

**PART I**

**Item 1. Identity of Directors, Senior Management and Advisers**

Not applicable.

**Item 2. Offer Statistics and Expected Timetable**

Not applicable.

**Item 3. Key Information**

**A. [Reserved]**

**B. Capitalization and Indebtedness**

Not applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable.

**D. Risk Factors**

*You should carefully consider the risks described below in addition to the other information contained in this annual report. In addition, most, if not all, of the risks described below must be evaluated bearing in mind that our most important asset is our equity interest in Banco Galicia. Thus, a material change in Banco Galicia's shareholders' equity or income statement would also adversely affect our businesses and results of operations. We may also face risks and uncertainties that are not presently known to us or that we currently deem immaterial, which may impair our business. Our operations, property and customers are located in Argentina. Accordingly, the quality of our customer portfolio, loan portfolio, financial condition and results of operations depend, to a significant extent, on the macroeconomic and political conditions prevailing in Argentina. In general, the risk assumed when investing in the securities of issuers from countries such as Argentina is higher than when investing in the securities of issuers from developed countries.*

**Risk Factors Relating to Argentina**

*The current state of the Argentine economy, together with uncertainty regarding the government, may adversely affect our business and prospects.*

Grupo Financiero Galicia's results of operations may be affected by inflation, fluctuations in the exchange rate, modifications in interest rates, changes in the Argentine government's policies and other political or economic developments either internationally or in Argentina.

During the course of the last decades, Argentina's economy has been marked by a high degree of instability and volatility, periods of low or negative economic growth and high, fluctuating levels of inflation and currency devaluation. Grupo Financiero Galicia's results of operations, the rights of holders of securities issued by Grupo Financiero Galicia and the value of such securities could be materially and adversely affected by a number of possible factors. Some of these factors include Argentina's inability to achieve a sustainable economic growth path, high inflation rates, Argentina's ability to obtain financing, a decline in the international prices for Argentina's main commodity exports, fluctuations in the exchange rates of other countries (which affects local commercial competitiveness) and the vulnerability of the economy to external shocks.

During the past decade Argentina experienced economic stagnation as a result of unstable monetary, fiscal and economic regulatory policies. This, combined with a lack of institutional transparency, led to increasing inflation rates, lack of economic growth, currency instability and low investment levels, among others. As there will be Argentine Presidential and Congressional elections in 2023, additional risks may arise if new policies are implemented by the newly elected Government that further exacerbate the existing macroeconomic imbalances (as described herein). In addition to such

possible new policies, no assurance can be provided regarding other events, such as the enactment of other governmental policies, that may occur in the future and their impact on the Argentina economy and on the results of Grupo Financiero Galicia's operations.

As a result of the current state of the Argentine economy as described above and herein and the uncertainty regarding the Government and policies it may enact, the financial position and results of operations of private sector companies in Argentina, including Grupo Financiero Galicia, the rights of the holders of securities issued by such institutions and the value thereof may be negatively and adversely impacted.

***Economic conditions in Argentina may deteriorate, which may adversely impact Grupo Galicia's business and financial condition.***

Economic conditions in Argentina may deteriorate. In particular, a less favorable international economic environment, a decrease in the competitiveness of the Peso as compared to foreign currencies, low consumer confidence and low confidence from both local and foreign investors together with high inflation rates, among other factors, may affect the development and growth of the Argentine economy and cause volatility in the local capital markets. Such events may adversely impact Grupo Financiero Galicia's business and financial condition.

In particular, the Argentine economy has proven to be and continues to be vulnerable to several factors, including:

- economic growth rate volatility;
- high inflation rates;
- regulatory uncertainty for certain economic activities and sectors;
- volatility in Argentina's main export commodities' prices. The economic recovery has depended in the past, in part, on the high prices of commodities produced by Argentina, which are volatile and beyond the control of the Government;
- The stability and competitiveness of the Peso with respect to other currencies;
- external financial conditions;
- fluctuations in the BCRA's international reserves; and
- uncertainty with respect to exchange and capital controls

No assurance can be provided that a decline in economic growth or certain economic instability will not occur. Any stagnation, slowdown or economic and political instability could have a significant adverse effect on Grupo Financiero Galicia's business, financial position and results of operations, and the trading price for its ADSs.

***The ability of the current administration to implement economic policy reforms, and the impact that these measures and any future measures taken by a new administration will have on the Argentine economy, remains uncertain.***

As of the date of this annual report, the impact that the reforms adopted by the Government will have on the Argentine economy as a whole, and the financial sector in particular, cannot be predicted. In addition, it is currently unclear what additional measures the current administration may implement in the future and what the effects of the same may be on the Argentine economy.

For example, foreign exchange market (the "FX market") restrictions, in combination with a relatively loose monetary and fiscal policy and additional restrictions on foreign trade could result in lower economic growth rates in Argentina for the coming years. It is impossible to predict the impact of these measures, as well as any future measures that may be adopted, on the Argentine economy overall and the financial sector in particular.

In particular, interventionist measures adopted by the Government or future measures implemented may be disruptive to the economy and may fail to benefit, or may harm, our business. In particular, Grupo Financiero Galicia has no control over the implementation of reforms to the regulatory framework that governs its operations and cannot guarantee that these reforms will be beneficial, will be implemented or that they will be implemented in a manner that will benefit its business. The failure of these measures to achieve their intended goals could adversely affect the Argentine economy and Grupo Financiero Galicia's business, financial position and results of operations and the trading price for its ADSs.

***If high levels of inflation continue, the Argentine economy and Grupo Galicia's financial position and business could be adversely affected.***

Since 2007, Argentina has experienced increasing inflation rates. Moreover, between 2007 and 2015 official figures became unreliable and private estimates of inflation were more frequently used.

Specifically, the national statistics agency INDEC (Instituto Nacional de Estadística y Censos; "INDEC" for its acronym in Spanish), is the only institution in Argentina with legal power to produce official national statistics.

