SOCIEDAD ANÓNIMA, COMERCIAL, INDUSTRIAL,

FINANCIERA, INMOBILIARIA Y AGROPECUARIA

EINSTEIN 1111 - RIO GRANDE

PROVINCE OF TIERRA DEL FUEGO,

ANTARCTICA AND SOUTH ATLANTIC ISLANDS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021,

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. Enrique Spraggon Hernández (*)
Mr. Juan Santiago Fraschina

ALTERNATE DIRECTORS

Mr. Mauricio Blacher
Mr. Eduardo Koroch
Guillermo Reda
Mr. Sergio Javier Soriano
Benjamín Navarro

STATUTORY AUDIT COMMITTEE

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

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

(*) Audit Committee members.

INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Translation into English of the Financial Statements originally issued in Spanish – Note 26 to the consolidated Financial Statements)

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

I. Report on the audit of the consolidated financial statements

Opinion

We audited the financial statements of MIRGOR S.A.C.I.F.I.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as the explanatory information of the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Group's financial position as of December 31, 2021, its consolidated profit or loss and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for the opinion

We performed our audit in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities based on these standards are described further under the "Auditor's responsibilities on the audit of the consolidated financial statements" section in our report. We are independent from the Group in accordance with the "International Code of Ethics for Professional Accountants (including International Independence Standards)" issued by the IESBA (International Ethics Standards Board for Accountants) and the requirements applicable to our audit of consolidated financial statements in the City of Buenos Aires, and we have fulfilled our other ethical responsibilities in accordance with such requirements and the IESBA Code. 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 fulfilled our responsibilities based described further under the “Auditor’s responsibilities on the audit of the consolidated financial statements” section in our report. Therefore, our audit included the application of procedures designed to respond to our assessment of material risks of misstatements in the consolidated financial statements. The results of our audit procedures, including the procedures applied to address the matter included below, provide the basis for our audit opinion of the accompanying consolidated financial statements.

Existence and valuation of inventories

Description

Inventories comprise a significant portion of the Group’s assets, amounting to ARS 27 billion and thus accounting for 37% of consolidated assets as of December 31, 2021.

The Group has raw materials, materials in transit, products in process and finished products. The inventories of the different Group businesses are located and managed in production plants, own and third-party warehouses and stores.

Inventories are measured based on their historical cost or net realization value, whichever lower.

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 physical stock, and the complexity involved in the valuation of a great variety of items traded by the Group.

Treatment of the key audit matter in our audit

For inventories in stock as of December 31, 2021, 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 witnessed, on a sample basis of the locations of inventories, the physical recount 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 confirm whether inventories are assessed under IFRS, we performed evaluations on a sample basis: a) for finished products, operating costs; 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 assess the adjustment of these disclosures related to inventories in the financial statements.

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

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

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

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

Board's responsibility for the consolidated financial statements

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

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

Auditor's responsibility for the consolidated financial statements

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

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

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

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

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

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

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

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

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

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

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

II. Report on other statutory and regulatory requirements

In compliance with current regulations, we report that:

a) In our opinion, the consolidated financial statements as of December 31, 2021, have been prepared, in all material respects, in conformity with the applicable Argentine General Business Associations Law provisions and CNV regulations.

b) The separate financial statements of MIRGOR S.A.C.I.F.I.A. as of December 31, 2021, have been taken from accounting books kept, in all formal respects, in accordance with current legal regulations and the conditions set forth in CNV Resolution No. 18,516 of February 16, 2017.

c) As of December 31, 2021, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System, as recorded in the Company's books, amounted to ARS 45,131,420, none of which was due and payable as of that date.

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

e) During the year ended December 31, 2021, we billed audit services fees to the Company, representing 100% of the total amount billed to MIRGOR S.A.C.I.F.I.A. on any and all accounts, 16% of the total amount of audit services billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries, and 16% of the total amount billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries on any and all accounts.

Río Grande - Tierra del Fuego,
March 10, 2022

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

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

INDEPENDENT AUDITORS' REPORT

ON THE SEPARATE FINANCIAL STATEMENTS

(Translation into English of the Financial Statements originally issued in Spanish – Note 26 to the consolidated Financial Statements)

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

I. Report on the audit of the separate financial statements

Opinion

We audited the financial statements of MIRGOR S.A.C.I.F.I.A. (the "Company"), which comprise the separate statement of financial position as of December 31, 2021, and the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as the explanatory information of the separate financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the Company's financial position as of December 31, 2021, its separate profit or loss and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for the opinion

We performed our audit in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities based on these standards are described further under the "Auditor's responsibilities on the audit of the separate financial statements" section in our report. We are independent from the Company in accordance with the "International Code of Ethics for Professional Accountants (including International Independence Standards)" issued by the IESBA (International Ethics Standards Board for Accountants) and the requirements applicable to our audit of separate financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with such requirements and the IESBA Code. 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 fulfilled our responsibilities based described further under the “Auditor’s responsibilities on the audit of the separate financial statements” section in our report. Therefore, our audit included the application of procedures designed to respond to our assessment of material risks of misstatements in the separate financial statements. The results of our audit procedures, including the procedures applied to address the matters included below, provide the basis for our audit opinion of the accompanying separate financial statements.

Existence and valuation of inventories

Description of the key audit matter

Inventories comprise a significant portion of the Company’s assets, amounting to ARS 3 billion and thus accounting for 7% of assets as of December 31, 2021.

The Company has raw materials, materials in transit, products in process and finished products. The inventories of the different Company businesses are located and managed in production plants and own and third-party warehouses.

Inventories are measured based on their historical cost or net realization value, whichever lower.

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 physical stock, and the complexity involved in the valuation of a great variety of items traded by the Company.

Treatment of the key audit matter in our audit

For inventories in stock as of December 31, 2021, 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 witnessed, on a sample basis of the locations of inventories, the physical recount conducted by the Company’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 Company’s accounting policies to value inventories.

– To confirm whether inventories are assessed under IFRS, we performed evaluations on a sample basis: a) for finished products, operating costs; 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 assess the adjustment of these disclosures related to inventories in the financial statements.

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

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

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

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

Board's responsibility for the separate financial statements

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

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

Auditor's responsibility for the separate financial statements

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

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

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

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

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

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

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

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

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

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

II. Report on other statutory and regulatory requirements

In compliance with current regulations, we report that:

a) In our opinion, the Company's separate financial statements as of December 31, 2021, have been prepared, in all material respects, in conformity with the applicable Argentine General Business Associations Law provisions and CNV regulations.

b) The separate financial statements of MIRGOR S.A.C.I.F.I.A. as of December 31, 2021, have been taken from accounting books kept, in all formal respects, in accordance with current legal regulations and the conditions set forth in CNV Resolution No. 18,516 of February 16, 2017.

c) As of December 31, 2021, liabilities accrued in employee and employer contributions to the Integrated Pension Fund System, as recorded in the Company's books, amounted to ARS 45,131,420, none of which was due and payable as of that date.

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

e) During the year ended December 31, 2021, we billed audit services fees to the Company, representing 100% of the total amount billed to MIRGOR S.A.C.I.F.I.A. on any and all accounts, 16% of the total amount of audit services billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries, and 16% of the total amount billed to MIRGOR S.A.C.I.F.I.A. and its subsidiaries on any and all accounts.

Río Grande - Tierra del Fuego,
March 10, 2022

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

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

STATUTORY AUDIT COMMITTEE'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Dear Sirs,

1. As required by the regulations of Listado de Bolsas y Mercados Argentinos S.A. (BYMA), we have examined the letter to the shareholders, inventory and consolidated statement of financial position of MIRGOR S.A.C.I.F.I.A. and its subsidiaries as of December 31, 2021, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the year ended December 31, 2021. In addition, we have reviewed the related "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of CNV Standards (as amended in 2013)", the filing of which is not required by professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina. Such documentation is the responsibility of the Company's Board of Directors in performing their exclusive functions.

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

3. In our opinion, based on our work and the reports dated March 10, 2022, issued by Karén Grigorian, CPA (a partner of Pistrelli, Henry Martin y Asociados S.R.L.): (a) the accompanying consolidated financial statements for the year ended December 31, 2021, present fairly, in all material respects, the financial position of MIRGOR S.A.C.I.F.I.A. and its subsidiaries, for them to be presented in conformity with the professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina, and Argentine General Business Associations Law and the relevant CNV regulations; and (b) the "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of the CNV Standards (as amended in 2013)".

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

5. The consolidated financial statements for the year ended December 31, 2021, result from books kept, in all formal respects, pursuant to current legal requirements, except as mentioned in the Inventory and Financial Statements Book.

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

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

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

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

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

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

City of Buenos Aires
March 10, 2022

On behalf of Statutory Audit Committee

Mr. Julio Cueto Rua
Statutory auditor

STATUTORY AUDIT COMMITTEE'S REPORT
ON THE SEPARATE FINANCIAL STATEMENTS

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

Dear Sirs,

1. As required by the regulations of Listado de Bolsas y Mercados Argentinos S.A. (BYMA), we have examined the letter to the shareholders, inventory and separate statement of financial position of MIRGOR S.A.C.I.F.I.A. as of December 31, 2021, and the related separate statements of comprehensive income, changes in equity, and cash flows for the year then ended. In addition, we have reviewed the related "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of CNV Standards (as amended in 2013)", the filing of which is not required by professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina. Such documentation is the responsibility of the Company's Board of Directors in performing their exclusive functions.

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

3. In our opinion, based on our work and the reports dated March 10, 2022, issued by Karén Grigorian, CPA (a partner of Pistrelli, Henry Martin y Asociados S.R.L.): (a) the accompanying separate financial statements for the year ended December 31, 2021, present fairly, in all material respects, the financial position of MIRGOR S.A.C.I.F.I.A. and its subsidiaries, for them to be presented in conformity with the professional accounting standards effective in the Province of Tierra del Fuego, Antarctica and South Atlantic Islands, Argentina, and Argentine General Business Associations Law and the relevant CNV regulations; and (b) the "Supplementary information to the notes to the financial statements required under section 12, Chapter III, Title IV of the CNV Standards (as amended in 2013)."

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

5. The separate financial statements for the year ended December 31, 2021, result from books kept, in all formal respects, pursuant to current legal requirements, except as mentioned in the Inventory and Financial Statements Book.

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

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

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

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

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

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

City of Buenos Aires,
March 10, 2022

On behalf of Statutory Audit Committee

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. 51 BEGINNING JANUARY 1, 2021 AND ENDED DECEMBER 31, 2021

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. 51 ended December 31, 2021.

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 engages in the real estate activity through the lease of its real property.

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 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 2021, the Company continued such exports and consolidated its share in Argentine activity.

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.

The group of companies consolidating with Mirgor ("Mirgor Group" or "Group"): IATEC, CAPDO, GMRA, Famar, BASA and BFSA 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.

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.

Within the changes in the Group's management, as from 2019, the 5S method was adopted 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.

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.

Context of operations during the year

The year 2021 is marked, as in 2020, by the COVID-19 pandemic that had global consequences. However, unlike 2020, the global economy grew about 5.5% this year according to World Bank estimates. This was possible thanks to the efforts to vaccinate the entire global population, gradually mitigating the effect of COVID-19 on healthcare systems, thus lifting strict prevention measures such as those implemented in 2020, allowing the economy to return to relative normalcy, approaching pre-crisis levels.

The Argentine government, following the global trend, decided not to impose strict mandatory lockdown measures in 2021; instead, it sought to favor care, prevention and vaccination. As of December 31, the percentage of people who has been fully vaccinated against COVID-19 stands at 71.97%, showing widespread acceptance of vaccines, which is encouraging as it may prevent new outbreaks from leading to health system saturation and closures slashing the economy.

These changes in handling the pandemic favored the economy; in fact, according to the INDEC (Argentine Statistics and Census Institute), it stood at 10.3% in 2021.

This growth reduced unemployment, down from 11% in late 2020 to 8.2%, based on the latest information published by the INDEC in December 2021.

Despite this recovery, the Argentine economy did not manage to address the challenges faced over the past few years. In 2021, inflation rose by almost 15 p.p. with respect to the previous year, standing at 50.9%. The rate of change of the official exchange rate amounted to 20.39%.

As from 2020, the BCRA adopted a series of measures to restrict and change access to the single and freely-floating exchange market (SFEM). Due to the scarcity of net profits and the appreciation of the official exchange rate during the year, these measures are not likely to be lifted. As reported in the previous year, the difficulty to access the SFEM affects the Group's commercial activities as it hinders timely compliance of obligations with foreign suppliers.

In this sense, the preliminary agreement between the Argentine government and the IMF to establish a new program for settling Argentina's payable to the latter is a relief. Should it be approved by the Argentine Congress, Argentina's reopening to international credit is expected to reduce the volatility of macroeconomic variables and make the Argentine economy more predictable.

Fourth quarter

The rise in the auto industry's production stood at 11.87% with respect to the previous quarter, continuing the upward trend experienced during the year.

According to the INDEC, the demand for mobile phones grew by 21.5% with respect to Q3, whereas sales of TV sets in Q4 went up by 7.5% with respect to the prior quarter.

The changes in the official exchange rate stood at 3.61% and the inflation rate at 10.21%.

Annual sector behavior

Auto industry

Car sales in Argentina showed a slight increase with respect to 2021. Accumulated local demand rose by 6.9%, up from 312,789 to 334,389 cars. During the first half of the year, sales exceeded those in 2020, but as from August they were unable to exceed sales made last year in year-over-year terms.

This slow recovery of the domestic market was possible thanks to rising exports, from 259,287 in 2021 to 137,891 in 2020, up by 88%.

In fact, production exceeded pre-pandemic levels. A total of 434,753 units were produced, 257,187 more than in 2020, accounting for a 69% y.o.y. growth.

Mirgor in the auto industry

Mirgor's production of auto air quality and temperature control systems rose by 36.16%, while infotainment production slipped by 27.72%.

Sales of air quality and control systems for cars reached 119,736 units in 2021, as compared to the 84,984 units sold in the same period in 2020, up by 40.89%.

Infotainment units dropped from 193,354 in 2020 to 138,617 in 2021.

Consumer electronics

According to the latest data published by the Ministry of Industry of Tierra del Fuego, Antarctica and South Atlantic Islands, the electronic industry reached pre-pandemic production levels.

A total of 8,415,729 mobile phones were produced through October 2021, up by 84.6% and 35.3% with respect to the same period in 2020 and in 2021, respectively.

A total of 2,329,725 TV sets were produced, up by 46.3% and 62% with respect to 2020 and 2019, respectively.

According to the INDEC, in 2021 a total of 2,329,622 mobile phones were sold, up by 37.6% and 24.3% with respect to 2020 and 2019, respectively. A total of 1,220,426 TV sets were sold, up by 6.7% with respect to 2020, but down by 6.2% with respect to 2019.

Mirgor's performance in the consumer electronics industry

Television sets

The production of TV sets rose by 29.5% in 2021, from 254,671 units in 2020 to 329,789 units in 2021.

Sales increased by 23.54% in 2021. Units went up from 269,650 in 2020 to 333,113.

Mobile telephones

In 2021, the Group's production grew by 87.56%, from 2,944,489 in 2020 to 5,522,679 in 2021.

Sales increased by 63.37% in 2021. Units went up from 3,337,114 un 2020 to 5,451,998.

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 2021 went up by 45.49% from those recorded in the same period of 2020, from about, in restated amounts, ARS 129.83 billion to about ARS 188.89 billion the current year.

The gross margin stood at 16.46%, down by almost 5 points with respect to the prior-year margin, from about ARS 31.1 billion in 2021 to ARS 28.17 billion in 2020.

Administrative expenses climbed by 24.02%, mainly due to the rise in salaries & wages due to the increased headcount during the year and the inflationary impact on the account. Business expenses went up by 23.26% with respect to 2020 and other operating expenses decreased by 31.78% with respect to the prior year.

Total net profit stood at about ARS 6.19 billion from ARS 8.13 billion in 2020, accounting for 3.28% and 6.26% of revenues in 2021 and 2020, respectively.

Other matters of interest for the Company

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

The Company's financial handling is strongly related to the Argentine economy and its needs. The Company carried no financial payables throughout 2021 and was able to obtain an advantage with respect to its competitors. 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.

