 2023, and 2022, the Company did not sign this type of agreements.

15.8. Changes in liabilities from financing activities

			Changes other than cash		
	12.31.2022	Variation (1)	Foreign exchange difference	Accrued interest	12.31.2023
	ARS 000	ARS 000		ARS 000	ARS 000
Lease liabilities	84,251	49,892,027	-	-	49,976,278

			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
Lease liabilities	262,840	(178,589)	-	-	84,251

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

15.9. 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

	12.31.2023 ARS 000	12.31.2022 ARS 000
Noncurrent		
Loans and advances to personnel	19,935	33,935
Deferred income tax credit	54,118	108,121
Allowance for impairment in value of deferred income tax credit	(54,118)	(93,631)
	19,935	**48,425**

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current		
Prepayments to suppliers for the purchase of goods	14,225,722	47,077,112
Turnover tax withholdings and additional withholdings	83,758	101,108
Loans and advances to personnel	188,287	70,238
Insurance to be accrued	41,189	18,566
Funds delivered as security	3,242,720	706,304
VAT balance in favor	4,603,764	6,761,239
Prepayment of export duties	13,680,260	17,770,088
Miscellaneous	11,091	213,984
	36,488,347	**72,718,639**

17. BIOLOGICAL ASSETS

	12.31.2023 ARS 000	12.31.2022 ARS 000
Current		
Developing		
Temporarily	7,079,638	-
	7,079,638	**-**

18. 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, 2023.

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

19. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties for the years ended December 31, 2023, and 2022:

		Accounts receivable (1) ARS 000	Accounts payable (1) ARS 000	Loans granted net of settled payables ARS 000	Dividends earned / (paid) ARS 000	Sales. / (Purchases) ARS 000	Plan Incentives	Salaries & wages and severance payments ARS 000	Fees ARS 000
Associate:									
Mirgor Agro S.A.U.	12.31.2023	509,811	-	509,811	-	-	-	-	
	12.31.2022	-	-	-	-	-	-	-	
IATEC S.A.	12.31.2023	101,362	45,988,421	(10,791,844)	-	1,749,837	7,560,411	-	
	12.31.2022	9	109,660,782	(63,731,181)	-	56,019	-	-	
CAPDO S.A.	12.31.2023	-	11,707	102	-	-	-	-	
	12.31.2022	-	36,771	7,181	-	844	-	-	
GMRA S.A.	12.31.2023	403,733	91,839	(118,480)	-	1,191,441	114,704	-	
	12.31.2022	1,310,459	866,398	(108,432)	-	205,672	-	-	
Il Tevere S.A.	12.31.2023	-	-	(4)	744,750	5,316	-	-	
	12.31.2022	12	-	-	(3,943,757)	10,532	-	-	
Famar Fueguina S.A:	12.31.2023	41,505	-	13,849	-	-	73,672	-	
	12.31.2022	77,867	-	96,913	-	-	-	-	
IATEC Paraguay S.A.	12.31.2023	-	-	(926)	-	-	-	-	
	12.31.2022	2,884	-	2,884	-	-	-	-	
Brightstar Argentina S.A.	12.31.2023	-	25	(25)	-	-	-	-	
	12.31.2022	-	-	(193)	-	-	-	-	
Brightstar Fueguina S.A.	12.31.2023	12752	-	12,752	-	-	-	-	
	12.31.2022	-	-	-	-	-	-	-	
Mirgor Internacional S.A.	12.31.2023	-	(2,327,096)	2,502,966	-	-	-	-	
	12.31.2022	-	547,673	(206,700)	-	-	-	-	
Key management personnel:									
Directors	12.31.2023	-	-	-	-	-	-	4,121,682	17
	12.31.2022	-	-	-	-	-	-	533,924	50

(1) Amounts categorized as “Trade and other receivables” and “trade and other payables,” respectively.

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.

Signed for identification purposes
with the report dated March 8, 2024
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. JOSÉ LUIS ALONSO
Vice-Chairperson

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 were disclosed in note 19 to the separate financial statements as of December 31, 2023.

20. 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, 2023.

21. 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, 2023.

22. 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, 2023.

23. 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.

24. SUBSEQUENT EVENTS

The most important subsequent events were described in note 25 to the consolidated financial statements as of 31.12.23.