Despite the fact that, due to the reforms implemented in recent years, current inflation rates calculated by INDEC are generally accepted, the possibility that they may be manipulated in the future cannot be ruled out. Any such future manipulation could affect the Argentine economy in general and the financial sector in particular.

In addition to concerns related to the trustworthiness of inflation figures, in the past, inflation has materially undermined the Argentine economy and the Government's ability to generate conditions that fostered economic growth. In particular, high inflation rates or a high level of volatility with respect to the same, may materially and adversely affect the business volume of the financial system and prevent the growth of financial intermediation activity. This, in turn, could adversely affect economic activity and employment levels in Argentina.

Combined with high inflation rates, Argentina has also displayed high volatility in its currency valuation, as a consequence of local imbalances and external shocks. Both high inflation rates and high levels of volatility in the inflation rate affect Argentina's competitiveness abroad, as well as real salaries, employment rates, consumption rates and interest rates. A high level of uncertainty with regard to these economic variables, and lack of stability in terms of inflation, could lead to shortened contractual terms and affect the ability to plan and make decisions. This may have a negative impact on economic activity and the income of consumers and their purchasing power. All of the above could materially and adversely affect Grupo Financiero Galicia's financial position, results of operations and business, and the trading price for its ADSs.

***Argentina's and Argentine companies' ability to obtain financing and to attract direct foreign investment is limited and may adversely affect Grupo Galicia's financial position, results of operations and business.***

Argentina and Argentine companies have had limited access to foreign financing in recent years, primarily as a result of a default in December 2001 by Argentina on its debt to foreign bondholders, multilateral financial institutions and other financial institutions. Argentina settled all of its outstanding debt with the IMF in 2006, carried out a variety of debt swaps with certain bondholders between 2004 and 2010, and reached an agreement with the Paris Club in 2014. After several years of litigation, on March 1, 2016, an agreement was reached between the Argentine government and certain creditors to which the Argentine government was previously in default.

On April 18, 2016, in order to make a payment owed to similarly situated bondholders, Argentina issued bonds in an amount of US\$16.5 billion, with interest rates between 6.25% and 8% and maturities of three, five, ten and thirty years. The payment of approximately US\$9.3 billion to the bondholders was made on April 22, 2016, thus resolving the Argentine debt in default.

During the remainder of 2016, 2017 and the first four months of 2018, the Argentine government continued to seek financing from international markets. Following the exchange rate crisis beginning in April 2018, however, Argentina was not able to access the international capital markets, resulting in the Argentine government requesting a loan from the IMF (which was provided pursuant to a Stand-By Agreement in an amount equal to US\$57 billion).

In 2019, the value of Argentina's bonds plummeted and the country risk soared after the Primary Presidential Elections that took place on August 11, in which the Fernandez-Fernandez platform won by a landslide, resulting in the country being unable to refinance its existing debt with the private sector. As a result, the Macri administration that was then in office decided to unilaterally restructure the maturity dates on short-term debt issued by the Argentine Government, including debt denominated in Pesos and in Dollars. When President Fernandez took office, his administration commenced debt-restructuring negotiations for debt held by the Government that was held by foreign creditors. In March 2022, the Government entered into a new Extended Fund Facility with the IMF. Pursuant to said new agreement with the IMF the Government is able to request disbursements to be used to honor payments due under the 2018 Stand-By Agreement. The ability of the Government to receive such disbursements is conditioned on the Government meeting certain performance criteria. Failure by the Government to meet such criteria could result in the IMF no longer making disbursements under the

Extended Fund Facility, which would likely result in a failure by the Government to make payments due under the Stand-By-Agreement. Any such default on the IMF debt or other current outstanding debt of the Government would likely inhibit or prevent access by the Government and Argentine companies to the international financial markets and may also compromise the ability of such entities to obtain bilateral financing. This would have an adverse effect on the Argentine economy, including Grupo Financiero Galicia, and would likely cause a negative impact on the ability of companies, including Grupo Financiero Galicia, to obtain foreign financing.

***A decline in the international prices of Argentina's main commodity exports and a real appreciation of the Peso against the Dollar could affect the Argentine economy and create new pressures on the foreign exchange market, which, in turn, could have a material adverse effect on Grupo Galicia's financial condition, prospects and operating results.***

The Argentine economy's reliance on the export of certain commodities, particularly soybeans and its by products, corn and wheat, has made the country more vulnerable to fluctuations in their prices. A decrease in commodity prices may adversely affect the Government's fiscal revenues and the Argentine economy as a whole. Given its reliance on such agricultural commodities, the country is also vulnerable to weather events that may negatively affect production, reducing fiscal revenues and the inflow of Dollars derived from such exports.

In order to counterbalance and diversify its reliance on the above noted agricultural commodities as well as to add another source of revenue, Argentina has focused on increasing its oil and gas exports. A long-term decrease in the international price of oil would negatively impact such prospects and result in a decrease in foreign investment in such sectors.

Additionally, a significant increase in the real appreciation of the Peso could affect Argentina's competitiveness. Such an increase could substantially affect the price (and thus attractiveness) of its exports, prompt new recessionary pressures on Argentina's economy, create a new imbalance in the foreign exchange market and exacerbate exchange rate volatility. A significant appreciation of the real exchange rate could adversely affect the Argentine public sector's tax revenues in real terms. The occurrence of the foregoing could intensify the existing inflationary environment and potentially materially and adversely affect the Argentine economy, as well as Grupo Financiero Galicia's financial condition and operating results and, thus, the trading prices for its ADSs.

***Volatility in the regulatory framework could have a material and adverse effect on Argentina's economy in general, and on Grupo Galicia's financial position, specifically.***

From time to time the Argentine government has enacted several laws amending the regulatory framework governing a number of different activities as a measure to stimulate the economy, some of which have had adverse effects on Grupo Financiero Galicia's business. Although a former administration eliminated some of these regulations, political and social pressures could inhibit the Argentine government's implementation of policies designed to generate growth and enhance consumer and investor confidence.