Consolidated financial statements analysis as of December 31, 2021

Financial position and ratios

	12.31.2021	**12.31.2020**
Noncurrent assets	11,384,087	10,536,136
Current assets	61,808,761	73,096,350
Total	**73,192,848**	**83,632,486**
Shareholders' equity	28,865,180	25,806,674
Noncurrent liabilities	902,338	1,257,070
Current liabilities	43,425,330	56,568,742
Total liabilities	**44,327,668**	**57,825,812**
Total	**73,192,848**	**83,632,486**

	12.31.2021	**12.31.2020**
a) Liquidity	1.42	1.29
b) Solvency	0.65	0.45
c) Tied - up capital	0.16	0.13
d) Return on equity	0.21	0.32

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

Total consolidated assets for the fiscal year ended December 31, 2021, amounted to about ARS 73.19 billion which represents a 12.48% year-to-year decline as compared to fiscal 2020 in restated amounts.

Noncurrent assets grew by 8.05% while current assets dropped by 15.44% with respect to the end of 2020.

Inventories went up from around ARS 23 billion to around ARS 27.21 billion, which entails a 18.29% increase.

“Deferred tax assets” within noncurrent assets had the highest variation decreasing by 76.51% with respect to the prior year.

Current liabilities reduced by 23.23% with respect to the amounts booked in 2020 in restated amounts.

Noncurrent liabilities decreased by 28.22% with respect to 2020, especially “Interest-bearing debts and borrowings,” which arise from the consolidation with the subsidiaries.

Equity attributable to the owners of the parent for fiscal 2021 amounts to ARS 28.87 billion, up by 11.85% with respect to 2020.

Profit for the year

	12.31.2021	**12.31.2020**
Revenue	5,723,593	3,532,603
Finance income (loss)	453,780	(1,137,267)
Gain on exposure to the change in currency purchasing power	1,245,718	1,930,765
Other profit and expenses	(405,207)	(106,402)
Net revenue	**7,017,884**	**4,219,699**
Beneficial share purchase	-	4,034,009
Share of profit (loss) of associates, net	(328,425)	436,754
Subtotal	**6,689,459**	**8,690,462**
Income tax	(499,229)	(559,520)
Net profit for the year	**6,190,230**	**8,130,942**
Conversion of businesses abroad	(617,354)	-
Total comprehensive income for the year, net	**5,572,876**	**8,130,942**

	12.31.2021	**12.31.2020**
Attributable to:		
Subsidiary owners	5,572,876	8,129,638
Noncontrolling interests	-	1,304
	5,572,876	**8,130,942**

Sales for the year (including the industrial promotion benefit item) amounted to about ARS 188.89 billion, representing a 45.49% year-to-year increase (about ARS 129.83 billion).

Total net comprehensive income for 2021 stood at about ARS 5.57 billion, whereas the Company earned profit for about ARS 8.13 billion at restated amounts in 2020.

In addition, net finance income during the year stood at ARS 453,780,000, which represents 0.24% of sales, whereas in 2020 this resulted in an approximate ARS 1.14 loss, equivalent to -0.88% of sales.

The gain on exposure to changes in currency purchasing power stood at about ARS 1.25 billion, representing a 0.66% on sales, whereas profit amounted to about ARS 1.93 billion; that is, 1.49% of sales in 2020.

Administrative and selling expenses stood at about ARS 20.17 billion, which represent 10.68% of sales, whereas in 2020, they amounted to about ARS 16.33 billion, equivalent to 12.58% of sales. Other operating income stood at about ARS 2.83 billion, equivalent to 1.50% of sales, whereas they amounted to about ARS 3.47 billion in 2020, equivalent to 2.67% of sales.

Cash flow

	12.31.2021	**12.31.2020**
Net cash flows provided by operating activities	8,173,429	11,400,349
Net cash flows (used in) investing activities	(3,507,815)	(1,142,149)
Net cash flows (used in) financing activities	(2,765,138)	(286,500)
Financial loss arising from cash	(6,679,972)	(2,014,127)
Increase (decrease) in cash and cash equivalents, net	**(4,779,496)**	**7,957,573**

Cash flows provided by operating activities in fiscal 2021 stood at about ARS 8.17 billion, whereas they amounted to about ARS 11.4 billion in 2020. The highest impact is caused by changes in trade payables.

Cash flows used in investment activities stood at about ARS 3.51 billion in 2021, while they stood at about ARS 1.14 billion in 2020.

Cash flows used in financing activities amounted to about ARS 2.77 billion in 2021, while they amounted to ARS 286,500,000 in 2020.

The gain on exposure to changes in currency purchasing power stood at ARS 6.68 billion in 2021, whereas it amounted to ARS 2.01 billion in 2020.

Prospects

The industrial activity in Tierra del Fuego and the extension of the promotion system provide the Group with safety, strong future commitment and the possibility of having a specific medium- and long-term vision. Thanks to this 15-year extension (with the possibility of renewing it for another 15 years), the Group can continue consolidating its industrial activities and enhance the sustained development achieved over the past few years. However, as of the date of signing these financial statements, we are expecting that the related administrative order be issued, which will provide increased certainty on the requirements needed to revalidate the Group’s projects.

Regarding the industrial activity on the Argentine mainland by the end of 2021, the Group produced the first tablets for third parties and is expected to expand production in 2022, thus generating the possibility of producing at own level, as well as introducing notebook production.

The consumer electronics industry expects that consumer electronics financing policies, such as Ahora plans, boost sales above pre-pandemic levels in line with the recovery of production and supply levels.

The reception of raw materials within the supply chain is expected to return to normalcy as from Q1 2022. This will 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 smoothly.

The Company will continue opening exclusive stores such as Samsung and Diggit, ratifying its intention to provide end consumers with diverse products and new brands, broadening its supply and offering new challenges for the Company. In 2022, the Company expects to increase the number of stores located across Argentina, evidencing its intention to maintain a strong presence of both brands to meet the growing demand.

The Group aims at creating two new entities in 2022. One of these entities is expected to be a foundation focused on centralizing the Group's efforts to boost the development of the communities where it performs its main activities. Then it expects to create a company to conduct all innovation and development activities.

Proposal submitted by the Board of Directors

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

	In thousands
Unappropriated retained earnings at beginning of year	8,129,638
Absorption of the optional reserve	(8,129,638)
Loss for the year	6,190,230
Unappropriated retained earnings at beginning of year	**6,190,230**

The General and Special Shareholders' Meeting held on April 30, 2021, decided to (i) distribute ARS 400,000,000 as cash dividends; (ii) book an optional reserve for future dividends for ARS 600,000,000; (iii) earmark the remainder amount of profit for the year; i.e., about ARS 5.08 billion, to increase the optional reserve for existing investments and working capital; (iv) reverse ARS 138,736,000 from the optional reserve for additional paid-in capital, and allocate such amount to the optional reserve, and (v) reverse "Other reserves" for ARS 495,617,000 and allocate such amount to the optional reserve (unrestated amounts from the meeting minutes).

Based on the changes in businesses during the year ended December 31, 2021, and the economic and financial projections for the following year, the Board proposes that (i) "Other reserves" for ARS 31,282,000 be reversed and allocated to the existing optional reserve, and (ii) net profit for the year standing at ARS about 6.19 billion be used to increase the existing 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 10, 2022

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 forever growing company. Over the past few years, Mirgor began a transformation process that turned the Company from a traditional industry player to an active participant in other business areas such as manufacturing, retail, logistics, distribution, farming and innovation. This diversification called for a cultural model across business units that instilled comprehensiveness and consistency aligned to Company goals, values, methods and conduct.

Our ADN Mirgor 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.

The Company's Board defines the strategic business plan annually and entrusts its development to the management 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 community efforts in the areas where the Group's plants operate.

The Company has an Executive Committee made up of directors and executive managers. The business plan, annual budget and management goals are approved by the Executive Committee. This Committee holds weekly meetings to follow up the business plan and decision-making process.

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 facilitate operating management and internal control all areas have an assigned director or executive manager to report to.

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 in most cases, who maintains an ongoing communication with the remainder Board members. The directors have all the information required to discuss the agenda and these items are usually approved unanimously. The Audit Committee's Meetings are conducted on a regular basis and an agenda detailing the order for business is set, which 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 assesses performance and controls Board management. The Company's bylaws provide for a Statutory Audit Committee made up of three statutory auditors and three alternate statutory auditors, who will exercise their duties for a year and may be reelected, and, according to General Business Associations Law, are in charge of controlling the legality of the Company's management.

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

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

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

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

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

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

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

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

C. STRUCTURE, APPOINTMENT AND SUCCESSION OF BOARD MEMBERS

Principles

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

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

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

During the last Shareholders' Meeting, five directors were appointed, three of which are external and independent directors pursuant to effective regulations (one of them was appointed by the Federal Social Security Administration). The same happens with the number and breakdown of alternate directors. The proportion of independent members broadly exceeds the effective corporate requirement that at least 20% of all board members be independent. 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 it does not need to create an Appointment Committee due to its size and characteristics. 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 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.

The Board has no specific guiding program for new members and its implementation is not required at the moment since shareholders analyze whether the chosen members are professional and suitable to perform these duties.

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.

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.

Directors' fees are set by the Shareholders' Meeting according to the effective provisions considering the liabilities assumed, the time spent, the competencies and the professional track record.

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

The Audit Committee issues an opinion regarding the fees collected by the directors. 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.

Each director, supervised by the Executive Committee and the General Management, reviews internal procedures on an ongoing basis in compliance with regulatory and internal operation changes, and assesses the different corporate risks inherent in 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 chosen according to CNV regulations making sure that the majority is independent and that it should not be presided by an independent member. The breakdown of the Audit Committee is assessed by the Company's Board.

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 involved auditors and partners, the result of the work performed during the year, the independence of their performance and whether the external auditors 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. Any situation that involves a conflict of interest and any request for or offer of specific advantages, either direct or indirect, should be reported to top management or the area of HR.

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.

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, the steps to be followed 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. Besides, the Company has a Market Relations Head and an e-mail to contact investors to address the shareholders' concerns and inquiries.

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

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

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

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

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

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

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

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

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

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

City of Buenos Aires, March 10, 2022

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 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. 51 BEGINNING JANUARY 1, 2021

SUMMARY OF EVENTS (*)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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

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

The year 2021 is marked, as in 2020, by the COVID-19 pandemic that had global consequences. However, unlike 2020, the global economy grew about 5.5% this year according to World Bank estimates. This was possible thanks to the efforts to vaccinate the entire global population, gradually mitigating the effect of COVID-19 on healthcare systems, thus lifting strict prevention measures such as those implemented in 2020, allowing the economy to return to relative normalcy, approaching pre-crisis levels.

The Argentine government, following the global trend, decided not to impose strict mandatory lockdown measures in 2021; instead, it sought to favor care, prevention and vaccination. As of December 31, the percentage of people who has been fully vaccinated against COVID-19 stands at 71,97%, showing widespread acceptance of vaccines, which is encouraging as it may prevent new outbreaks from leading to health system saturation and closures slashing the economy.

These changes in handling the pandemic favored the economy; in fact, according to the INDEC (Argentine Statistics and Census Institute), it stood at 10.3% in 2021.

This growth reduced unemployment, down from 11% in late 2020 to 8.2%, based on the latest information published by the INDEC in 2021.

Despite this recovery, the Argentine economy did not manage to address the challenges faced over the past few years. In 2021, inflation rose by almost 15 p.p. with respect to the previous year, standing at 50.9%. The rate of change of the official exchange rate amounted to 20.39%.

As from 2020, the BCRA adopted a series of measures to restrict and change access to the SFEM. Due to the scarcity of net profits and the appreciation of the official exchange rate during the year, these measures are not likely to be lifted. As reported in the previous year, the difficulty to access the SFEM affects the Group's commercial activities as it hinders timely compliance of obligations with foreign suppliers.

In this sense, the preliminary agreement between the Argentine government and the IMF to establish a new program for settling Argentina's payable to the latter is a relief. Should it be approved by the Argentine Congress, Argentina's reopening to international credit is expected to reduce the volatility of macroeconomic variables and make the Argentine economy more predictable.

The changes in the official exchange rate in Q4 stood at 3.61% and the inflation rate at 10.21%.

Sales in Q4 2021 stood at around ARS 42.99 billion, 19.38% lower than sales booked in the same period the prior year, for around ARS 53.32 billion considered in constant currency.

The gross margin for the period stood at about ARS 7.08 billion with respect to about ARS 11.12 billion which were booked in Q4 2020 in constant currency.

The operating margin for the period stood at 0.10%, which decreased from about ARS 1.11 billion in Q4 2020 to about ARS 42,437,000 in the same period in 2021.

Segment evolution over the quarter

Automotive

The rise in the auto industry's production stood at 11.87% with respect to the previous quarter, continuing the upward trend experienced during the year.

Mirgor declined its production of air quality and temperature control equipment by 7.58% and decreased its production of car stereos by 8.92% with respect to the same quarter the prior year.

The Group´s sales of temperature control equipment and car stereos increased by 2.46% and 4.15%, respectively, as compared to the units sold in Q4 2020.

Electronic consumer goods

Mobile telephones

The Group's production of mobile phones went down by 31.98%, from 1,496,677 units in Q4 2020 to 1,017,970 units in Q4 2021.

Sales shrank by 27.39% in Q4 2021 with respect to the same period last year. Units went down from 1,622,175 in Q4 2020 to 1,177,785.

Television sets

The Group's production of TV sets also fell by 38.96% for the period, from 105,634 to 64,484 units in Q4 2021.

Sales of TV sets also dropped by 28.48%, from 111,200 to 79,526 units sold.

2. CONSOLIDATED EQUITY STRUCTURE

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Noncurrent assets	11,384,087	10,536,136	8,575,779	8,626,521	8,915,259
Current assets	61,808,761	73,096,350	46,064,690	45,327,994	44,293,878
Total assets	73,192,848	83,632,486	54,640,469	53,954,515	53,209,137
Shareholders' equity	28,865,180	25,806,674	17,683,983	13,992,783	15,097,645
Noncurrent liabilities	902,338	1,257,070	1,267,402	39,126	36,382
Current liabilities	43,425,330	56,568,742	35,689,084	39,922,606	38,075,110
Total liabilities	44,327,668	57,825,812	36,956,486	39,961,732	38,111,492
Total liabilities and shareholders' equity	73,192,848	83,632,486	54,640,469	53,954,515	53,209,137

3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS STRUCTURE

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Revenue	5,723,593	3,532,603	1,713,396	(3,421,092)	5,219,905
Finance income (loss)	453,780	(1,137,267)	309,694	(292,439)	(1,309,084)
Beneficial share purchase	-	4,034,009	-	-	-
Share of loss of associates, net	(328,425)	436,754	(2,471,394)	(879,296)	(224,757)
Other expense/income, net	(405,207)	(106,402)	(15,176)	11,551	349,904
Gain (loss) on exposure to the change in currency purchasing power	1,245,718	1,930,765	5,584,000	5,085,370	(1,519,338)
Profit for the year before income tax, net	**6,689,459**	**8,690,462**	**5,120,521**	**504,094**	**2,516,630**
Income tax	(499,229)	(559,520)	(755,028)	(757,103)	(262,012)
Net profit (loss) for the year	**6,190,230**	**8,130,942**	**4,365,493**	**(253,009)**	**2,254,618**
Noncontrolling interests	-	1,304	1,084	(253)	1,816
Conversion of business abroad	(617,354)	-	-	-	-
Other comprehensive income (loss) for the period	**(617,354)**	**1,304**	**1,084**	**(253)**	**1,816**
Comprehensive income (loss) for the year, net	**5,572,876**	**8,129,638**	**4,364,409**	**(252,756)**	**2,252,802**

4. STATISTICAL DATA (in thousands of units)

	12/31/2021		12/31/2020		12/31/2019		12/31/2018		12/31/2017	
	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.	Quart.	Accum.
Production	1157	5960	1675	3376	758	3081	803	3692	1201	4907
Sales (1)	1328	6044	1802	3885	850	3241	811	3552	1163	4787
– Local	1328	6044	1802	3885	850	3241	811	3552	1163	4787
Equipment with air conditioning	33	120	32	85	29	124	38	147	49	172
Mobile phones	1178	5452	1622	3337	712	2821	690	2986	1018	4222
Media- TV	80	333	111	270	65	198	60	334	73	312
Car stereo	37	139	36	193	44	98	23	85	24	81
Moderms	9	29	-	-	-	-	-	-	-	-

(1) The units sold among companies are not included.