No assurance can be provided that future regulations, especially those related to the financial system, will not materially and adversely affect the assets, revenues and operating income of Argentine private sector companies, including Grupo Financiero Galicia, the rights of holders of securities issued by those entities, or the value of those securities. The lack of regulatory foresight could impose significant limitations on activities of the financial system and Grupo Financiero Galicia's business, and thus generate uncertainty regarding its future financial position and result of operations and trading price for its ADSs.

***The Argentine economy and its goods, financial services and securities markets remain vulnerable to external factors, which could affect Argentina's economic growth and Grupo Galicia's prospects.***

The financial and securities markets in Argentina are influenced, to varying degrees, by economic and market conditions in other countries. Although such conditions may vary from country to country, investor reactions to events occurring in one country may affect capital flows to issuers in other countries, and consequently affect the trading prices of their securities. Decreased capital inflows and lower prices in the stock market of a country may have a material adverse effect on the real economy of those countries in the form of higher interest rates and foreign exchange volatility.

During periods of uncertainty in international markets, investors generally choose to invest in high-quality assets ("flight to quality") over emerging market assets. This has caused and could continue to cause an adverse impact on the Argentine economy and could continue to adversely affect the country's economy in the near future.

The monetary and fiscal policies implemented by the world's leading economies, such as the US, China and the European Union have an effect on the Argentine economy through impacts on its interest rates, commodity prices and economic growth rates. Current higher interest rates in leading economies negatively affect emerging markets such as Argentina.

The economic activity of Brazil, one of Argentina's main trade partners, also has an impact on Argentina's economy. A depreciation of the Brazilian Real against the Dollar has in the past and would again in the future put additional pressure on the exchange rate for the Argentine Peso against the Dollar. Likewise, a weak economic performance from Brazil would affect Argentine exports, particularly in the case of industrial goods, many of which Argentina exports to Brazil.

Adverse climate conditions and events may also affect Argentina's economy, either by negatively impacting the local harvest and thus reducing export volumes or by impacting other competing countries and affecting international commodities' prices, which determine Argentine agricultural exports' value.

The international financial environment may also result in a devaluation of regional currencies and exchange rates, including the Peso, which would also cause economic volatility in Argentina. A new global economic or financial crisis or the effects of deterioration in the current international context, could negatively affect the Argentine economy and, consequently, Grupo Financiero Galicia's results of operations, financial conditions and the trading price for its ADSs.

***A potential additional devaluation of the Peso may hinder or potentially prevent Grupo Galicia from being able to honor its foreign currency denominated obligations.***

The Argentine Peso depreciated 90.1% as compared to the Dollar between December 2016 and December 2022, according to the official quotation of the BCRA. If the Peso further depreciates against the Dollar, as has recently occurred and which could occur again in the future, this could have an adverse effect on the ability of Argentine companies to make timely payments on their debts denominated in or indexed or otherwise connected to a foreign currency, generate very high inflation rates, reduce real salaries significantly, and have an adverse effect on companies focused on the domestic market, such as public utilities and the financial industry. Such a potential devaluation could also adversely affect the Argentine government's capacity to honor its foreign debt, with adverse consequences for Grupo Financiero Galicia's and Banco Galicia's businesses, which could, in turn, affect Grupo Financiero Galicia's capacity to meet obligations denominated in a foreign currency. All of the foregoing could have a material adverse effect on the trading prices for Grupo Financiero Galicia's ADSs.

Additionally, the BCRA may intervene in the foreign exchange market to influence exchange rates. Purchases of Pesos by the BCRA could result in a decrease of its international reserves. A significant decrease in the BCRA's international reserves may have an adverse impact on Argentina's ability to withstand external shocks to the economy, and any adverse effects to the Argentine economy could, in turn, adversely affect the financial position and business of Grupo Financiero Galicia and its subsidiaries.

In order to control the depreciation of the Peso, on September 1, 2019 the Executive Branch introduced capital controls, which allows the BCRA to exercise control over the Peso and therefore to prevent the Argentine currency from depreciating. Throughout 2020, 2021 and 2022, the capital controls initially imposed in 2019 were bolstered while additional restrictions limited personal and corporate access to foreign currencies in the official market. A further depreciation of the Peso could adversely affect the Argentine economy and Grupo Financiero Galicia's financial condition, its business, and its ability to service its existing debt obligations. Moreover, an acceleration of inflation caused by an exchange rate crisis would raise the costs associated with Grupo Financiero Galicia's subsidiaries servicing their foreign currency-denominated debt. All or any of the above which could increase Grupo Financiero Galicia's costs and therefore have a material adverse effect on Grupo Financiero Galicia's financial condition and results of operations and, thus, the trading value of its ADSs.

***Changes or new regulations in the Argentine foreign exchange market may adversely affect the ability and the manner in which Grupo Galicia repays its obligations denominated in, indexed to or otherwise connected to a foreign currency.***

In the last two decades, different Argentine government administrations have established and implemented various restrictions on foreign currency transfers (both in respect of transfers into and out of Argentina).

The impact that these measures or potential future measures will have on the Argentine economy and Grupo Financiero Galicia is uncertain. No assurance can be provided that the current regulations will not be amended, or that no new regulations will be enacted in the future imposing greater limitations on funds flowing into and out of the Argentine foreign exchange market. Any such new measures, as well as any additional controls and/or restrictions, could materially adversely affect Grupo Financiero Galicia's ability to access the international capital markets and may undermine its ability to make payments of principal and/or interest on its obligations denominated in a foreign currency or transfer funds abroad (in total or in part) to make payments on its obligations (which could negatively affect Grupo Financiero Galicia's financial condition and results of operations). Therefore, Argentine resident or non-resident investors should take special notice of these regulations (and their amendments) that limit access to the foreign exchange market. In the future Grupo Financiero Galicia may be prevented from making payments in Dollars and/or making payments outside of Argentina due to the restrictions in place at that time in the foreign exchange market and/or due to the restrictions on the ability of Argentine companies to transfer funds abroad.