5. RATIOS

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Liquidity	1.42	1.29	1.29	1.14	1.16
Solvency	0.65	0.45	0.48	0.35	0.4
Tied-up capital	0.16	0.13	0.16	0.16	0.17
Return on equity	0.24	0.46	0.33	(0.02)	0.18

6. PROSPECTS

The industrial activity in Tierra del Fuego and the extension of the promotion system provide the Group with safety, strong future commitment and the possibility of having a specific medium- and long-term vision. Thanks to this 15-year extension (with the possibility of renewing it for another 15 years), the Group can continue consolidating its industrial activities and enhance the sustained development achieved over the past few years. However, as of the date of signing these financial statements, we are expecting that the related administrative order be issued, which will provide increased certainty on the requirements needed to revalidate the Group's projects.

Regarding the industrial activity on the Argentine mainland by the end of 2021, the Group produced the first tablets for third parties and is expected to expand production in 2022, thus generating the possibility of producing at own level, as well as introducing notebook production.

The consumer electronics industry expects that consumer electronics financing policies, such as Ahora plans, boost sales above pre-pandemic levels in line with the recovery of production and supply levels.

The reception of raw materials within the supply chain is expected to return to normalcy as from Q1 2022. This will 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 smoothly.

The Company will continue opening exclusive stores such as Samsung and Diggit, ratifying its intention to provide end consumers with diverse products and new brands, broadening its supply and offering new challenges for the Company. In 2022, the Company expects to increase the number of stores located across Argentina, evidencing its intention to maintain a strong presence of both brands to meet the growing demand.

The Group aims at creating two new entities in 2022. One of these entities is expected to be a foundation focused on centralizing the Group's efforts to boost the development of the communities where it performs its main activities. Then it expects to create a company to conduct all innovation and development activities.

City of Buenos Aires,
March 10, 2022

Mr. José Luis Alonso
Vice-Chairman

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

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

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

FOR FISCAL YEAR NO. 51,

BEGINNING JANUARY 1 AND ENDED DECEMBER 31, 2021

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

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

Date of registration with the Public Registry of Commerce:

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

Registration number with the IGJ: 40.071.

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

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

Parent company's information:

- Corporate name: IL TEVERE S.A.
- Registered office: Beauvoir 17, piso 1 – Río Grande – Province of Tierra del Fuego, Antarctica and South Atlantic Islands.
- Main business: Holding company.
- Equity interest: 48.27%.
- Voting rights: 61.5862%

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Notes	12.31.2021 12 months ARS 000	12.31.2020 (Note 2.3.) 12 months ARS 000
Revenue	5	158,438,285	109,115,257
Industrial promotion benefit	22	30,450,105	20,713,150
Cost of goods sold and services rendered	6	(157,791,577)	(101,662,499)
Gross profit		**31,096,813**	**28,165,908**
Changes in the fair value of grains and oilseeds		1,790	-
Other operating profit	8	2,830,738	3,472,442
Administrative expenses	7	(7,271,590)	(5,863,270)
Selling expenses	7	(12,898,817)	(10,464,494)
Other operating expenses	8	(8,035,341)	(11,777,983)
Operating loss		5,723,593	3,532,603
Finance costs	8	(3,740,924)	(2,400,547)
Finance income	8	4,194,704	1,263,280
Gain on exposure to the change in currency purchasing power		1,245,718	1,930,765
Other net expenses	8	(405,207)	(106,402)
Beneficial share purchase	23	-	4,034,009
Share of profit (loss) of associates	20	(328,425)	436,754
Profit before income tax		**6,689,459**	**8,690,462**
Income tax	9	(499,229)	(559,520)
Net profit for the year		**6,190,230**	**8,130,942**
Other comprehensive income			
Conversion of business abroad		(617,354)	-
Total comprehensive income for the year, net		**5,572,876**	**8,130,942**
Net profit for the year attributable to:			
Subsidiary owners		6,190,230	8,129,638
Noncontrolling interests		-	1,304
		6,190,230	**8,130,942**
Total comprehensive income (loss) for the year, net:			
Subsidiary owners		5,572,876	8,129,638
Noncontrolling interests		-	1,304
		5,572,876	**8,130,942**
Net earnings per share:			
– basic and diluted, net for the period attributable to ordinary equity holders of the parent's equity		31.66	45.76

Signed for identification purposes
with the report dated 03/10/2022
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 FINANCIAL POSITION

AS OF DECEMBER 31, 2021

	Notes	12.31.2021 ARS 000	12.31.2020 ARS 000
Assets			
Noncurrent assets			
Property, plant and equipment	11	8,992,914	7,587,531
Investment property	12	150,600	155,215
Intangible assets	13	98,503	169,800
Investment in associates	20	2,027,898	2,440,299
Other nonfinancial receivables	16	102,502	133,604
Deferred tax assets	9	11,670	49,687
		11,384,087	10,536,136
Current assets			
Other nonfinancial receivables	16	8,078,067	7,405,864
Inventories	14	27,212,274	23,003,804
Trade and other receivables	15	15,707,462	27,127,975
Other financial assets	15	1,499,861	1,468,114
Cash and short-term deposits	15	9,311,097	14,090,593
		61,808,761	73,096,350
Total assets		**73,192,848**	**83,632,486**
Equity and liabilities			
Equity			
Issued capital		18,000	18,000
Capital adjustment		278,724	278,724
Own shares		(751,975)	(182,196)
Additional paid-in capital		-	185,396
Profit set apart for reserves		23,747,555	17,377,112
Reserve of conversion (losses)		(617,354)	-
Unappropriated retained earnings		6,190,230	8,129,638
Total equity		**28,865,180**	**25,806,674**
Noncurrent liabilities			
Interest-bearing debts and borrowings	15	7,276	66,291
Lease liabilities	15	246,196	384,222
Trade and other payables	15	64,952	-
Provisions for lawsuits and contingencies	15	404,860	650,173
Deferred tax liability	9	179,054	156,384
		902,338	1,257,070
Current liabilities			
Interest-bearing debts and borrowings	15	87,404	145,881
Lease liabilities	15	291,892	277,992
Trade and other payables	15	43,045,833	56,137,924
Other financial liabilities	15	201	6,945
		43,425,330	56,568,742
Total liabilities		**44,327,668**	**57,825,812**
Total equity and liabilities		**73,192,848**	**83,632,486**

Signed for identification purposes
with the report dated 03/10/2022
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 CHANGES IN EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Attributable to owners of the parent											
		Other capital accounts convertible into shares			Other shareholders' equity components							
	Capital stock	Capital adjustment	Proprietary shares (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 interest	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
As of January 1, 2021	**18,000**	**278,724**	**(182,196)**	**185,396**	**59,344**	**1,387,644**	**15,930,124**	**-**	**8,129,638**	**25,806,674**	**-**	**25,806,674**
Distribution of cash dividends (Note 2.6)	-	-	-	-	-	(1,410,062)	-	-	(534,529)	(1,944,591)	-	(1,944,591)
Regular Shareholders' Meeting decision of April 30, 2021 (Note 2.6)	-	-	-	(185,396)	-	53,700	7,726,805	-	(7,595,109)	-	-	-
Repurchase of own shares	-	-	(569,779)	-	-	-	-	-	-	(569,779)	-	(569,779)
Other comprehensive income	-	-	-	-	-	-	-	(617,354)	-	(617,354)	-	(617,354)
Net profit for the year	-	-	-	-	-	-	-	-	6,190,230	6,190,230	-	6,190,230
As of December 31, 2021	**18,000**	**278,724**	**(751,975)**	**-**	**59,344**	**31,282**	**23,656,929**	**(617,354)**	**6,190,230**	**28,865,180**	**-**	**28,865,180**

	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)	Additional paid-in capital	Statutory reserve	Other reserves (Note 2.6)	Optional reserve (Note 2.6)	Reserve of conversion gains (losses)	Unappropriated retained earnings (accumulated losses)	Total	Non controlling interest	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
As of January 1, 2020	**18,000**	**278,724**	**(182,196)**	**185,396**	**26,113**	**360,180**	**12,626,408**	**-**	**4,364,411**	**17,677,036**	**6,958**	**17,683,994**
Increase in the statutory, optional and other reserves, as resolved at the Regular Shareholders' Meeting of June 18, 2020	-	-	-	-	33,231	1,027,464	3,303,716	-	(4,364,411)	-	-	-
Acquisition of noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(8,262)	(8,262)
Net profit for the year	-	-	-	-	-	-	-	-	8,129,638	8,129,638	1,304	8,130,942
As of December 31, 2020	**18,000**	**278,724**	**(182,196)**	**185,396**	**59,344**	**1,387,644**	**15,930,124**	**-**	**8,129,638**	**25,806,674**	**-**	**25,806,674**

Signed for identification purposes
with the report dated 03/10/2022
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 CASH FLOWS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	12.31.2021 ARS 000	12.31.2020 ARS 000
Operating activities		
Comprehensive income for the year before income tax	6,072,105	8,690,462
Accrued interest, net	(170,304)	(167,159)
Adjustments to reconcile comprehensive net profit (loss) for the year with net cash flows		
P&E depreciation	2,107,564	1,214,688
Depreciation of investment properties	4,615	3,855
Amortization of intangible assets	58,393	119,344
Impairment of intangible assets	53,333	422,637
Increase in the allowance for inventories obsolescence	762,374	40,765
Beneficial share purchase	-	(4,034,009)
(Profit) loss on share of net profit (loss) of associates	328,425	(436,754)
Foreign exchange difference	5,279,833	7,528,062
Variation in the provisions for lawsuits and contingencies	(245,313)	26,884
Loss on exposure to the change in currency purchasing power	6,679,972	2,014,127
Adjustment of operating assets and liabilities		
Decrease (increase) in trade and other receivables, net of intercompany receivables and foreign exchange differences	14,302,066	(6,027,269)
(Increase) decrease in inventories, net of the allowance for obsolescence	(4,970,844)	7,238,803
Net increase in other nonfinancial receivables	(641,101)	(5,224,769)
Decrease in trade and other payables, net of income tax and minimum presumed income tax	(21,447,689)	(9,318)
Net cash flows provided by operating activities	**8,173,429**	**11,400,349**
Investing activities		
P&E additions	(3,623,895)	(973,080)
P&E deletion	110,948	221,296
Deletions of intangible assets	46,138	-
Acquisition of intangible assets	(86,567)	(18,690)
Acquisition of debt securities	(31,747)	(1,197,924)
Increase in hedging instruments, net	(6,744)	(229,623)
Acquisition of noncontrolling interests	-	(8,264)
Dividends collected	83,976	834,543
(Decrease) increase in intercompany payables	76	(57)
Collection of long-term loans	-	229,650
Net cash flows used in investing activities	**(3,507,815)**	**(1,142,149)**
Financing activities		
Decrease in loans, net	(126,642)	(198,893)
Decrease in lease liabilities, net	(124,126)	(87,607)
Purchase of own shares	(569,779)	-
Dividends paid	(1,944,591)	-
Net cash flows used in financing activities	**(2,765,138)**	**(286,500)**
Loss on exposure to the change in currency purchasing power	**(6,679,972)**	**(2,014,127)**
Net (decrease) increase in cash and cash equivalents	**(4,779,496)**	**7,957,573**
Cash and cash equivalents as of January 1	14,090,593	4,879,931
Increase in cash and cash equivalents for acquisition of companies	-	1,253,089
Cash and cash equivalents as of December 31	**9,311,097**	**14,090,593**

Signed for identification purposes
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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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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, 2021, were authorized for issue in accordance with a resolution of the Company's Board of Directors on March 10, 2022.

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

On December 4, 2020, the Company and its subsidiaries Interclima S.A. (hereinafter, "ICSA") and Holdcar S.A. (hereinafter, "Holdcar") entered into a preliminary merger-purpose agreement within a corporate reorganization framework. On May 14, 2021, in the minutes of the Special Shareholders' Meeting No. 81, the Company's shareholders approved by unanimity the merger of ICSA and Holdcar. The effects of such reorganization were considered as thoroughly described in note 22 to these condensed consolidated financial statements.

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

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Professional accounting standards applied

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

2.2. Basis of preparation

These consolidated financial statements for the year ended December 31, 2021, were prepared in accordance with the IFRS as issued by the IASB and the professional accounting standards effective in the Province of Tierra del Fuego.

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

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

2.3. Basis of consolidation

These consolidated financial statements comprise the Company's financial statements as of December 31, 2021. Consolidated subsidiaries and their equity interests as of the relevant dates are:

Subsidiary	(Direct and indirect) equity interest percentage in common stock as of: 12.31.2021	12.31.2020	Year-end of last financial statements issued
Interclima S.A.	*	100	12/31/2020
Capdo S.A.	100	100	12/31/2021
IATEC S.A.	100	100	12/31/2021
GMRA S.A.	100	100	12/31/2021
HOLDCAR S.A.	*	100	12/31/2020
Famar Fueguina S.A.	100	100	12/31/2021
Electrotécnica Famar S.A.C.I.I.E.	*	100	12/31/2020
Brightstar Argentina S.A.	100	100	12/31/2021
Brightstar Fueguina S.A.	100	100	12/31/2021
Mirgor Internacional S.A. (Uy)	100	100	04/30/2021
Rulned S.A. (Uy)	100	-	12/31/2021
IATEC S.A. (Py)	100	-	12/31/2021

* See note 24 to these consolidated financial statements.

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 October 22, 2020, the Group acquired control of 100% of the shareholding of Brightstar Argentina S.A. and Brightstar Fueguina S.A.; consequently, the financial statements as of December 31, 2020, 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, 2021, including prior-year amounts, were restated to consider the changes in the general purchasing power of the Company's functional currency (Argentine peso) pursuant to the provisions in IAS 29 and CNV (Argentine Securities and Exchange Commission) General Resolution No. 777/2018. Thus, the financial statements are stated in the constant measuring unit as of the end of the reporting year.

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

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

Considering this index, inflation stood at 50.94% and 36.14% for the years ended December 31, 2021, and 2020, respectively.

Below we summarize the effects of applying IAS 29:

Restatement of the statement of financial position

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

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

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

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

As of December 31, 2021, and 2020, the restated items were as follows: Property and equipment, investment property, intangible assets, investment in associates, inventories, deferred tax assets and liabilities and the items making up equity were measured using the restated historical cost basis.

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

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

Restatement of the statement of profit or loss

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

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

Restatement of the statement of changes in equity

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

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

Restatement of the statement of cash flows

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

2.4.1. Current versus non-current assets and liabilities classification

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

– expects to realize the asset or intends to sell or consume it in its normal operating cycle;
– holds the asset primarily for the purpose of trading;
– expects to realize the asset within twelve months after the reporting year; or

- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

The remaining assets are classified as noncurrent assets.

A liability is current when the entity:

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

All other liabilities are classified as noncurrent.

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

2.4.2. Foreign currency translation

Functional currency and presentation currency

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

For the purposes of filing these consolidated financial statements, the assets and liabilities of transactions abroad are converted into Argentine pesos using the exchange rates effective as of year-end. Revenue and expenses items are converted at the monthly average exchange rates, unless the exchange rates change significantly during the year, in which case the exchange rates as of the date of the transactions are used and then restated using the coefficients for the month of accrual applying the adjustment described in note 2(2). The foreign exchange differences, as the case may be, are recognized in other comprehensive income and are accumulated in equity.

Transactions and balances in foreign currency

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

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

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

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

2.4.3. Recognition of revenue

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

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

Sale of goods

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

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

Rental income

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

2.4.4. Industrial promotion benefit

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

2.4.5. Taxes

Current income tax

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

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

Deferred income tax

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

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

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

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

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

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

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

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

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

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

Other taxes related to sales and bank account transactions

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

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

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

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

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

2.4.6. Property, plant and equipment

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

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 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.

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

2.4.8. Investment property

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

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

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

2.4.9. Intangible assets

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

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

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

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

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

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

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

2.4.10. Financial instruments: Presentation, recognition and measurement

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

2.4.10.1. Financial assets

Initial recognition and subsequent measurement

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

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

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

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

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

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

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

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

Loans and accounts receivables

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

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

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

This category generally applies to trade and other receivables.

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

Financial assets through profit or loss

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

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

2.4.10.2. Financial liabilities

Initial recognition and subsequent measurement

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

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

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

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

Interest-bearing debts and borrowings

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

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

Derecognition of financial liabilities

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

Balances and transactions with related parties

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

2.4.10.3. Fair value assessment

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

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

Mirgor Group signed certain agreements through financial hedging instruments measured at fair value and described in note 15.10. 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.

2.4.12. Impairment of financial and non-financial assets

Impairment of financial assets

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

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

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

Financial assets at amortized cost

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

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

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

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

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

Impairment of nonfinancial assets

Inventories

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

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

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

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

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

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

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

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

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

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

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

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

Intangible assets with indefinite useful lives

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

Goodwill

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

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

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

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

2.4.13. Cash and cash equivalents

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

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

2.4.14. Provisions, contingent liabilities and contingent assets

2.4.14.1. Provisions

Recognition and measurement

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

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

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

Lawsuits and claims

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

2.4.14.2. Contingent liabilities

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

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

2.4.14.3. Contingent assets

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

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

2.4.15. Business combinatios and goodwill

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

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

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

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

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

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

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

2.4.16. Economic context

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

Inflation

The domestic consumer price index published by the INDEC accumulated 50.94% during the year.

The BCRA published the January Market Expectations Survey. The median resulting from the estimates made by survey participants disclosed an expected inflation of 55% for 2022: 45% for 2023, and 35% for 2024.

Foreign exchange market

Limits to hoarding and consumption in foreign currency

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

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

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

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

   (2) an additional 35% tax, computed towards income tax and personal assets tax, levied on the purchase of US dollars charged with the PAÍS tax and any other purchase with foreign currency.

Settlement of payables in foreign currency

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

2.5. Significant opinions, estimates and accounting assumptions

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

2.5.1. Judgments

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

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

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

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

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

Leases. Assessment of the incremental borrowing rate:

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

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

2.5.2. Significant accounting estimates and assumptions

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

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

Fair value of financial instruments

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

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

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

Other significant estimates

The other significant estimates used by Management are mentioned below:

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

2.6. Unappropriated retained earnings (accumulated losses) and own 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, 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 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 in Bolsas y Mercados Argentinos S.A. without compromising its solvency; 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.

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

As of December 31, 2021, the Company had acquired a total of 3,821,513 own shares for 751,975 (1,481,513 shares for 569,779 for the new plan still effective).

To the date of issuance of these financial statements, the Company continued implementing the new plan and acquired 735,270 own shares for 264,419.

2.6.2. Distribution of cash dividends

In addition, on June 18, 2020, the Shareholders' Meeting decided to book an optional reserve for future dividends for 500,000, which, restated as of the date of these financial statements, amounts to 924,804, authorizing the Board to reverse this reserve and decide on the payment of cash dividends as from Q4 2020 if the economic and financial situation so allows, as advised by the Board. On January 12, 2021, the Board approved the reversal of the reserve for 500,000, which, restated as of the date of these financial statements amounts to 725,339, and the subsequent distribution of cash dividends between Mirgor shareholders proportionately to their holdings.

Moreover, the General Shareholders' Meeting held on April 30, 2021, decided to distribute profit for 2020 and to reverse the amounts accumulated in "Additional paid-in capital" and "Other reserves" and their use, and approved as follows: (i) to distribute ARS 400,000 as cash dividends payable on May 12, 2021, which, restated as of the date of these financial statements, amount to 534,529; (ii) to book an optional reserve for future dividends for ARS 600,000 (801,794 restated as of the date of these financial statements), authorizing the Board to reverse 180,000 in September; 200,000 in October and 220,000 in November, and pay cash dividends each of these months as long as the economic and financial situation allows so as advised by the Board; (iii) to earmark the remainder amount of profit for 2020 to increase the optional reserve for existing investments and working capital; (iv) to reverse ARS 138,736 (185,396 restated as of the date of these financial statements) from additional paid-in capital and allocate the amount to the optional reserve for investments and working capital, and (v) to reverse the optional reserve for future dividends of 495,618 (748,094 restated as of the date of these financial statements) and allocate the amount to the optional reserve for investments and working capital. On August 10, 2021, the Company's Board decided to reverse the optional reserve for future dividends mentioned in the previous paragraph for 600,000 and their cash distribution to be made in three installments as follows: 180,000 (205,414 restated as of the date of these financial statements) on September 9, 2021; 200,000 (228,238 restated as of the date of these financial statements) on October 14, 2021, and 220,000 (251,062 restated as of the date of these financial statements) on November 11, 2021, among the shareholders in proportion to their related shareholding.

2.7. Changes in significant accounting policies

New and amended standards and interpretations

As from the year beginning January 1, 2021, 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:

Amendments to IFRS 9, IFRS 7 and IAS 39: Interest rate benchmark reform

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 "Financial Instruments: Information to be Disclosed" and concluded the first stage of its work to respond to the potential effects of the IBOR reform on financial reporting. The amendments allow hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.

These amendments had no impact on the Group's consolidated financial statements as it has no interest rate hedge transactions.

Amendments to IFRS 16 regarding COVID-19-related rent concessions

In May 2020, the IASB amended IFRS 16 "Leases" that allow lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether a COVID-19-related rent concession under a lease agreement is a lease modification. A lessee that applies the practical expedient accounts for any change in lease payments from the COVID-19 related rent concession as it would book any change under IFRS 16 if the change were no a lease modification.

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

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

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

Amendments to IAS 1 and IFRS Practice Statement 2: disclosure of accounting policies

In February 2021, the IASB amended IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements, which provides companies with guidance and examples on how to make materiality judgements when disclosing their accounting policies. These changes help entities offer more useful accounting policy disclosures as it requires entities to disclose their "material" accounting policies rather than their "significant" accounting policies, and adds guidance on the application of materiality in decisions related to accounting policies.

These amendments are effective as from the years beginning January 1, 2023; early application is allowed.

These amendments are not expected to affect the Group's consolidated financial statements.

Amendments to IFRS 3 – Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 "Business Combinations." These amendments are mainly intended to replace a reference to the framework for financial reporting, issued in 1989, with a reference to the conceptual framework for financial information issued in March 2018, without changing its requirements drastically. The IASB also added an exception to its recognition principle under IFRS 3 to avoid the problem of day 2 losses or gains from contingent assets and liabilities under the scope of IAS 37 "Provisions, contingent liabilities and contingent assets" or IFRIC 21 "Levies," should they occur separately. These amendments are effective for years beginning January 1, 2022, and should be applied retroactively.

These amendments are not expected to affect the Group's consolidated financial statements, unless the Group makes any business combination.

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds Before Intended Use

In May 2020, the IASB issued amendments to IAS 16 "Property, plant and equipment", to prohibit an entity to deduce from the cost of a PP&E item any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, the proceeds from selling such items, together with the costs of producing them, are now recognized in profit or loss. The amendment is effective for years beginning as from January 1, 2022, and should be applied retroactively to PP&E items available for use or after the beginning of the first period filed when the entity applies the amendment for the first time.

The amendment is not expected to affect the Group's consolidated financial statements.

Amendments to IAS 37 - Onerous Contracts: Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” to specify the costs to be included by an entity upon assessing whether a contract is onerous or generates losses. The amendments apply a directly related cost approach. The costs that are directly related to an agreement to supply the assets or services include incremental costs and allocation of costs thar relate directly to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty by virtue of the contract. Changes are effective as from the years beginning after January 1, 2022. The Group will apply these amendments to the contracts that that have still not met all the obligations at the beginning of the year over which these amendments are applied for the first time.

Amendments to IFRS 1. Subsidiary as a First-Time Adopter

As part of the 2018-2020 annual improvements to IFRS, the IASB issued an amendment to IFRS 1 “First-Time Adoption of IFRS.” The amendment allows a subsidiary that applies paragraph D16 (a) of IFRS 1 to measure the cumulative translation differences at the amount that would be included in the parent’s financial statements, based on the parent’s date of transition to IFRSs. This amendment also applies to an associate or joint business that applies paragraph D16 (a) of IFRS 1. These amendments are effective for years beginning January 1, 2022, and should be applied retroactively. The amendment is not expected to affect the Group’s consolidated financial statements.

Amendments to IFRS 9 - Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

As part of the 2018-2020 annual improvements to IFRS, the IASB issued an amendment to IFRS 9 “Financial Instruments.” The amendment clarifies the fees that an entity should include upon assessing whether the terms of a new or amended financial lease are substantially different from the terms of the original financial liability. These fees should only include the fees paid or received between the borrower and lender, including the fees pair or received by the borrower or lender on someone else’s account. An entity will apply the amendment to the financial liabilities that are amended or exchanged at the beginning or after the reporting period when the entity applies the amendment for the first time. These amendments are effective for years beginning January 1, 2022, and should be applied retroactively. The Group will apply the amendments to the financial liabilities that are amended or exchanged at the beginning or after the reporting year when the entity applies the amendment for the first time. The amendment is not expected to affect the Group’s consolidated financial statements.

Amendments to IAS 41 - Taxation in fair value measurements

As part of the 2018-2020 annual improvements to IFRS, the IASB issued an amendment to IAS 41 “Agriculture.” The amendment removes the requirement contained in paragraph 22 of IAS 41 that the entities exclude cash flows for taxes when they measure the fair value of assets under the scope of IAS 41. These amendments are effective for years beginning January 1, 2022, and should be applied retroactively. This amendment is not applicable to the Group.

Amendments to IAS 8 – Definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8, which introduces a definition of "accounting estimates". The amendments clarify the distinction between change in accounting estimates and change in accounting policies and error correction. They also clarify how entities use measurement techniques and data collection to make accounting estimates.

These amendments are effective as from the years beginning after January 1, 2023, and apply to changes in the accounting policies and changes in the accounting estimates as from that date. Early application is allowed provided that these conditions are met.

These amendments are not expected to affect the Group's consolidated financial statements, unless the Group makes any business combination.

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 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 agricultural segment.
- The Other services segment that mainly comprises real estate lease activities.

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

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

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.

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

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.

The results of each segment and their reconciliation to Mirgor Group's comprehensive income for year ended December 31, 2021, and 2020, are presented below:

Fiscal year ended, December 31, 2021	Automotive	Consumer electronics and mobile phones	Retail	Farming	Other services	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Revenue	15,528,454	105,587,873	25,708,844	11,586,805	26,309	158,438,285
Industrial promotion benefit	3,268,081	27,182,024	-	-	-	30,450,105
Total profit	18,796,535	132,769,897	25,708,844	11,586,805	26,309	188,888,390
Profit (loss)						
Depreciation and amortization	(433,578)	(1,339,031)	(168,177)	-	(4,615)	(1,945,401)
Operating profit (loss) for the segment	(567,762)	3,593,904	2,203,192	534,134	(39,875)	5,723,593

Fiscal year ended, December 31, 2020	Automotive	Consumer electronics and mobile phones	Retail	Farming	Other services	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Revenue	13,485,951	70,235,361	17,659,554	7,700,381	34,010	109,115,257
Industrial promotion benefit	2,051,322	18,661,828	-	-	-	20,713,150
Total profit	15,537,273	88,897,189	17,659,554	7,700,381	34,010	129,828,407
Profit (loss)						
Depreciation and amortization	(324,811)	(899,236)	(109,987)	-	(3,853)	(1,337,887)
Operating profit (loss) for the segment	(1,497,480)	2,556,923	2,113,871	341,748	17,541	3,532,603

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

The assets and liabilities for each segment as of December 31, 2021, and 2020 are disclosed below:

Assets and liabilites per segment	Automotive	Consumer electronics and mobile phones	Retail	Farming	Other services	Not attributable to a specific business segment	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of December 31, 2021							
Nonoperating assets							
– Investment in associates	-	-	-	-	-	2,027,898	2,027,898
– Other financial assets	-	-	-	-	-	1,499,861	1,499,861
– Other nonfinancial receivables	1,005,534	1,234,139	1,361,815	4,543,450	-	35,631	8,180,569
– Deferred tax assets	-	-	-	-	-	11,670	11,670
Total nonoperating assets	1,005,534	1,234,139	1,361,815	4,543,450	-	3,575,060	11,719,998
Operating assets	3,948,230	51,800,903	3,109,456	-	-	2,614,261	61,472,850
Total assets	**4,953,764**	**53,035,042**	**4,471,271**	**4,543,450**	**-**	**6,189,321**	**73,192,848**
Nonoperating liabilities							
– Interest-bearing debts and borrowings	-	-	-	-	-	94,680	94,680
– Lease liabilities	-	-	-	-	-	538,088	538,088
– Provisions for lawsuits and contingencies	-	-	-	-	-	404,860	404,860
– Deferred tax liability	-	-	-	-	-	179,054	179,054
Total nonoperating liabilities	-	-	-	-	-	1,216,682	1,216,682
Operating liabilities	4,706,175	31,294,038	5,722,735	1,351,216	-	36,822	43,110,986
Total liabilities	**4,706,175**	**31,294,038**	**5,722,735**	**1,351,216**	**-**	**1,253,504**	**44,327,668**

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

Assets and liabilites per segment	Automotive	Consumer electronics and mobile phones	Retail	Farming	Other services	Not attributable to a specific business segment	Segments consolidated total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of December 31, 2020							
Nonoperating assets							
– Investment in associates	-	-	-	-	-	2,440,299	2,440,299
– Other financial assets	-	-	-	-	-	1,468,114	1,468,114
– Other nonfinancial receivables	1,800,125	2,820,423	-	-	577	2,918,343	7,539,468
– Deferred tax assets	-	-	-	-	-	49,687	49,687
Total nonoperating assets	1,800,125	2,820,423	-	-	577	6,876,443	11,497,568
Operating assets	8,353,213	52,781,014	5,390,319	3,110,942	165,900	2,333,530	72,134,918
Total assets	**10,153,338**	**55,601,437**	**5,390,319**	**3,110,942**	**166,477**	**9,209,973**	**83,632,486**
Nonoperating liabilities							
– Interest-bearing debts and borrowings	-	-	-	-	-	212,172	212,172
– Lease liabilities	-	-	-	-	-	662,214	662,214
– Provisions for lawsuits and contingencies	-	-	-	-	-	650,173	650,173
– Deferred tax liability	-	-	-	-	-	156,384	156,384
Total nonoperating liabilities	-	-	-	-	-	1,680,943	1,680,943
Operating liabilities	4,488,334	51,653,003	-	-	3,532	-	56,144,869
Total liabilities	**4,488,334**	**51,653,003**	**-**	**-**	**3,532**	**1,680,943**	**57,825,812**

5. REVENUES FROM ORDINARY ACTIVITIES

	12.31.2021	12.31.2020 (Note 2.3)
	ARS 000	ARS 000
Sale of goods and services	147,673,239	101,380,866
Export of assets	10,736,610	7,700,381
Export rebates	2,128	-
Lease profit	26,308	34,010
Total revenues from ordinary activities	**158,438,285**	**109,115,257**

6. COST OF GOODS SOLD AND SERVICES RENDERED

	12.31.2021 ARS 000	12.31.2020 ARS 000
Inventories at beginning of year (*)	16,916,471	19,307,826
Purchases for the year	138,217,744	85,720,313
Operating expenses and services - Note 7	15,899,865	12,296,697
Export duties	2,090,158	1,411,656
Creation of the allowance for inventories obsolescence and impairment in value. Note 14	762,374	40,765
Use of the allowance for inventories obsolescence and impairment in value. Note 14	(983,805)	(198,287)
Stock at end of year (*)	(15,111,230)	(16,916,471)
Cost of goods sold and services rendered	**157,791,577**	**101,662,499**