***It may be difficult to effect service of process against Grupo Galicia's executive officers and directors, and foreign judgments may be difficult to enforce or may be unenforceable.***

Service of process upon individuals or entities which are not resident in the United States may be difficult to obtain in the United States. Grupo Financiero Galicia and its subsidiaries are companies incorporated under the laws of Argentina. Most of their shareholders, directors, members of the Supervisory Syndics' Committee, officers, and some specialists named herein are domiciled in Argentina and the most significant part of their assets is located in Argentina. Although Grupo Financiero Galicia has an agent to receive service of process in any action against it in the United States with respect to its ADSs, none of its executive officers or directors has consented to service of process in the United States or to the jurisdiction of any United States court. As a result, it may be difficult to effect service of process against Grupo Financiero Galicia's executive officers and directors. Additionally, under Argentine law, the enforcement of foreign judgments will only be allowed if the requirements in sections 517 to 519 of the National Code of Civil and Commercial Procedures or the applicable local code of procedures are met, and provided that the foreign judgment does not infringe on concepts of public policy in Argentine law, as determined by the competent courts of Argentina. As such, an Argentine court may find that the enforcement in Argentina of a foreign judgment (including a U.S. court) that requires payment be made by an Argentine individual to holders of its foreign currency-denominated securities outside of Argentina is contrary to the public policy if, for instance, there are legal restrictions in place prohibiting Argentine debtors from transferring foreign currency abroad to pay off debts.

***The intervention of the Argentine government in the electric power sector could have a material adverse impact on the Argentine economy, which may have a material adverse impact on Grupo Galicia's results of operations.***

Historically, the Argentine government has played an active role in the electric power sector through the holding and management of state-owned companies engaged in the generation, transmission and distribution of electric power. To address the Argentine economic crisis of 2001 and 2002, the Government adopted regulations which made several material changes to the regulatory framework applicable to the electric power sector and distorted supply and demand in the sector. These changes included the freezing of distribution margins, the reversal of adjustment and inflation indexation mechanisms for tariffs, a limitation on the ability of electric power distribution companies to pass on to the consumer increases in costs and the introduction of a new price-setting mechanism in the wholesale electricity market, all of which had a significant impact on electric power generators and caused substantial price differences within the market.

The Macri administration began significant reforms in the electric power sector. As part of such reforms, the administration took actions designed to guarantee the supply of electric power in Argentina, instructing the Ministry of Energy and Mining to develop and implement a coordinated program to guarantee the quality of the electric power system and ration individuals' and public entities' consumption of energy by increasing tariffs.

However, between 2019 and 2022, the tariffs that electrical power companies can charge were kept virtually unchanged. As such, the increasing costs incurred by these electrical power companies that are not covered by the current tariffs have been paid for using governmental subsidies. This use of governmental subsidies instead of increases in tariffs has led to an increase in the level of public spending by the Government. In recent months, tariffs began a gradual recovery process in order to reduce subsidies, and are expected to continue rising, which could have a material adverse effect on inflation and, thus, on Argentine consumers' disposable income and the financial and operating performance of Argentine companies. As a result, it could affect Grupo Financiero Galicia's financial condition and results of operations and the trading price of our ADSs as well.

***The measures adopted by the Argentine government and the claims filed by workers on an individual basis or as part of a labor union action may lead to pressures to increase salaries or additional benefits, which would increase companies', including Grupo Galicia's, operating costs. Additionally, labor union activity could lead to strikes or work stoppages, which may materially and adversely affect Grupo Galicia's results of operations.***

In the past, the Argentine government has passed laws and regulations requiring private sector companies to maintain certain salary levels and provide their employees with additional work-related benefits. Furthermore, employers, both in the public sector and in the private sector, have been experiencing intense pressure from their personnel, or from the labor unions representing such personnel, demanding salary increases and certain benefits for the workers, given the prevailing high inflation rates.

For example, during the early months of 2019 the Argentine union that represents banking sector employees declared general strikes. These strikes did not have a direct effect on banks (including our principal subsidiary, Banco Galicia) but did impact banks' clients who were not able to access branches. Strikes such as the one that took place in 2019 can also lower the perception the public has of banks, which could have a reputational cost for Banco Galicia (the main subsidiary of Grupo Galicia) and, consequently, for Grupo Galicia. Labor movements are active in Argentina and can potentially lead to further strikes or work stoppages if demands are not satisfied, which could have a material and adverse effect on Grupo Financiero Galicia's operations and operating costs.

There can be no assurance that the Argentine government will not adopt measures in the future mandating salary increases or the provision of additional employee benefits, or that employees or their unions will not exert pressure on companies, such as Grupo Financiero Galicia or its subsidiaries, in demanding the implementation of such measures. The implementation of any such measures could have a material and adverse effect on Grupo Financiero Galicia's expenses and business, results of operations and financial condition and, thus, on the trading prices for its ADSs.

***High levels of public expenditures in Argentina could generate long lasting adverse consequences for the Argentine economy.***

Since 2007, Argentina increased its spending to Gross Domestic Product ("GDP") ratio to reach a maximum of 24% in 2015, quite above the ratio of the rest of the countries in the region. Between 2016 and 2019, a decreasing trend in expenditures was observed. However, in 2020 the spending-to-GDP ratio increased again, as the fiscal stimulus package implemented to deal with COVID-19 and the mobility restrictions resulting from COVID-19 put pressure on the fiscal balance and resulted in increased expenditures. In 2020, the primary deficit amounted to 6.5% of GDP and it was mainly financed by assistance from the BCRA. The primary deficit was reduced to 3.0% of GDP in 2021 and to approximately 2.5% of GDP in 2022. However, such reduction is insufficient to ensure debt sustainability.

If the fiscal deficit is not reduced and debt financing is insufficient, the Government may be forced to continue its reliance on BCRA financing.

The lack of reduction in Argentina's deficit could have a negative effect on the Government's ability to access and incur the long-term debt in the financial markets, and in turn, could limit the access to such markets for Argentine companies, such as Grupo Financiero Galicia and its subsidiaries. The same may have a material and adverse effect on Grupo Financiero Galicia's financial condition, results of operations and the trading price for its ADSs.