(*) 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

	12.31.2021 12 months				12.31.2020 12 months			
Account	**Operating expenses and services**	**Administrative expenses**	**Selling expenses**	**Total**	**Operating expenses and services**	**Administrative expenses**	**Selling expenses**	**Total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Salaries & wages	6,566,728	2,977,115	1,745,087	11,288,930	5,624,876	1,645,896	1,332,453	8,603,225
Contributions and employee benefits	2,351,912	810,992	454,300	3,617,204	1,668,978	566,762	298,698	2,534,438
Insurance	111,498	221,572	271,755	604,825	167,590	535,055	105,235	807,880
Fees	132,528	976,219	316,765	1,425,512	73,288	1,307,802	321,868	1,702,958
Services, taxes, assessments and contributions	1,501,789	268,181	4,755,336	6,525,306	400,860	218,524	3,171,684	3,791,068
Advertising expenses	-	-	1,102,081	1,102,081	-	-	875,271	875,271
Credit card commissions	-	-	570,468	570,468	-	-	326,381	326,381
Bank expenses and tax on bank account transactions	-	962,997	330,926	1,293,923	-	688,662	-	688,662
Intangible assets amortization	3,603	26,078	28,712	58,393	4,171	82,746	32,427	119,344
P&E and investment Facilities depreciations	1,265,107	219,853	402,048	1,887,008	994,669	139,375	84,499	1,218,543
Leases and logistics services	191,865	223,648	311,350	726,863	53,575	160,682	796,311	1,010,568
Customs clearing and dispatch expenses	593,876	-	5,752	599,628	380,928	2,152	491,668	874,748
Maintenance	434,458	110,844	29,117	574,419	279,982	45,252	19,745	344,979
Traveling and living expenses	1,666	124,696	5,969	132,331	8,332	71,362	5,580	85,274
Transportation, shipping and handling	2,045,469	93,970	279,854	2,419,293	1,929,449	50,697	1,100,811	3,080,957
Cleaning and surveillance expenses	335,972	20,144	160,091	516,207	338,929	28,724	33,237	400,890
Allowance for doubtful accounts	-	-	1,912,690	1,912,690	-	-	1,347,160	1,347,160
Contingencies	4,312	31,445	4,691	40,448	-	100,348	32,816	133,164
Miscellaneous	359,082	203,836	211,825	774,743	371,070	219,231	88,650	678,951
Total	15,899,865	7,271,590	12,898,817	36,070,272	12,296,697	5,863,270	10,464,494	28,624,461

8. OTHER INCOME AND EXPENSES

8.1. Other operating profit

	12.31.2021 12 months	**12.31.2020 12 months**
	ARS 000	**ARS 000**
Foreign exchange difference	2,702,175	3,472,442
Miscellaneous	128,563	-
Total other operating profit	**2,830,738**	**3,472,442**

8.2. Other operating expenses

	12.31.2021 12 months ARS 000	12.31.2020 12 months ARS 000
Foreign exchange difference	(7,982,008)	(11,000,504)
Severance payments	-	(241,750)
Impairment in value of tax credits	-	(113,092)
P&E impairment	-	(422,637)
Impairment of intangible assets	(53,333)	-
Total other operating expenses	**(8,035,341)**	**(11,777,983)**

8.3. Finance costs

	12.31.2021 12 months ARS 000	12.31.2020 12 months ARS 000
Interest	(2,910,923)	(1,866,866)
Foreign exchange difference and net present value	(827,944)	(533,681)
Miscellaneous	(2,057)	-
Total finance costs	**(3,740,924)**	**(2,400,547)**

8.4. Finance income

	12.31.2021 12 months ARS 000	12.31.2020 12 months ARS 000
Profit on short-term deposits	3,024,934	774,052
Interest	758,195	166,703
Foreign exchange difference and net present value	411,575	281,396
Other finance income	-	41,129
Total finance income	**4,194,704**	**1,263,280**

8.5. Other expense, net

	12.31.2021 12 months ARS 000	12.31.2020 12 months ARS 000
(Loss) from financial restructuring	(282,892)	-
Severance payments	(440,772)	-
Income on sale of P&E	12,483	(40,465)
Miscellaneous	305,974	(65,937)
Total other expense, net	**(405,207)**	**(106,402)**

9. INCOME TAX

Mirgor Group calculated the current and deferred income tax charge for the year ended December 31, 2021, by applying to pre-tax profit for such period the effective tax rate applicable to expected pre-tax profit for the fiscal year to end December 31, 2021.

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

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

Net accumulated taxable income				
From ARS	**To ARS**	**ARS payable**	**Plus %**	**On the excess of ARS**
-	5,000,000	-	25%	-
5,000,000	50,000,000	1,250,000	30%	5,000,000
50,000,000	More than 50,000,000	14,750,000	35%	50,000,000

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

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

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

The major components of income tax expense for the years ended December 31, 2021, and 2020, are:

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current income tax		
Current income tax charge	(438,542)	(611,269)
Deferred income tax		
Related to the origin and reversal of temporary differences	(226,943)	142,380
Variation in the allowance for impairment of deferred income tax credit	166,256	(90,631)
Income tax for the year	**(499,229)**	**(559,520)**

A reconciliation between income tax expense and the product of accounting profit multiplied by the tax rate for years ended December 31, 2021, and 2020, is as follows:

	12.31.2021 ARS 000	12.31.2020 ARS 000
Profit before income tax	6,689,459	8,690,462
At the statutory tax rate	(2,006,838)	(2,607,139)
Exempt profit due to activities performed in Tierra del Fuego	1,341,353	2,138,250
Subtotal	(665,485)	(468,889)
Charge for the allowance for impairment of deferred income tax assets	166,256	(90,631)
Income tax for the year	**(499,229)**	**(559,520)**

Deferred income tax

Deferred income tax breaks down as follows:

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	12.31.2021 ARS 000	12.31.2020 ARS 000	12.31.2021 ARS 000	12.31.2020 ARS 000
Allowance for impairment in value of inventories	-	3,983	(3,983)	3,971
NOLs to be offset against future taxable income	51,146	34,072	17,074	(63,642)
P&E and investment properties	11,347	(10,240)	21,587	(10,240)
Mutual fund valuation	(34,740)	(6,581)	(28,159)	(6,581)
Present value effect	-	(7,455)	7,455	(4,863)
Trade receivables	-	92,933	(92,933)	92,933
Deferral of the tax adjustment for inflation	284,347	408,299	(123,952)	115,857
Inventories valuation	-	1,362	(1,362)	(13,734)
Allowance for impairment in value of deferred tax asset	(300,430)	(466,686)	166,256	(90,631)
Deferred income tax asset	11,670	49,687	(38,017)	23,070
Allowance for impairment in value of inventories	9,818	(6,871)	16,689	-
P&E and investment properties	(180,364)	-	(180,364)	-
Present value effect	(1,705)	-	(1,705)	-
Trade receivables	8,940	-	8,940	-
Deferral of the tax adjustment for inflation	(1,334)	-	(1,334)	-
Inventories valuation	(14,409)	(149,513)	135,104	35,550
Deferred income tax liabilities	(179,054)	(156,384)	(22,670)	35,550

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:

	12.31.2021	12.31.2020
	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	**5,572,876**	**8,129,638**

	12.31.2021	12.31.2020
	In thousands	**In thousands**
Weighted average number of ordinary shares attributable to basic and diluted earnings per share (in thousands of shares)	**162,845**	**177,660**

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

11. PROPERTY, PLANT AND EQUIPMENT

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

	12.31.2021				
	Acquisition cost				
Main account	**At beginning of year**	**Additions (1)**	**Disposals**	**Transfers**	**At end of year**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**	**ARS 000**
Plots of land	67,782	-	(661)	(29)	67,092
Buildings and construction	5,348,273	26,193	(742)	28	5,373,752
Machinery, equipment and tools	9,553,296	586,632	(223,718)	163,947	10,080,157
Vehicles	100,131	-	(3,874)	-	96,257
Furniture and office supplies	697,423	123,117	(22,528)	41,127	839,139
Fixtures	1,284,708	38,620	(8,018)	22,592	1,337,902
Die-stamping	689,707	-	(2,318)	-	687,389
Computer hardware	1,239,895	60,484	(96,956)	18,968	1,222,391
Works in process	983,252	2,424,836	(108,201)	(252,553)	3,047,334
Rights to use real property	1,096,574	364,013	(101,211)	-	1,359,376
P&E impairment	-	-	-	-	-
	21,061,041	3,623,895	(568,227)	(5,920)	24,110,789

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

Main account	Depreciation						
	At beginning of year	Average rate	Transfers	Disposals	Charge for the year (2)	At end of year	Residual value
	ARS 000		ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	-	-	-	-	-	-	67,092
Buildings and construction	1,374,147	2%	-	(359)	158,203	1,531,991	3,841,761
Machinery, equipment and tools	7,531,153	10%	(8,059)	(223,020)	1,190,469	8,490,543	1,589,614
Vehicles	76,126	20%	-	(2,162)	7,965	81,929	14,328
Furniture and office supplies	570,483	20%	-	(22,344)	82,364	630,503	208,636
Fixtures	1,023,941	25%	-	(92)	124,519	1,148,368	189,534
Die-stamping	687,988	20%	-	(2,344)	68	685,712	1,677
Computer hardware	1,111,342	20%	8,059	(102,665)	119,766	1,136,502	85,889
Works in process	-	-	-	-	-	-	3,047,334
Rights to use real property	451,077	20%	-	(110,213)	424,210	765,074	594,302
P&E impairment	647,253	-	-	-	-	647,253	(647,253)
	13,473,510		-	(463,199)	2,107,564	15,117,875	8,992,914

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.
(2) 1,882,393 charged to “P&E depreciation” and “Depreciation of investment properties” in note 7 and 225,171 charged to “Restructuring expenses” in note 8.

Changes in cost of acquisition and accumulated depreciation as of December 31, 2020

Main account	12.31.2020 Acquisition cost					
	At beginning of year	Additions (1)	Disposals	Addition from acquisition (Note 23)	Transfers	At end of year
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	63,119	-	-	4,663	-	67,782
Buildings and construction	3,575,536	1,260	(93,842)	1,865,319	-	5,348,273
Machinery, equipment and tools	9,420,215	359,319	(2,174,452)	1,948,214	-	9,553,296
Vehicles	100,124	169	(162)	-	-	100,131
Furniture and office supplies	467,007	31,209	(134,806)	334,013	-	697,423
Fixtures	1,559,171	36,320	(310,783)	-	-	1,284,708
Die-stamping	1,751,027	-	(1,061,320)	-	-	689,707
Computer hardware	798,519	79,682	(19,891)	381,585	-	1,239,895
Works in process	725,238	272,527	(23,662)	9,149	-	983,252
Rights to use real property	988,965	192,594	(152,368)	67,383	-	1,096,574
P&E impairment	-	-	-	-	-	-
	19,448,921	973,080	(3,971,286)	4,610,326	-	21,061,041

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

Main account	Depreciation At beginning of year	Average rate	Disposals	Addition from acquisition (Note 23)	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	-	-	-	-	-	-	67,782
Buildings and construction	964,132	2%	(91,232)	431,646	69,601	1,374,147	3,974,126
Machinery, equipment and tools	7,360,192	10%	(2,135,750)	1,635,351	671,360	7,531,153	2,022,143
Vehicles	67,331	20%	(162)	1,926	7,031	76,126	24,005
Furniture and office supplies	336,462	20%	(132,288)	316,368	49,941	570,483	126,940
Fixtures	1,219,451	25%	(312,227)	-	116,717	1,023,941	260,767
Die-stamping	1,745,557	20%	(1,061,213)	-	3,644	687,988	1,719
Computer hardware	661,014	20%	(17,117)	370,877	96,568	1,111,342	128,553
Works in process	-	-	-	-	-	-	983,252
Rights to use real property	206,136	20%	-	45,115	199,826	451,077	645,497
P&E impairment	224,616		-	-	422,637	647,253	(647,253)
	12,784,891		(3,749,989)	2,801,283	1,637,325	13,473,510	7,587,531

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.

12. INVESTMENT PROPERTY

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

	12.31.2021					
	Acquisition cost	Depreciation				
Main account	At beginning /end of year	At beginning of year	Average rate	Charges for the year	At end of year	Residual value
	ARS 000	ARS 000		ARS 000	ARS 000	ARS 000
Plots of land	39,065	-	-	-	-	39,065
Buildings and construction	230,757	114,607	2%	4,615	119,222	111,535
	269,822	114,607		4,615	119,222	150,600

Changes in cost of acquisition and accumulated depreciation as of December 31, 2020

	12.31.2020					
	Acquisition cost	Depreciation				
Main account	At beginning /end of year	At beginning of year	Average rate	Charges for the year	At end of year	Residual value
	ARS 000	ARS 000		ARS 000	ARS 000	ARS 000
Plots of land	39,065	-	-	-	-	39,065
Buildings and construction	230,757	110,752	2%	3,855	114,607	116,150
	269,822	110,752		3,855	114,607	155,215

Net profit from on investment properties delivered under operating leases for the fiscal years ended December 31, 2021, and 2020, were as follows:

	12.31.2021 ARS 000	12.31.2020 ARS 000
Profit from leases on investment properties	26,308	34,010
Operating expenses (including repair and maintenance) related to leased investment properties	(47,434)	(35,521)
Subtotal	**(21,126)**	**(1,511)**
Income tax	377	30,068
(Loss) profit from investment properties, net	**(20,749)**	**28,557**

Mirgor Group has no restrictions on the realizability of its investment property and no contractual obligations to either purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Investment properties are measured as described in note 2.4.8 to these consolidated financial statements.

13. INTANGIBLES ASSETS

Changes in cost of acquisition and accumulated amortization

	Software, agreements, patents and licenses	Goodwill	Total
	ARS 000	**ARS 000**	**ARS 000**
Acquisition cost			
As of January 1, 2020	639,503	476,410	1,115,913
Additions for the year	18,690	-	18,690
Addition from acquisition (Note 23)	540,563	-	540,563
As of December 31, 2020	**1,198,756**	**476,410**	**1,675,166**
Additions for the year	80,645	-	80,645
Deletions for the year	(514,775)	(476,410)	(991,185)
Transfers	5,922	-	5,922
Impairment of intangible assets	(53,333)	-	(53,333)
As of December 31, 2021	**717,215**	**-**	**717,215**
Amortization and impairment in value			
As of January 1, 2020	468,478	474,805	943,283
Addition from acquisition (Note 23)	442,739	-	442,739
Amortization charge for the year	119,344	-	119,344
As of December 31, 2020	**1,030,561**	**474,805**	**1,505,366**
Deletions for the year	(470,242)	(474,805)	(945,047)
Amortization charge for the year	58,393	-	58,393
As of December 31, 2021	**618,712**	**-**	**618,712**
Residual value			
As of December 31, 2020	**168,195**	**1,605**	**169,800**
As of December 31, 2021	**98,503**	**-**	**98,503**

14. INVENTORIES

	12.31.2021	12.31.2020
	ARS 000	**ARS 000**
Raw materials	10,790,929	10,991,559
Finished goods	4,296,633	5,924,912
Resale merchandise	23,668	-
Subtotal	15,111,230	16,916,471
Raw material in transit	12,519,279	6,726,999
Allowance for obsolescence and impairment of inventories	(418,235)	(639,666)
	27,212,274	**23,003,804**

The changes in the allowance for inventories impairment and obsolescence as of December 31, 2021, and 2020, as detailed below, have been included in cost of goods sold and services provided in the statement of comprehensive income:

	12.31.2021	12.31.2020
	ARS 000	ARS 000
At beginning of year	**(639,666)**	**(731,945)**
Increase (1)	(762,374)	(40,765)
Addition from acquisition- Note 23	-	(65,243)
Use (1) (2)	983,805	198,287
At end of year	**(418,235)**	**(639,666)**

(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

	12.31.2021	12.31.2020
	ARS 000	ARS 000
Current		
Trade receivables	18,466,084	29,081,171
Trade receivables of associates – Nota 18	55	131
Allowance for impairment of doubtful accounts (1)	(2,758,677)	(1,953,327)
	15,707,462	**27,127,975**

(1) Changes are detailed in note 15.9.

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

Below is a breakdown of trade receivables by due date:

				Past due				
	Total	Without due date	To fall due	<30 days	30 - 60 days	61 - 90 days	90 - 120 days	> 120 days
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
12.31.2021	15,707,462	55	10,874,967	3,200,450	526,863	65,890	1,039,237	-
12.31.2020	27,127,975	129	23,615,135	2,272,538	601,024	300,513	338,636	-

15.2. Trade and other payables

	12.31.2021 ARS 000	12.31.2020 ARS 000
Noncurrent		
Other accounts payable	64,952	-
	64,952	**-**

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current		
Trade payables	35,836,142	50,576,211
Salaries & wages and payroll taxes payable	3,562,287	2,841,989
Annual statutory bonus and vacation accrual	392,355	317,572
Income tax accrual, net	248,164	103,019
Health and safety assessment	155,801	161,930
Turnover tax payable and withholdings/additional withholdings to be deposited	328,136	609,365
Value-added tax payables and withholdings/additional withholdings to be deposited	119,911	118,421
Excise taxes payable	492,875	5,022
Other liabilities related to restructuring	581,573	-
Other taxes payable	659,767	868,531
Customer prepayments	322,919	217,433
Other accounts payable	323,920	303,438
Royalties payable	7,696	8,714
Directors' fees payable	14,287	6,279
	43,045,833	**56,137,924**

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

	12.31.2021 ARS 000	12.31.2020 ARS 000
Noncurrent		
Bank loans in foreign currency	7,276	66,291
Total interest-bearing noncurrent debts and borrowings	**7,276**	**66,291**

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current		
Bank loans in local currency	7,368	15,564
Bank loans in foreign currency	80,036	130,317
Total interest-bearing noncurrent debts and borrowings	**87,404**	**145,881**

15.4. Lease payables

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

	12.31.2021 ARS 000	12.31.2020 ARS 000
Right-of-use assets	594,302	645,497
Lease payables	538,088	662,214

For further information on the changes in right-to-use assets for the year ended December 31, 2021, and 2020, please refer to note 11. Below is a breakdown of lease payables for the abovementioned periods.

	12.31.2021 ARS 000	12.31.2020 ARS 000
At beginning of year	662,214	733,240
Finance costs - present value	(37,362)	103,383
Finance costs - Foreign exchange difference	83,897	195,656
Additions	511,063	259,245
Decreases (1)	(681,724)	(629,310)
At end of year	**538,088**	**662,214**

(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

	12.31.2021 ARS 000	12.31.2020 ARS 000
Noncurrent		
Provisions for lawsuits and contingencies	404,860	650,173
Total provisions for lawsuits and contingencies	**404,860**	**650,173**

15.6. Other financial assets

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current		
Debt securities	1,441,156	1,216,288
Mutual guarantee company	58,705	251,826
	1,499,861	1,468,114

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

15.7. Other financial liabilities

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current		
Liabilities for forward exchange transactions	201	6,945
	201	**6,945**

15.8. Cash and short-term deposits

	12.31.2021 ARS 000	12.31.2020 ARS 000
Cash on hand and in banks	2,038,756	4,039,102
Short-term investments	7,272,341	10,051,491
To the consolidated statement of financial position	**9,311,097**	**14,090,593**

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following as of December 31, 2021, and 2020:

	12.31.2021 ARS 000	12.31.2020 ARS 000
Cash on hand and in banks	2,038,756	4,039,102
Short-term investments	7,272,341	10,051,491
To the consolidated statements of cash flows	**9,311,097**	**14,090,593**

15.9. Impairment of financial assets

Trade and other receivables

As of December 31, 2021, the value of trade receivables for an original carrying amount of 2,758,677 were impaired and fully booked as allowance. The amounts and changes of the allowance for doubtful accounts are detailed below:

	12.31.2021 ARS 000	12.31.2020 ARS 000
At beginning of year	**1,953,327**	**883,049**
(Loss) on exposure to change in currency purchasing power	(659,233)	(234,418)
Uses	(448,107)	(42,464)
Charge for the year	1,912,690	1,347,160
At end of year	**2,758,677**	**1,953,327**

15.10. Information on fair values

As of December 31, 2021, and 2020, Management estimates that the carrying amounts of financial assets do not differ significantly from their fair values.

Fair value hierarchy

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

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

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

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

As of December 31, 2021, Mirgor Group's financial assets measured at fair value were categorized within Level 1, according 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, 2021, and 2020, agreements were signed to cover the potential devaluation of the Argentine peso in the amount of about USD 338,000,000 and USD 198,852,000, respectively, since Mirgor Group carries significant payables in foreign currency to industrial suppliers abroad.

As of December 31, 2021, and 2020, the amount payable disclosed under "Other financial liabilities" is 201 and 6,945, respectively. They are related to Mirgor Group's industrial activity and were booked at market value and as described in note 2.4 to these consolidated financial statements.

In the fiscal years ended December 31, 2021, and 2020, profit (loss) for these transactions amounted to ARS 705,946 (loss) and ARS 220,517 (profit), respectively, and was disclosed in "Foreign exchange differences" under "Other operating expenses".

15.11. Changes in liabilities from financing activities

			Changes other than cash		
	12.31.2020	Variation (1)	Foreign exchange difference	Accrued interest	12.31.2021
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Bank loans	212,172	(152,361)	25,719	9,150	94,680
Lease liabilities	662,214	(208,023)	83,897	-	538,088

			Changes other than cash		
	12.31.2019	Variation (1)	Foreign exchange difference	Accrued interest	12.31.2020
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Bank loans	375,840	(241,482)	42,589	35,225	212,172
Lease liabilities	733,239	(266,682)	195,657	-	662,214

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

15.12. Consolidated assets and liabilities in foreign currency

Mirgor Group's consolidated assets and liabilities in foreign currency as of December 31, 2021, and 2020, 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	12.31.2021	12.31.2020
				ARS 000	ARS 000
ASSETS					
Current assets					
Cash on hand and in banks					
Cash	USD	36	102.52	3,665	5,070
Cash in banks	USD	17,950	102.52	1,840,226	3,011,781
				1,843,891	**3,016,851**
Trade and other receivables					
Trade receivables	EUR	401	115.89	46,491	14,744
	USD	64,434	102.52	6,605,769	11,756,137
				6,652,260	**11,770,881**
Other nonfinancial receivables					
Prepayments to suppliers for the purchase of goods	EUR	604	115.89	69,946	129,075
	USD	38,534	102.52	3,950,507	3,599,748
	JPY	-	0.89	-	4,412
Funds delivered as security	USD	1,897	102.52	194,530	122,546
				4,214,983	**3,855,781**
Insurance to be accrued	USD	1	102.52	78	-
				78	**-**
Total current assets				**12,711,212**	**18,643,513**
Total assets				**12,711,212**	**18,643,513**

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

Item	Amounts in thousands and currency		Effective exchange rate	12.31.2021	12.31.2020
				ARS 000	ARS 000
LIABILITIES					
Current liabilities					
Interest-bearing payables and loans					
Bank loans	USD	779	102.72	80,036	130,318
Lease liabilities	USD	586	102.72	60,233	204,414
				140,269	**334,732**
Trade and other payables					
Trade payables	USD	264,694	102.72	27,189,389	44,094,231
	EUR	21,633	116.37	2,517,515	167,622
	BRL	1,355	19.70	26,703	83
	JPY	1,820	0.89	1,627	682
				29,735,234	**44,262,618**
Customer prepayments	USD	42	102.72	4,341	-
				4,341	**-**
Royalties payable	EUR	66	116.37	7,696	-
				7,696	**-**
Other accounts payable	USD	181	102.72	18,633	279,438
				18,633	**279,438**
Total current liabilities				**29,906,173**	**44,876,788**
Noncurrent liabilities					
Interest-bearing debts and borrowings					
Bank loans	USD	71	102.72	7,276	68,849
Lease liabilities	USD	2,454	102.72	252,027	316,513
				259,303	**385,362**
Total current liabilities				**259,303**	**385,362**
Total liabilities				**30,165,476**	**45,262,150**

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

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

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

16. OTHER NONFINANCIAL RECEIVABLES

	12.31.2021 ARS 000	12.31.2020 ARS 000
Noncurrent		
Loans and advances to personnel	1,919	106,282
Turnover tax withholdings and additional withholdings	1,023,519	57,841
Payroll taxes to be recovered	2	-
Miscellaneous	3,427	22,013
Allowance for impairment of tax credits	(926,365)	(52,532)
	102,502	**133,604**

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current		
Prepayments to suppliers for the purchase of goods	4,290,834	4,981,729
Prepayments to suppliers for the purchase of P&E	334,392	-
Turnover tax withholdings and additional withholdings	303,508	626,305
Income tax balance in favor and withholdings	528,330	1,064,970
Loans and advances to personnel	95,936	98,892
Funds delivered as security - Note 19	194,530	115,306
Insurance to be accrued	307,056	223,043
VAT balance in favor	1,537,586	2,070,148
Prepayment of export duties	765,914	200,757
Miscellaneous	63,563	77,818
Allowance for impairment of tax credits	(343,582)	(2,053,104)
	8,078,067	**7,405,864**

17. CAPITAL STOCK

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

	12.31.2021 In thousands	12.31.2020 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, 2021	**180,000**	**180,000**
December 31, 2020	**180,000**	**180,000**

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

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

18. RELATED PARTY DISCLOSURES

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

		Trade and other receivables
		ARS 000
Parent company:		
Il Tevere S.A.	12.31.2021	55
	12.31.2020	131

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: 61.5862%

Percentage of shares: 48.27%.

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, 2021, 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. The Group strategically decided to settle its financial payable, which was reduced to immaterial loans from the subsidiary Famar Fueguina S.A.

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

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

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

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

19.1. Market risk

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

Interest rate risk

All the financial loans were borrowed by the subsidiary Famar Fueguina S.A. The annual rate for loans in US dollars stood at 7.5% and loans in Argentine pesos were tied to Badlar + an annual 1.5%.

Foreign currency risk

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

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

	Changes in foreign exchange rate	Effect on comprehensive income before tax
12.31.2021	22%	(3,273,940)
	(22%)	3,273,940

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

19.2. Credit risk

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

Trade and other receivables

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

Automotive segment: in its usual course of business Mirgor S.A.C.I.F.I.A. grants credit to customers, including car manufacturers that concentrate about 99% of the Company's total sales revenues for fiscal year ended December 31, 2021.

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 residua transactions of the LG brand.

The maximum credit risk does not differ significantly from the receivable amounts included in the consolidated statement of financial position. The need of booking an impairment was assessed as of each reporting year-end, on an individual basis, for the major customers. Management estimates that the related allowance booked as of December 31, 2021, 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, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Interest-bearing payables and loans	-	-	87,404	-	87,404
Lease liabilities	-	-	291,892	-	291,892
Trade and other payables	3,393,571	28,413,061	10,997,344	306,809	43,110,785
	3,393,571	28,413,061	11,376,640	306,809	43,490,081

As of December 31, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Interest-bearing debts and borrowings	-	-	145,881	-	145,881
	-	-	277,992	-	277,992
Trade and other payables	6,021,826	40,225,493	9,890,605	-	56,137,924
	6,021,826	40,225,493	10,314,478	-	56,561,797

19.4. Capital management

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

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

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

	12.31.2021	12.31.2020
	ARS 000	ARS 000
Interest-bearing payables and loans	87,404	145,881
Lease liabilities	291,892	277,992
Trade payables	35,836,142	50,576,211
Less: Cash on hand and in banks	(9,311,097)	(14,090,593)
Net debt	**26,904,341**	**36,909,491**
Equity	28,865,180	25,806,674
Total capital	28,865,180	25,806,674
Total capital and net debt	**55,769,521**	**62,716,165**
Indebtedness ratio	**48%**	**59%**

19.5. Guarantees granted

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

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

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

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

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

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

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

On July 19, 2021, Mirgor Internacional S.A. made a security deposit to Crounal S.A., ensuring such company transactions with FAMAR Fueguina S.A.

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

20. INTERESTS IN ASSOCIATES

As of December 31, 2021, 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 CIAPEX S.A. 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.

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, 2021, and 2020, is as follows:

Company	Business activity	Equity	Profit for the period	Percentage in the capital stock (1)	Carrying amount as of 12/31/2021	Carrying amount as of 12/31/2020
CIAPEX S.A.	Investment and financing	4,063,152	(597,235)	49.91%	2,027,898	2,440,299
Total					2,027,898	2,440,299

(1) Related to 121,877,748 Class “A” shares, granting one vote each, and 29,218,548 Class “B” shares, granting five votes each.

21. EARNINGS DISTRIBUTION

Restriction to the distribution of earnings

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

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

22. MIGOR GROUP´S TAX SITUATION

22.1. Industrial promotion

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

The Company enjoys the benefits of the Industrial Promotion System provided by Law No. 19,640 as regards the assets and for the activities performed in Tierra del Fuego. Accordingly, the Company is entitled to certain tax and customs duties benefits, which through Presidential Decree No. 1234/2007, were extended through 2023, and include:

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

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

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.

e) Export rebates in Argentine pesos: Under Law No. 19,640, exports from the mainland to Tierra del Fuego enjoy the benefit of exports rebates. Due to the delay in payment by the Federal Government, the Company filed collection requests with Customs Authorities. Although such requests had unfavorable resolutions at the administrative stages (the proceedings are currently in the Customs Legal and Technical Department awaiting the issuance of the respective formal opinions), the Company's legal counsel and Management understand that the transactions were carried out within the regulatory framework of Law No. 19,640 and, consequently, it would be entitled to collect the rebates that the regulation then-effective established.

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

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

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

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

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

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

IATEC S.A.

The subsidiary IATEC S.A. is included in the system set forth by Presidential Decree No. 490/2003, issued within the framework of Laws No. 19,640 and 25,561, to manufacture TV sets, video recorders and/or players, audio systems, residential and commercial air conditioning systems, microwave ovens, computer screens, radio-communication equipment, mobile and wireless 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. 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. to manufacture portable computers (notebooks and netbooks), establishing a minimum production of 30,000 units, a production cap of 180,000 units and additional investment and minimum headcount requirements at its industrial plant.

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

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

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

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

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

FAMAR FUEGUINA S.A.

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

The Department of Industry, reporting to the Ministry of Economy, issued Resolution No. 46/84 that authorizes FAMAR FUEGUINA S.A. to submit to the governors' office of the former Territory of Tierra del Fuego, Antarctica and South Atlantic Islands the final project for the installation of an industrial plant to manufacture several models of car 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. ACQUISITION OF THE EQUITY INTEREST IN BRIGHTSTAR ARGENTINA S.A. AND BRIGHTSTAR FUEGUINA S.A.

To expand its businesses, on October 22, 2020, the Company acquired the control of 100% of the shareholding of Brightstar Argentina S.A. and Brightstar Fueguina S.A.

Brightstar Fueguina S.A. is a company based in Tierra del Fuego that manufactures and trades mobile phones under Samsung brand under the system governed by Law No. 19,640. Brightstar Argentina S.A. 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.

Under IFRS, the following chart discloses the summarized financial information at fair value on the investment as of October 22, 2020, in Brightstar Argentina S.A. and Brightstar Fueguina S.A.:

	Fair value upon acquisition (**) **ARS 000**
Property, plant and equipment	1,809,043
Intangible assets	97,824
Investment in associates	1,313,071
Other nonfinancial receivables	597,739
Trade and other receivables	2,998,637
Other financial assets	270,190
Inventories	5,443,979
Cash and short-term deposits	1,253,089
Total assets	**13,783,572**
Lease liabilities	(16,581)
Trade and other payables	(9,262,592)
Other financial liabilities	-
Provisions for lawsuits and contingencies	(450,935)
Deferred tax liability	(2,186)
Total liabilities	**(9,732,294)**
Total net assets identified at fair value	**4,051,278**
Purchase value (*)	
Purchase price at present value	**4,051,278**

(*) Related to USD 1 (one US dollar).
(**) Figures restated into constant currency as of December 31, 2021, according to note 2.3. to these consolidated financial statements.

24. CORPORATE REORGANIZATION

On December 4, 2020, Mirgor's Board approved Mirgor's merger with Holdcar S.A. ("Holdcar") and Interclima S.A. ("ICSA"), so that Mirgor absorbs all the assets, liabilities, rights and obligations of such companies, which shall be dissolved without liquidation as a result of the merger pursuant to section 82 et. seq., Argentine General Business Associations Law. This would be executed under the tax neutrality terms pursuant to section 80 and related sections, Income Tax Law, as it is a reorganization within a group of companies; therefore, CNV provisions and Bolsas y Mercados Argentinos S.A. listing regulations also apply.

On May 14, 2021, in the minutes of the Special Shareholders' Meeting No. 81, Mirgor shareholders approved by unanimity the merger of ICSA and Holdcar.

This reorganization will allow member companies to reap huge operating and economic advantages related to the achievement of higher operating efficiency and the enhanced use of available resources and technical, administrative and financial structures. The way in which the companies greatly complement one another will be capitalized to reduce costs from the duplication and overlapping of operating and administrative structures. The existing relationship between Mirgor and its subsidiaries Holdcar and ICSA, derived from the corporate control exerted by Mirgor over such companies, also justifies the aforementioned reorganization, which will also involve a direct equity in Famar Fueguina S.A. and GMRA S.A. and a 100% equity in Industria Austral de Tecnología S.A., removing Holdcar and ICSA, respectively, as intermediate companies which existence is unnecessary. This reorganization did not involve the interruption of operations or affect the comparability of the consolidated financial statements.