***Exposure to multiple provincial and municipal tax legislation and regulations could adversely affect Grupo Financiero Galicia's business or results of operations.***

Argentina has a federal system of government with 23 provinces and the Autonomous City of Buenos Aires. Each of these, under the Argentine National Constitution, has full power to enact legislation concerning taxes. Likewise, within each province, municipal governments have broad powers to regulate said matters. Given that the bank branches of our primary subsidiary, Banco Galicia, are located in multiple provinces, we are subject to various provincial and municipal legislation and regulations that may vary from time to time. Future developments in provincial and municipal legislation concerning taxes, provincial regulations or other matters could have a material and adverse effect on Grupo Financiero Galicia's expenses and business, results of operations and financial condition and thus the trading price for its ADSs could decrease.



***Epidemics and pandemics, such as the COVID-19 pandemic, could have an adverse effect on our business operations.***

In March 2020, the World Health Organization declared COVID-19 a pandemic. As a result, most countries adopted several measures to control the coronavirus, including the use of quarantine, lockdown and severe restrictions on the movement of their respective populations by certain air carriers and foreign governments. Variants of COVID-19 or an outbreak of another pandemic, or epidemics disease or similar public health threat could have material adverse effects on global economic, financial and business conditions, which could materially and adversely affect our business, financial condition and results of operations.

The long-term effects to the global economy and to Grupo Financiero Galicia of epidemics, pandemics and other public health crises, such as COVID-19, are difficult to assess or predict, and may include risks to employee's health and safety, and reduce our business operations. Also, such long-term effects depend on several other factors which are uncertain (such circumstances may include further waves of infection, further variants of the Covid-19 virus, the lasting effects of vaccines, the global roll out of vaccination programs, the percentage of vaccinated population, possible lockdowns or other restrictions, and the speed and stability of the economic recovery, among others).

Epidemics, pandemics and other health crises, such as COVID-19, may negatively impact the business and operations of third-party service providers who perform services critical for our business. Furthermore, in such cases, the Government may impose certain measures such as travel restrictions, border closures and lock-downs, which may force us to set in place work from home arrangements for our employees and may also have a material impact on our ability to operate and achieve our business goals.

If the global and Argentine economies are unable to sustain the post-pandemic recovery, we may also experience higher default rates on our customer financing, liquidity shortfalls, and difficulties in our ability to service our debt and other financial obligations. We may also encounter difficulties in accessing the debt and capital markets and be forced to refinance pre-existing financing arrangements. Although the actual impact is impossible to assess, the occurrence of any of these events could have a material adverse effect on our operations.

Finally, it is unclear whether these challenges and uncertainties will increase or diminish, and what effects they may have on long-term global political and economic conditions. Moreover, we also cannot predict whether the recovery of the Argentine economy exhibited during 2022 can also be sustained during 2023. The impact of COVID-19 and other health crises could have a material and adverse effect on Grupo Financiero Galicia's business, results of operations, and financial condition and, therefore, on the trading prices of its ADSs.

***Failure to adequately address actual and perceived risks arising from institutional deterioration and corruption could adversely affect Argentina's economy and financial position and the ability of Argentine companies to attract foreign investment.***

The lack of a solid institutional framework governing contracts entered into by the Government and its agencies and allegations of corruption have affected and continue to affect Argentina. The International Corruption Perceptions and Transparency Index, which measures corruption in 180 countries, has ranked Argentina No. 94 in 2022, 2 places higher than in 2021, but maintaining the same score of 38 points out of a possible 100. In addition, as of the date of this report, Argentina has been invited to join the Organization for Economic Cooperation and Development (OECD). However, if the country is not able to carry out the reforms and assume the commitments required by this organization, its membership could be rejected. Failure to address these issues could increase the risk of political instability and distort the decision-making process, adversely affecting Argentina's international reputation and the ability of its companies to attract foreign investment.

A deterioration in the Argentine reputation could have a material and adverse effect on Grupo Financiero Galicia's financial condition and results of operations and, thus, on the trading price for its ADSs.

***The Argentine economy could be negatively affected by external factors that have an impact in the whole world, such as the one COVID-19's spread had, and the consequent implementation of measures destined to deal with the mentioned external factors, and their economic impact both on a local and an international level.***

The Argentine economy is vulnerable to external factors. In this sense, most economies in the world (including Argentina and its main trade partners) were affected by the spread of COVID-19 during 2020 and 2021. The virus'



progression, which was declared a pandemic by the World Health Organization, led to the application of measures throughout 2020 and 2021 that had a severe economic impact.

In Argentina, these measures included the implementation of a generalized quarantine with the intention of hindering the virus' spread and avoiding the collapse of the local health system. This entailed a halt in most economic activities (excluding essential ones, such as healthcare services, manufacturing of food products, medical equipment or pharmaceuticals, supermarkets and pharmacies, and the provision of security forces) and the suspension of road and air travel, among others.

These measures, and any others the Argentine government might implement in the future, have had a negative and direct impact on the country's economy, by reducing both aggregate supply and demand.

Additionally, the progression of the virus and the resulting measures destined to fight the virus affected economic growth in Argentina's trade partners (such as Brazil, the European Union, China, and the United States). In 2020, the contraction of the economies of trade partners had a sizeable and adverse impact on Argentina's trade balance and economy resulting in a decrease of 15.7% in the demand for Argentine exports as compared to the previous year.

Higher uncertainty levels associated with an unexpected external shock, such as a global pandemic, could exacerbate the volatility of financial conditions, particularly in emerging markets, which could pose a threat to Argentina's currency and financing availability.

Any of these potential risks to the Argentine economy could have a material and adverse effect on Grupo Financiero Galicia's business, results of operations and financial condition and, thus, on the trading prices for its ADSs.