Below we summarize ICSA's and Holdcar's main assets and liabilities merged as of December 31, 2020, which were incorporated and absorbed by the Company effective as of January 1, 2021:

	INTERCLIMA	**HOLDCAR**
	ARS 000	**ARS 000**
Noncurrent assets	22,102,474	409,029
Current assets	265,770	2,644
Total assets	**22,368,245**	**411,673**
Total equity	**21,643,121**	**(199,737)**
Noncurrent liabilities	46,789	601,872
Current liabilities	678,335	9,538
Total liabilities	**725,124**	**611,410**

25. SUBSEQUENT EVENTS

Except for that mentioned in note 2.6, no additional relevant events that should be reported took place after year-end.

26. EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

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

The Effects of the differences between IFRS and GAAP of countries in wich the accompanying financial statements may be used not have been assessed.

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

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Notes	12.31.2021 12 months ARS 000	12.31.2020 12 months ARS 000
Revenue	6	19,432,931	14,171,887
Industrial promotion benefit		1,600,475	1,160,726
Cost of sale of goods	7	(21,149,813)	(13,955,659)
Gross (loss) income		**(116,407)**	**1,376,954**
Changes in the fair value of grains and oilseeds		1,790	-
Other operating profit	9	936,203	332,776
Administrative expenses	8	(1,657,453)	(880,147)
Selling expenses	8	(751,988)	(1,968,691)
Other operating expenses	9	(375,291)	(913,612)
Operating profit		**(1,963,146)**	**(2,052,720)**
Finance costs	9	(43,804)	(121,224)
Finance income	9	221,110	129,226
Gain on exposure to the change in currency purchasing power		3,030,509	2,122,825
Other net expenses	9	(124,127)	(5,069)
Beneficial share purchase	23	-	4,034,009
Share of profit of associates, net	4	5,091,338	4,076,319
Net profit for the year before income tax		**6,211,880**	**8,183,366**
Income tax	10	(21,650)	(53,728)
Net profit for the year		**6,190,230**	**8,129,638**
Other comprehensive income			
Conversion of business abroad		(617,354)	-
Total comprehensive income for the year, net		**5,572,876**	**8,129,638**
Earnings per share (Note 11):			
– basic and diluted, net income for the year attributable to ordinary equity holders of the parent's equity		**31.66**	**45.76**

Signed for identification purposes
with the report dated 03/10/2022
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, 2021

	Notes	12.31.2021 ARS 000	12.31.2020 ARS 000
Assets			
Noncurrent assets			
Property, plant and equipment	12	1,883,910	486,957
Intangible assets	13	6,157	30,712
Interest in subsidiaries	4	34,413,686	29,649,056
Other nonfinancial receivables	16	11,138	51,070
		36,314,891	30,217,795
Current assets			
Other nonfinancial receivables	16	5,324,022	4,018,191
Inventories	14	3,344,278	1,503,727
Trade and other receivables	15	2,476,581	1,391,264
Cash and short-term deposits	15	90,888	643,773
		11,235,769	7,556,955
Total assets		**47,550,660**	**37,774,750**
Equity and liabilities			
Equity			
Issued capital		18,000	18,000
Capital adjustment		278,724	278,724
Own shares		(751,975)	(182,196)
Additional paid-in capital		-	185,396
Profit set apart for reserves		23,747,555	17,377,112
Unappropriated retained earnings		6,190,230	8,129,638
Reserve of conversion (losses)		(617,354)	-
Total equity		**28,865,180**	**25,806,674**
Noncurrent liabilities			
Lease liabilities	15	26,178	43,753
Provisions for lawsuits and contingencies	15	59,659	84,755
Trade and other payables	15	79,836	22,466
		165,673	150,974
Current liabilities			
Lease liabilities	15	17,152	29,342
Trade and other payables	15	18,502,655	11,424,517
Interest in subsidiaries	4	-	363,243
		18,519,807	11,817,102
Total liabilities		**18,685,480**	**11,968,076**
Total equity and liabilities		**47,550,660**	**37,774,750**

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

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	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)	Additional paid-in capital	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
As of January 1, 2021	**18,000**	**278,724**	**(182,196)**	**185,396**	**59,344**	**1,387,644**	**15,930,124**	**-**	**8,129,638**	**25,806,674**
Distribution of cash dividends (Note 2(6) to the consolidated financial statements)	-	-	-	-	-	(1,410,062)	-	-	(534,529)	(1,944,591)
Regular Shareholders' Meeting decision of April 30, 2021 (Note 2.6. to the consolidated financial statements)	-	-	-	(185,396)	-	53,700	7,726,805	-	(7,595,109)	-
Repurchase of own shares	-	-	(569,779)	-	-	-	-	-	-	(569,779)
Other comprehensive income	-	-	-	-	-	-	-	(617,354)	-	(617,354)
Net profit for the year	-	-	-	-	-	-	-	-	6,190,230	6,190,230
As of December 31, 2021	**18,000**	**278,724**	**(751,975)**	**-**	**59,344**	**31,282**	**23,656,929**	**(617,354)**	**6,190,230**	**28,865,180**

	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)	Additional paid-in capital	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	ARS 000
As of January 1, 2020	**18,000**	**278,724**	**(182,196)**	**185,396**	**26,113**	**360,180**	**12,626,408**	**-**	**4,364,411**	**17,677,036**
Increase in the statutory, optional and other reserves, as resolved at the Regular Shareholders' Meeting of June 18, 2020	-	-	-	-	33,231	1,027,464	3,303,716	-	(4,364,411)	-
Net profit for the year	-	-	-	-	-	-	-	-	8,129,638	8,129,638
As of December 31, 2020	**18,000**	**278,724**	**(182,196)**	**185,396**	**59,344**	**1,387,644**	**15,930,124**	**-**	**8,129,638**	**25,806,674**

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On behalf of Statutory Audit Committee

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

SEPARATE STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	12.31.2021 ARS 000	12.31.2020 ARS 000
Operating activities		
Comprehensive income for the year before income tax	5,594,526	8,183,366
Accrued interest	-	15,787
Adjustments to reconcile comprehensive net profit (loss) for the year with net cash flows		
P&E depreciation	179,067	108,335
Amortization of intangible assets	20,596	39,447
P&E impairment	-	272,222
Increase in the allowance for inventories obsolescence	98,831	46,114
Beneficial share purchase	-	(4,034,009)
(Profit) loss on share of net profit (loss) of associates	(5,091,338)	(4,076,319)
Loss on exposure to the change in currency purchasing power	250,028	199,836
Adjustment of operating assets and liabilities		
Increase in trade and other receivables, net of intercompany receivables	(1,525,380)	(484,209)
(Increase) decrease in inventories, net of the obsolescence charge	(1,939,071)	1,177,991
Increase in other nonfinancial receivables, net of income tax charge	(1,155,889)	(3,064,093)
(Decrease) Increase in trade and other payables, net of payables to related companies	(47,772)	784,871
Decreases in provisions for lawsuits and contingencies	(25,096)	17,251
Net cash flows used in operating activities	**(3,641,498)**	**(813,410)**
Investing activities		
Acquisitions of P&E, net	(1,251,691)	(16,761)
P&E deletion	51,871	35,058
Acquisition of intangible assets	-	(2,381)
Deletions of intangible assets	3,959	-
Capital contributions to subsidiaries	-	(2,603,893)
Dividends collected	-	2,843,879
Net cash flows (used in) arising from investing activities	**(1,195,861)**	**255,902**
Financing activities		
Decrease in lease liabilities, net	(108,806)	(33,348)
Increase in intercompany payables and receivables	7,128,599	1,300,438
Dividends paid	(1,944,591)	-
Purchase of own shares	(569,779)	-
Net cash flows used in arising from financing activities	**4,505,423**	**1,267,090**
Loss on exposure to the change in currency purchasing power	(250,028)	(199,836)
(Decrease) increase in cash and cash equivalents, net	(581,964)	509,746
Cash and cash equivalents as of January 1	643,773	134,027
Increase in cash and cash equivalents from merger (Note 24 to the consolidated financial statements)	29,079	-
Cash and cash equivalents as of December 31	**90,888**	**643,773**

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MR. JULIO CUETO RUA
On behalf of Statutory Audit Committee

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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, 2021, were authorized for issue in accordance with a resolution of the Company’s Board of Directors on March 10, 2022.

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

On December 4, 2020, the Company and its subsidiaries Interclima S.A. (hereinafter, “ICSA”) and Holdcar S.A. (hereinafter, “Holdcar”) entered into a preliminary merger-purpose agreement within a corporate reorganization framework. On May 14, 2021, in the minutes of the Special Shareholders’ Meeting No. 81, the Company’s shareholders approved by unanimity the merger of ICSA and Holdcar. The effects of such reorganization were considered as thoroughly described in note 22 to these consolidated financial statements.

The Company’s main activity is manufacturing temperature control equipment for the automobile sector and exports related to the agricultural sector. Through its subsidiaries (jointly with the Company, the “Mirgor Group”) it also engages in the manufacture and trade of TV sets, mobile phones and car; real estate leases, and the provision of warehousing and technical support services for the automobile and electronic consumer goods industries, among other activities. See note 4 to the consolidated financial statements for more information.

2. BASIS OF PREPARATION OF THE SEPARATE FINANCIAL STATEMENTS

2.1. Professional accounting standards applied

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

These separate financial statements as of September 31, 2021, 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, 2021, 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, 2021, 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, 2021.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The IFRS applicable as from January 1, 2021, and those not effective as of the date of issuance of the Company's separate financial statements were described in note 2.7. and 3, respectively, to the consolidated financial statements as of December 31, 2021.

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: 12.31.2021	12.31.2020	Main business activity
Interclima S.A.	(*)	100	Logistics services and investing in companies
Capdo S.A.	100	100	Real estate agency
IATEC S.A.	100	100	Electronic products
GMRA S.A.	100	100	Trading company
HOLDCAR S.A.	(*)	100	Investing in companies
FAMAR FUEGUINA S.A.	100	100	Electronic products for the automobile industry
ELECTROTÉCNICA FAMAR S.A.C.I.I.E.	(*)	100	Electronic products for the automobile industry
BRIGHTSTAR ARGENTINA S.A.	100	100	Electronic products
BRIGHTSTAR FUEGUINA S.A.	100	100	Electronic products
MIRGOR INTERNACIONAL S.A.	100	100	Holding company
Rulned S.A. (Uy)	100	-	Electronic products
IATEC S.A. (Py)	100	-	Electronic products

(*) See Note 24 to the consolidated financial statements

	IATEC	GMRA	CAPDO	FAMAR	BASA	BFSA	INTERNACIONAL
	12.31.2021	12.31.2021	12.31.2021	12.31.2021	12.31.2021	12.31.2021	12.31.2021
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Equity under professional accounting standars	**27,619,042**	**767,652**	**199,081**	**349,405**	**237,521**	**3,262,161**	**1,929,552**
A. Inventories adjustment to reposition costs	(215,397)	793	-	(115,728)	-	-	-
B.Inventories adjusted for inflation	164,133	41,169	-	68,915	-	-	-
C. Deferred tax related to inventory adjustments	-	(14,409)	-	-	-	-	-
D. Payroll taxes present value	(54,319)	(11,678)	-	(11,886)	-	(2,675)	-
E. Leases	4,295	27,453	-	-	-	25	-
Equity under IFRS	**27,517,754**	**810,980**	**199,081**	**290,706**	**237,521**	**3,259,511**	**1,929,552**

5. OPERATING SEGMENT INFORMATION

Operating segment information was presented in note 4 to the consolidated financial statements as of December 31, 2021.

6. REVENUES FROM ORDINARY ACTIVITIES

	12.31.2021	12.31.2020
	12 months	12 months
	ARS 000	ARS 000
Sale of goods	8,698,311	6,471,505
Export of assets	10,732,492	7,700,382
Export rebates	2,128	-
Total revenue	**19,432,931**	**14,171,887**

7. COST OF GOODS SOLD AND SERVICES RENDERED

	12.31.2021 12 months ARS 000	12.31.2020 12 months ARS 000
Inventories at beginning of year (*)	1,374,959	2,589,559
Purchases for the year	17,281,151	9,268,356
Operating expenses - Note 8	3,044,289	2,082,996
Export duties	2,090,158	1,411,656
Booking of the allowance for inventories obsolescence and impairment in value	98,831	46,114
Use of the allowance for inventories obsolescence and impairment in value	(217,861)	(68,063)
Inventories at end of year (*)	(2,521,714)	(1,374,959)
Cost of sale of goods	**21,149,813**	**13,955,659**

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

8. OPERATING, ADMINISTRATIVE AND SELLING EXPENSES

	12.31.2021				12.31.2020			
Account	Operating expenses	Administrative expenses	Selling expenses	Total	Operating expenses	Administrative expenses	Selling expenses	Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Salaries & wages	905,401	743,950	367,829	2,017,180	922,015	246,005	596,955	1,764,975
Contributions and employee benefits	238,351	225,801	81,988	546,140	230,651	108,820	131,292	470,763
Insurance	18,902	18,071	5,167	42,140	15,218	29,379	4,509	49,106
Fees	5,772	220,822	910	227,504	14,649	84,686	583	99,918
Taxes, rates and assessments	41,437	191,459	113,334	346,230	41,518	120,691	91,702	253,911
Advertising expenses	-	-	33,325	33,325	-	-	26,187	26,187
Bank expenses and tax on bank account transactions	-	105,070	-	105,070	-	79,664	-	79,664
Intangible assets amortization	154	20,442	-	20,596	-	39,447	-	39,447
P&E depreciations	74,217	25,163	79,687	179,067	85,315	22,003	1,017	108,335
Leases and logistics services	70,064	933	3,287	74,284	26,158	7,666	317,956	351,780
Customs clearing and dispatch expenses	396,467	-	241	396,708	240,355	-	-	240,355
Maintenance	83,332	5,889	-	89,221	45,821	3,315	89	49,225
Traveling and living expenses	411	37,688	241	38,340	2,564	15,799	53	18,416
Transportation, shipping and handling	1,119,427	-	3,292	1,122,719	340,555	-	794,622	1,135,177
Cleaning and surveillance expenses	57,021	3,703	-	60,724	41,885	1,650	-	43,535
Contingencies	-	-	3,508	3,508	-	35,171	-	35,171
Miscellaneous	33,333	58,462	59,179	150,974	76,292	85,851	3,726	165,869
Total 12 months	**3,044,289**	**1,657,453**	**751,988**	**5,453,730**	**2,082,996**	**880,147**	**1,968,691**	**4,931,834**

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

9. OTHER INCOME AND EXPENSE

9.1. Other operating profit

	12.31.2021 ARS 000	12.31.2020 ARS 000
Foreign exchange difference	826,793	332,776
Miscellaneous	109,410	-
Total other operating profit	**936,203**	**332,776**

9.2. Other operating expenses

	12.31.2021 ARS 000	12.31.2020 ARS 000
Severance payments	-	(149,506)
Foreign exchange difference	(375,291)	(491,884)
P&E impairment	-	(272,222)
Total other operating expenses	**(375,291)**	**(913,612)**

9.3. Finance costs

	12.31.2021 ARS 000	12.31.2020 ARS 000
Interest accrued on payables and loans	-	(15,787)
Present value	(43,804)	(66,760)
Other finance costs	-	(38,677)
Total financial costs	**(43,804)**	**(121,224)**

9.4. Finance income

	12.31.2021 ARS 000	12.31.2020 ARS 000
Present value	-	328
Profit on short-term deposits	124,089	127,890
Other finance income	97,021	1,008
Total financial income	**221,110**	**129,226**

9.5. Other net expenses

	12.31.2021 ARS 000	12.31.2020 ARS 000
Severance payments	(124,775)	-
Miscellaneous	648	(5,069)
Total other income, net	**(124,127)**	**(5,069)**

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, 2021, and 2020, is as follows:

	12.31.2021 ARS 000	12.31.2020 ARS 000
Comprehensive income for the year before income tax	6,211,880	8,183,366
At the 35% statutory tax rate	(2,174,158)	(2,455,010)
Tax-exempt income from activities carried out in Tierra del Fuego at the statutory tax rate	2,127,467	2,404,695
Subtotal	**(46,691)**	**(50,315)**
Charge for the allowance for impairment in value of deferred income tax assets	25,041	(3,413)
Income tax for the year	**(21,650)**	**(53,728)**

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

11. EARNINGS PER SHARE

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

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

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

	12.31.2021 ARS 000	12.31.2020 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	**5,572,876**	**8,129,638**

	12.31.2021 In thousands	12.31.2020 In thousands
Weighted average number of ordinary shares attributable to basic and diluted earnings per share (in thousands of shares)	**162,845**	**177,660**

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

12. PROPERTY, PLANT AND EQUIPMENT

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

	12.31.2021					
	Acquisition cost					
Main account	At beginning of year	Additions (1)	Disposals	Transfers	Incorporation from merger (Note 24 to the consolidated financial statements)	At end of year
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	5,226	-	(71)	-	44,636	49,791
Buildings and construction	684,988	26,070	-	923	59,953	771,934
Machinery, equipment and tools	1,537,020	382	(22,999)	21,923	138,424	1,674,750
Vehicles	47,528	-	(2,276)	-	27,240	72,492
Furniture and office supplies	92,774	4,119	(261)	15	54,753	151,400
Fixtures	276,205	-	(8,017)	301	34,640	303,129
Die-stamping	539,153	-	(2,318)	-	2,024	538,859
Computer hardware	443,281	-	(15,531)	538	30,609	458,897
Rights to use real property	101,211	-	(101,211)	-	169,435	169,435
Works in process	5,257	1,221,120	(8,843)	(23,700)	47,974	1,241,808
P&E impairment	-	-	-	-	-	-
	3,732,643	1,251,691	(161,527)	-	609,688	5,432,495

(1) Mirgor Group did not capitalize finance costs related to works in progress, as they are considered to be insignificant.