#### **Risk Factors Relating to the Argentine Financial System**

***The stability of the Argentine financial system is dependent upon the ability of financial institutions, including Banco Galicia, the main subsidiary of Grupo Galicia, to maintain and increase the confidence of depositors.***

The measures implemented by the Argentine government in late 2001 and early 2002, in particular the restrictions imposed on depositors to withdraw money freely from banks and the "pesification" and restructuring of their deposits, were strongly opposed by depositors due to the losses on their savings and undermined their confidence in the Argentine financial system and in all financial institutions operating in Argentina.

If depositors once again withdraw their money from banks in the future, there may be a substantial negative impact on the manner in which financial institutions, including Banco Galicia (our main subsidiary), conduct their business, and on their ability to operate as financial intermediaries. Loss of confidence in the international financial markets may also adversely affect the confidence of Argentine depositors in local banks.

An adverse economic situation, even if it is not related to the financial system, could trigger a massive withdrawal of capital from local banks by depositors, as an alternative to protect their assets from potential crises. Any massive withdrawal of deposits could cause liquidity issues in the financial sector and, consequently, a contraction in credit supply.

The occurrence of any of the above could have a material and adverse effect on Grupo Financiero Galicia's expenses and business, results of operations and financial condition and, thus, on the trading prices for its ADSs.

***If financial intermediation activity volumes relative to GDP are not restored to significant levels, the capacity of financial institutions, including Banco Galicia, the main subsidiary of Grupo Galicia, to generate profits may be negatively affected.***

As a result of the 1999-2002 financial crisis (in which the Argentine economy fell 18.4%), the volume of financial intermediation activity dropped dramatically: private sector credit plummeted from 24% of GDP in December 2000 to 7.7% in June 2004 and total deposits as a percentage of GDP fell from 31% to 23.2% during the same period. The depth of the crisis and the effect it had on depositors' confidence in the financial system created uncertainty regarding its ability to act as an intermediary between savings and credit.

Furthermore, the ratio of the total financial system's private-sector deposits and loans to GDP remains low when compared to international levels. Private-sector deposits and loans amounted to 18.1% and 8.0% of GDP, respectively, as of December 31, 2022.

There is no assurance that financial intermediation activities will continue in a manner sufficient to reach the necessary volumes to provide financial institutions, including Banco Galicia, with sufficient capacity to generate income, or that those actions will be sufficient to prevent Argentine financial institutions, such as Banco Galicia, from having to assume excessive risks in terms of maturity mismatches. Under these circumstances, for an undetermined period of time, the scale of operations of Argentine-based financial institutions, including Banco Galicia, their business volume, the size of their assets and liabilities or their income-generation capacity could be much lower than before the 1999-2002 crisis which may, in turn, impact the results of operations of Banco Galicia and, potentially, the trading price for Grupo Financiero Galicia's ADSs.

***The Argentine financial system's growth and income, including that of Banco Galicia, the main subsidiary of Grupo Galicia, depend in part on the development of medium- and long-term funding sources.***

In spite of the fact that the financial system's and Banco Galicia's deposits continue to grow, they are mostly demand or short-term time deposits and the sources of medium- and long-term funding for financial institutions are currently limited. If Argentine financial institutions, such as Banco Galicia, are unable to access adequate sources of medium and long-term funding or if they are required to pay high costs in order to obtain the same and/or if they cannot generate profits and/or maintain their current volume and/or scale of their business, this may adversely affect Grupo Financiero Galicia's ability to honor its debts. Additionally, this could negatively affect the trading prices for its ADSs.

***Argentine financial institutions (including Banco Galicia) continue to have exposure to public sector debt (including securities issued by the BCRA) and its repayment capacity, which in periods of economic recession, may negatively affect their results of operations.***

Argentine financial institutions continue to be exposed, to some extent, to public sector debt and the public sector's repayment capacity. The Argentine government's ability to honor its financial obligations is dependent on, among other things, its ability to establish economic policies that succeed in fostering sustainable growth and development in the long term, generating tax revenues and controlling public expenditures, which could, either partially or totally, fail to take place.

Banco Galicia's (our main subsidiary) exposure to the public sector as of December 31, 2022 was Ps.1,284,662 million, representing approximately 44% of its total assets and 256% of its shareholders' equity. Of this total, Ps.754,870 million were BCRA debt instruments, Ps.434,677 million corresponded to Argentine government securities, and Ps.93,793 million corresponded to BCRA swaps, while the remaining corresponded to other receivables resulting from financial brokerage. As a result, Grupo Financiero Galicia's income-generating capacity may be materially impacted or may be particularly affected by the Argentine public sector's repayment capacity and the performance of public sector bonds, which, in turn, is dependent on the factors referred to above.

***The Consumer Protection Law may limit some of the rights afforded to Grupo Galicia and its subsidiaries.***

Argentine Law No.24,240 (as amended by Law No. 26,361, Law No. 27,250, Law No. 27,265 and Law No. 27,266, the "Consumer Protection Law") sets forth a series of rules and principles designed to protect consumers, which include Banco Galicia's customers. Additionally, Law No.25,065 (as amended by Law No.26,010 and Law No.26,361, the "Credit Card Law") also sets forth public policy regulations designed to protect credit card holders. Additionally, the Civil and Commercial Code captured the principles of Consumer Protection Law and established their application to banking agreements.

Furthermore, Law No.26,993 created the "System to Solve Disputes in Consumer Relationships", an administrative and legal procedure within the framework of the Consumer Protection Law; namely, an administrative and a judicial regime for such matters. Additionally, the BCRA issued Communication "A" 6072, as supplemented and amended, granting broad protection to financial services customers, limiting fees and charges that financial institutions may validly collect from their clients.

The application of both the Consumer Protection Law and the Credit Card Law by administrative authorities and courts at the federal, provincial and municipal levels has increased. This trend has led to an increase in general consumer

protection levels. In the event that Grupo Financiero Galicia and/or its subsidiaries are found to be liable for violations of any of the provisions of the Consumer Protection Law or the Credit Card Law, the potential penalties could limit some of Grupo Financiero Galicia and its subsidiaries' rights, for example, with respect to their ability to collect payments due from services and financing provided by Grupo Financiero Galicia or its subsidiaries, and adversely affect their financial results of operations. There can be no assurance that court and administrative rulings based on the regulation or measures adopted by the enforcement authorities will not increase the degree of protection given to its debtors and other customers in the future, or that they will not favor the claims brought by consumer groups or associations.

The implementation of the Consumer Protection Law, the Credit Card Law and other applicable regulations by administrative authorities and courts may prevent or hinder the collection of payments resulting from services rendered and financing granted by Grupo Financiero Galicia's subsidiaries, which may have an adverse effect on their results and operations and, in turn, on the trading price for the ADSs.

***The maintenance or implementation of measures regarding the charging of fees and regulated rates could materially and adversely affect Grupo Financiero Galicia's consolidated financial condition and results of operations***

The BCRA has various regulations regarding the fees and interest rates that entities can charge in the banking business. One of Grupo Financiero Galicia's primary subsidiaries, Banco Galicia, is required to comply with the applicable regulations. Interest rates and regulated fees (e.g. setting caps on the rates and fees that an entity can charge its customers) could affect the interest rates and fees earned by Banco Galicia, which could result in a reduction in Grupo Financiero Galicia's consolidated income or a decrease in customer demand for Banco Galicia's loan or deposit products. In addition, if Banco Galicia were permitted to (and actually did) increase the interest rates and fees it charged (or if the same were otherwise raised by the BCRA or otherwise), such increases could result in higher debt service obligations for Banco Galicia's customers; which could, in turn, result in higher levels of delinquent loans or discourage customers from borrowing. Interest rates and regulated fees are highly sensitive to many factors beyond Banco Galicia's control, such as regulation of the financial sector in Argentina, domestic and international economic and political conditions, among other factors. Changes in the demand for our subsidiaries services and/or increases in the levels of delinquency of their customers could have a material and adverse effect on their businesses and, in turn, on Grupo Financiero Galicia's business, results of operations and financial condition and on the trading price for it ADSs.

***Class actions against financial institutions for an indeterminate amount may adversely affect the profitability of the financial system and of Banco Galicia, specifically.***

Certain public and private organizations have initiated class actions against financial institutions in Argentina, including Banco Galicia. Class actions are contemplated in the Argentine National Constitution and the Consumer Protection Law, but their guidance with respect to procedural rules for instituting and trying class action cases is limited. The courts, however, have admitted class actions in spite of lacking specific regulations, providing some guidance with respect to the procedures for the same. These courts have admitted several complaints filed against financial institutions to defend collective interests, based on arguments that object to charges applied to certain products, applicable interest rates and the advisory services rendered in the sale of government securities, among others.

Final judgments entered against financial institutions under these class actions may affect the profitability of financial institutions in general and of Banco Galicia specifically in relation to class actions filed against Banco Galicia. For further information regarding class actions brought against Banco Galicia, please refer to the Item 8. "Financial Information"—A. "Consolidated Statements and Other Financial Information"—"Legal Proceedings"—"Banco Galicia". To the extent that the profitability of Banco Galicia is impacted by the foregoing, the same could have a material and adverse effect on Grupo Financiero Galicia's business, results of operations and financial condition and on the trading price for it ADSs.

***Administrative procedures filed by the tax authorities of certain provinces against financial institutions, such as Banco Galicia (the primary subsidiary of Grupo Financiero Galicia) and amendments to tax laws applicable to Grupo Galicia could generate losses for Grupo Galicia.***

In the last years, City of Buenos Aires tax authorities, as well as certain provincial tax authorities, have initiated administrative proceedings against financial institutions in order to collect higher gross income taxes from such financial institutions.

Although Banco Galicia (the primary subsidiary of Grupo Financiero Galicia) believes it has met its tax obligations regarding current regulations and has properly recorded provisions for those risks based on the opinions and advice of its external legal advisors and pursuant to the applicable accounting standards, certain risks may render those provisions inadequate. Tax authorities may not agree with Banco Galicia's tax treatment, possibly leading to an increase in its tax liabilities.

Moreover, amendments to existing regulations may increase Grupo Financiero Galicia's tax rate and a material increase in the tax burden could adversely affect its financial results, results of operations and the trading price for its ADSs.

***Restriction on the distribution of results by financial institutions.***

In the context of the COVID-19 pandemic, on 19 March 2020, the BCRA issued Communication "A" 6939, through which it suspended, until June 30, 2020, any distribution of earnings by financial institutions, in order to maintain the lending capacity of financial institutions. This suspension was extended: (i) until December 31, 2020, by means of Communication "A" 7035; (ii) until June 2021, by means of Communication "A" 7181; and (iii) finally, until December 31, 2021, by means of Communication "A" 7312.

On December 16, 2021, by means of Communication "A" 7421, the BCRA established that, from January 1, 2022 and until December 31, 2022, financial institutions (i) may distribute profits up to 20% of the applicable amount in accordance with the provisions established under the "Distribution of profits" rules (ii) such distribution should be performed in 12 equal, monthly and consecutive installments.

By means of Communication "A" 7659 dated December 15, 2022, the BCRA restricted once again any distribution of earnings of financial institutions from January 1, 2023, to December 31, 2023.

Nevertheless, by means of Communication "A" 7719 dated March 9, 2023, the BCRA established that as from April 1, 2023, and until December 31, 2023, financial institutions may distribute earnings: (i) for up to 40% of the amount that would have corresponded in accordance with the applicable regulations above-mentioned; and (ii) in 6 equal, monthly and consecutive installments.

Current or future restrictions on the distribution of dividends by Argentine financial institutions could affect the distribution of dividends of Banco Galicia, our main subsidiary, which would, in turn, adversely impact the dividends received by Grupo Financiero Galicia and, thus, distributions on its ADSs.

**Risk Factors Relating to Us**

***Grupo Galicia may be unable to repay its financial obligations due to a lack of liquidity it may suffer because of being a holding company.***

Grupo Financiero Galicia, as a holding company, conducts its operations through its subsidiaries. Consequently, it does not operate or hold substantial assets, except for equity investments in its subsidiaries. Except for such assets, Grupo Financiero Galicia's ability to invest in its business development and/or to repay obligations is subject to the funds generated by its subsidiaries and their ability to pay cash dividends. In the absence of such funds, Grupo Financiero Galicia may be forced to resort to financing options at unappealing prices, rates and conditions. Additionally, such financing could be unavailable when Grupo Financiero Galicia may need it.