	12.31.2021							
	Depreciation							
Main account	At beginning of year	Average rate	Disposals	Transfers	Incorporation from merger (Note 24 to the consolidated financial statements)	Charges for the year	At end of year	Residual value
	ARS 000		ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Plots of land	-	-	-	-	-	-	-	49,791
Buildings and construction	338,288	2%	(359)	-	11,668	15,056	364,653	407,281
Machinery, equipment and tools	1,276,610	20%	(30,827)	-	99,359	59,474	1,404,616	270,134
Vehicles	47,528	20%	(571)	-	7,568	5,259	59,784	12,708
Furniture and office supplies	64,970	20%	(77)	4,689	15,633	15,325	100,540	50,860
Fixtures	246,194	25%	(92)	(4,328)	17,847	13,817	273,438	29,691
Die-stamping	537,602	20%	(2,344)	-	2,024	6	537,288	1,571
Computer hardware	418,855	20%	(10,290)	(361)	11,616	14,564	434,384	24,513
Rights to use real property	43,417	-	(65,096)	-	67,773	55,566	101,660	67,775
Works in process	-	-	-	-	-	-	-	1,241,808
P&E impairment	272,222	-	-	-	-	-	272,222	(272,222)
	3,245,686		(109,656)	-	233,488	179,067	3,548,585	1,883,910

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

Changes in cost of acquisition and accumulated depreciation as of December 31, 2020

Main account	12.31.2020 Acquisition cost At beginning of year ARS 000	Additions (1) ARS 000	Disposals ARS 000	Transfers ARS 000	Incorporation from merger (Note 24 to the consolidated financial statements) ARS 000	At end of year ARS 000
Plots of land	5,226	-	-	-	-	5,226
Buildings and construction	687,361	-	(2,373)	-	-	684,988
Machinery, equipment and tools	1,538,767	9,220	(10,967)	-	-	1,537,020
Vehicles	47,690	-	(162)	-	-	47,528
Furniture and office supplies	92,977	88	(291)	-	-	92,774
Fixtures	276,570	486	(851)	-	-	276,205
Die-stamping	541,007	-	(1,854)	-	-	539,153
Computer hardware	443,799	797	(1,315)	-	-	443,281
Rights to use real property	101,211	-	-	-	-	101,211
Works in process	21,953	6,170	(22,866)	-	-	5,257
P&E impairment	-	-	-	-	-	-
	3,756,561	16,761	(40,679)	-	-	3,732,643

Main account	12.31.2020 Depreciation At beginning of year ARS 000	Average rate	Disposals ARS 000	Transfers ARS 000	Incorporation from merger (Note 24 to the consolidated financial statements)	Charges for the year ARS 000	At end of year ARS 000	Residual value ARS 000
Plots of land	-	-	-	-	-	-	-	5,226
Buildings and construction	328,991	2%	(525)	-	-	9,822	338,288	346,700
Machinery, equipment and tools	1,223,469	20%	(1,639)	-	-	54,780	1,276,610	260,410
Vehicles	47,690	20%	(162)	-	-	-	47,528	-
Furniture and office supplies	61,808	20%	(382)	-	-	3,544	64,970	27,804
Fixtures	240,115	25%	(235)	-	-	6,314	246,194	30,011
Die-stamping	539,339	20%	(1,826)	-	-	89	537,602	1,551
Computer hardware	407,657	20%	(851)	-	-	12,049	418,855	24,426
Rights to use real property	21,680	-	-	-	-	21,737	43,417	57,794
Works in process	-	-	-	-	-	-	-	5,257
P&E impairment	-	-	-	-	-	272,222	272,222	(272,222)
	2,870,749		(5,620)	-	-	380,557	3,245,686	486,957

(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, 2020	229,143	476,410	705,553
Additions for the year	2,381	-	2,381
As of December 31, 2020	**231,524**	**476,410**	**707,934**
Additions for the year	-	-	-
Deletions for the year	(24,260)	(476,410)	(500,670)
Incorporation from merger (Note 24 to the consolidated financial statements)	49,048	-	49,048
As of December 31, 2021	**256,312**	**-**	**256,312**
Amortization and impairment in value			
As of January 1, 2020	162,970	474,805	637,775
Amortization charge for the year	39,447	-	39,447
As of December 31, 2020	**202,417**	**474,805**	**677,222**
Amortization of deletions for the year	(21,906)	(474,805)	(496,711)
Incorporation from merger (Note 24 to the consolidated financial statements)	49,048	-	49,048
Amortization charge for the year	20,596	-	20,596
As of December 31, 2021	**250,155**	**-**	**250,155**
Net carrying amount			
As of December 31, 2020	**29,107**	**1,605**	**30,712**
As of December 31, 2021	**6,157**	**-**	**6,157**

14. INVENTORIES

	12.31.2021	12.31.2020
	ARS 000	ARS 000
Raw materials	1,955,353	848,601
Finished goods	566,361	526,358
Subtotal	2,521,714	1,374,959
Raw material in transit	886,663	311,865
Allowance for obsolescence and impairment of inventories	(64,099)	(183,097)
	3,344,278	**1,503,727**

The changes in the allowance for inventories impairment and obsolescence as of December 31, 2021, and 2020, as detailed below, have been included in cost of goods sold and services provided in the separate statement of comprehensive income:

	12.31.2021	12.31.2020
	ARS 000	**ARS 000**
At beginning of year	**(183,097)**	**(205,046)**
Increase (1)	(98,831)	(46,114)
Use (1)(2)	156,067	68,063
Profit on exposure to change in currency purchasing power	61,794	-
Incorporation from merger (Note 24 to the consolidated financial statements)	(32)	-
At end of year	**(64,099)**	**(183,097)**

(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

	12.31.2021	12.31.2020
	ARS 000	**ARS 000**
Current:		
Trade receivables	2,292,501	682,563
Trade receivables of associates - Note 18	184,080	708,701
	2,476,581	**1,391,264**

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, 2021.

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**
12.31.2021	2,476,581	184,080	145,904	2,146,597
12.31.2020	1,391,264	708,701	513,608	168,955

15.2. Trade and other payables

	12.31.2021 ARS 000	12.31.2020 ARS 000
Noncurrent:		
Trade payables of associates - Note 18	14,884	22,466
Other accounts payable	64,952	-
	79,836	**22,466**
Current:		
Trade payables	2,482,716	1,906,109
Trade payables of associates - Note 18	14,973,087	8,361,527
Salaries & wages and payroll taxes payable	830,639	738,536
Annual statutory bonus and vacation accrual	75,260	59,402
Health and safety assessment	23,389	2,927
Turnover tax payable and withholdings/additional withholdings to be deposited	13,609	17,953
Income tax accrual	-	41,148
Value-added tax payables and withholdings/additional withholdings to be deposited	26,742	1,546
Other taxes payable	47,641	12,700
Customer prepayments	111	178
Other accounts payable	20,641	279,456
Directors' fees payable	8,820	3,035
	18,502,655	**11,424,517**

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, 2021.

15.3. Lease liabilities

	12.31.2021 ARS 000	12.31.2020 ARS 000
Noncurrent		
Lease liabilities in foreign currency	26,178	43,753
Total lease liabilities	**26,178**	**43,753**

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current		
Lease liabilities in foreign currency	17,152	29,342
Total lease liabilities	**17,152**	**29,342**

15.4. Provisions for lawsuits and contingencies

	12.31.2021	12.31.2020
	ARS 000	**ARS 000**
Noncurrent		
Provisions for lawsuits and contingencies	59,659	84,755
Total accrued litigation and contingencies	**59,659**	**84,755**

15.5. Cash and short-term deposits

	12.31.2021	12.31.2020
	ARS 000	**ARS 000**
Cash on hand and in banks	61,344	186,719
Short-term investments	29,544	457,054
To the separate statement of financial position	**90,888**	**643,773**

For the purpose of the separate statement of cash flow, cash and cash equivalents comprise the following as of December 31, 2021, and 2020:

	12.31.2021	12.31.2020
	ARS 000	**ARS 000**
Cash on hand and in banks	61,344	186,719
Short-term investments	29,544	457,054
To the separate statement of cash flows	**90,888**	**643,773**

15.6. Information on fair values

As of December 31, 2021, and 2020, 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, 2021, and 2020, the Company did not sign this type of agreements.

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

15.7. Changes in liabilities from financing activities

	12.31.2020	Variation (1)	Changes other than cash: Foreign exchange difference	Changes other than cash: Accrued interest	12.31.2021
	ARS 000	ARS 000		ARS 000	ARS 000
Lease liabilities	73,095	(108,806)	79,041	-	43,330

	12.31.2019	Variation (1)	Changes other than cash: Foreign exchange difference	Changes other than cash: Accrued interest	12.31.2020
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Lease liabilities	90,656	(33,348)	-	15,787	73,095

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

15.8. Assets and liabilities in foreign currency

The main financial assets and liabilities stated in foreign currency have been disclosed in note 15.12 to the consolidated financial statements.

16. OTHER NON-FINANCIAL RECEIVABLES

	12.31.2021	12.31.2020
	ARS 000	ARS 000
Noncurrent		
Loans and advances to personnel	-	22,502
Deferred income tax credit	73,895	89,216
Allowance for impairment in value of deferred income tax credit	(64,174)	(89,216)
Miscellaneous	1,417	28,568
	11,138	51,070

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

	12.31.2021 ARS 000	12.31.2020 ARS 000
Current		
Prepayments to suppliers for the purchase of goods	3,380,445	3,295,952
Prepayments to suppliers for the purchase of P&E	334,392	-
Turnover tax withholdings and additional withholdings	63,024	96,988
Loans and advances to personnel	27,959	35,578
Income tax balance in favor and withholdings	28,973	-
Insurance to be accrued	3,625	5,060
Funds delivered as security	154,178	-
VAT balance in favor	640,388	409,443
Prepayment of export duties	690,375	174,603
Miscellaneous	663	567
	5,324,022	4,018,191

17. SOCIAL STOCK, CAPITAL RESERVES AND OTHER EQUITY COMPONENTS

The breakdown of the social stock issued, subscribed and paid-in, capital adjustments, issuances premiums, statutory reserve and other equity components were disclosed in note 17 to the consolidated financial statements as of December 31, 2021.

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

18. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties for the year ended December 31, 2021, and 2020:

		Accounts receivable (1)	Accounts payable (1)	Loans granted net of settled payables	Dividends earned / (paid)	Sales. / (Purchases)	Salaries & wages and severance payments	Fees
		ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Associate:								
Interclima S.A.	12.31.2021	-	-	(15,110)	-	-	-	-
	12.31.2020	22,807	-	(103,240)	2.710.872	(111,895)	-	-
IATEC S.A.	12.31.2021	3	14,764,256	(9,250,000)	-	(79,667)	-	-
	12.31.2020	-	8,323,304	(2,919,881)	151.897	(16,063)	-	-
CAPDO S.A.	12.31.2021	770	14,884	-	-	927	-	-
	12.31.2020	-	22,466	(7,849)	-	-	-	-
GMRA S.A.	12.31.2021	183,190	93,223	115,290	-	(134,785)	-	-
	12.31.2020	-	38,223	(38,104)	-	(7,094)	-	-
Il Tevere S.A.	12.31.2021	55	-	19	(938.654)	743	-	-
	12.31.2020	55	-	-	-	-	-	-
Famar Fueguina S.A:	12.31.2021	-	6,114	(460,488)	-	-	-	-
	12.31.2020	685,839	12,284	64,049	-	-	-	-
Holdcar S.A. (2)	12.31.2021	-	-	-	-	-	-	-
	12.31.2020	-	199,737	-	-	-	-	-
Brightstar Argentina S.A. (2)	12.31.2021	62	-	62	-	-	-	-
	12.31.2020	-	151,222	-	-	-	-	-
Mirgor Internacional S.A.	12.31.2021	-	109,494	(109,494)	-	-	-	-
	12.31.2020	-	-	-	-	-	-	-
Key management personnel:								
Directors	12.31.2021	-	-	-	-	-	171,455	16
6	12.31.2020	-	-	-	-	-	98,479	11,017

(1) Amounts categorized as “Trade and other receivables” and “trade and other payables,” respectively.
(2) As of December 31, and September 30, 2020, “Accounts payable” are related to the Company’s proportional interest in the negative equity of these companies.

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: 61.5862%

Percentage of shares: 48.27%.

Signed for identification purposes
with the report dated 03/10/2022
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

Subsidiaries

The Company holds equity in the companies and in the percentages of capital stock disclosed in note 4 to the separate financial statements.

Terms and conditions of transactions with related parties

The terms and conditions of transactions with related parties was disclosed in note 18 to the consolidated financial statements as of December 31, 2021.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, MARKET RISK, CREDIT RISK, LIQUIDITY RISK, CAPITAL MANAGEMENT AND GUARANTEES GRANTED

The notes on market risk, credit risk, liquidity risk, capital management and guarantees granted are briefly described in the notes 19.1, 19.2, 19.3, 19.4 and 19.5 to the consolidated financial statements as of December 31, 2021.

20. RESTRICTIONS TO THE DISTRIBUTION OF EARNINGS

Restrictions to distribution of earnings were described in note 21 to the consolidated financial statements as of December 31, 2021.

21. TAX SITUATION OF THE COMPANY

The conditions and characteristics of the industrial promotion of the Company were described in note 22.1 to the consolidated financial statements as of December 31, 2021.

22. SAFEGUARDING OF BOOKS

In compliance with effective CNV regulations (General Resolution No. 629/2014), we advise that the corporate books (Shareholders' Meeting Minutes, Board of Directors' Meeting Minutes, Audit Committee´s Meeting Minutes, Share Deposit and Shareholders' Meeting Attendance and Statutory Audit Committee Meetings Minutes books) and the statutory accounting records (the journal, auxiliary journals and inventory and financial statements book) are safeguarded at the Company's offices in Miñones 2177, PB, City of Buenos Aires City, and Einstein No. 1111, Río Grande, Tierra del Fuego.

Moreover, we advise that the remaining documents supporting the transactions and the accounting and corporate records are distributed between the Company's administrative offices and the following provider of third-party documentation safekeeping and preservation services: ADEA Administradora de Archivos S.A., CUIT: 30-68233570-6, Address: Ruta Provincial 36, KM 31.5, Florencio Varela, Province of Buenos Aires.

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

23. SUBSEQUENT EVENTS

The most important subsequent events were described in note 25 to the condensed consolidated financial statements as of December 31, 2021.