Grupo Financiero Galicia's subsidiaries are under no obligation to pay any amount to enable Grupo Financiero Galicia to carry out investment activities and/or to pay its liabilities or to give Grupo Financiero Galicia funds for such purposes. Each of the subsidiaries is a legal entity separate from Grupo Financiero Galicia, and due to certain circumstances, legal or contractual restrictions, as well as to the subsidiaries' financial condition and operating requirements, Grupo Financiero Galicia's ability to receive dividends and its ability to develop its business and/or to comply with payment obligations could be limited. Under certain regulations, Banco Galicia has restrictions relating to dividend distributions.

Investors should take notice of the above, prior to deciding on their investment in equity in Grupo Financiero Galicia as a failure to receive the noted dividends may materially and adversely impact the ability of Grupo Financiero Galicia to pay any amounts in respect of the ADSs. For further information on dividend distribution restrictions, see Item 5. "Operating and Financial Review and Prospects"—B. "Liquidity and Capital Resources".

***Corporate governance standards and disclosure policies that govern companies listing their shares pursuant to the public offering system in Argentina may differ from those regulating highly developed capital markets, such as the U.S. As a foreign private issuer, Grupo Galicia applies disclosure policies and requirements that differ from those governing U.S. domestic registrants.***

As a foreign private issuer, Grupo Financiero Galicia is subject to different disclosure policies and other requirements than a domestic U.S. registrant. For example, as a foreign private issuer in the U.S., Grupo Financiero Galicia is not subject to the same requirements and disclosure policies as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue financial statements, report on significant events and the standards applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants.

In addition, although Argentine laws provide for certain requirements that are similar to those prevailing in the U.S. in relation to publicly listed companies (including, for example, those related to price manipulation), in general, applicable Argentine laws are different to those in the U.S. and in certain aspects may provide different or fewer protections or remedies as compared to U.S. laws. Further, Grupo Financiero Galicia relies on exemptions from certain Nasdaq rules that are applicable to domestic companies.

Accordingly, the corporate information available about Grupo Financiero Galicia is not the same as, and may be more limited than, the information available to shareholders of a U.S. company.

***The price of Grupo Financiero Galicia's ordinary shares may fluctuate significantly, and your investment may decline in value.***

The price of Grupo Financiero Galicia's ordinary shares may fluctuate significantly in response to several factors, many of which are beyond our control, including those described in this annual report under "Risk Factors Relating to Argentina" and "Risk Factors Relating to the Argentine Financial System".

The stock markets in general, and the shares of emerging markets in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. Grupo Financiero Galicia cannot assure that any trading price or valuation will be sustained. These factors may materially and adversely affect the market price of our ordinary shares, which may limit or prevent investors from readily selling Grupo Financiero Galicia's ordinary shares and may otherwise affect liquidity, regardless of Grupo Financiero Galicia's operating performance.

Market fluctuations, as well as general political and economic conditions in the markets in which we operate, such as recessions or currency exchange rate fluctuations, may also adversely affect the market price of Grupo Financiero Galicia's ordinary shares and the ADSs.

***Adverse conditions in the credit, capital and foreign exchange markets may have a material adverse effect on Grupo Galicia's financial position and results of operations and adversely impact it by limiting its ability to access funding sources.***

Grupo Financiero Galicia may sustain losses relating to its investments in fixed- or variable-income securities on the exchange market and its monetary position due to, among other reasons, changes in market prices, defaults and fluctuations in interest rates and in exchange rates. A deterioration in the capital markets may cause Grupo Financiero Galicia to record net losses due to a decrease in the value of its investment portfolios, in addition to losses caused by the volatility in financial market prices, even if the economy overall is not affected. Any of these losses could have an adverse effect on Grupo Financiero Galicia's results of operations, business and financial condition and, in turn, on the trading price for the ADSs.

***The occurrence of an operational risk impacting any of Grupo Galicia's businesses, could disrupt its business functions and have a negative impact on its results of operations.***

As with other financial institutions, operational risks could arise in any of Grupo Financiero Galicia's businesses. These risks may include losses resulting from inadequate or failed internal and external processes, systems or human error, fraud, the effects of natural or man-made catastrophic events (such as natural disasters or pandemics) or from other external events. Exposure to such events could disrupt Grupo Financiero Galicia's systems and operations significantly, which may result in financial losses and reputational damage.

Pandemics and other material public health problems could result in social, economic or labor instability in the world and domestically and disrupt the operations of our business. These events could have a material adverse impact on the Bank's business, financial condition and results of operations.

The main risk factors identified in the last risk assessment undertaken by our Risk Management Division were system failures, adverse legal decisions and economic losses generated by fraud. Although we have implemented numerous controls to avoid the occurrence of inefficient or fraudulent operations, errors can occur and compound even before being detected and corrected. In addition, some of our transactions are not fully automatic, which may increase the risk of human error or manipulation, and it may be difficult to detect losses quickly. The occurrence of any one or more of the above events could have a material adverse impact on our business, financial condition, and results of operations and, in turn, on the trading price for the ADSs.

***Possible negative effects on the results of Banco Galicia (the main subsidiary of Grupo Galicia) due to an increase in the default rate may occur, with a corresponding negative impact on the results of Grupo Financiero Galicia.***

Delinquency represents a significant factor in the profitability of banks. An increase in the delinquency rate of Banco Galicia's clients or in the volume of problem loans would result in an increase in the level of risk and, therefore, a potential increase in the reserves required by bank regulators, that is, an increase in frozen money that Banco Galicia cannot lend.

This would negatively impact Banco Galicia's economic-financial management, and would result, among others, in (i) a need to increase the allowance for losses due to loan defaults, (ii) a need to reallocate or hire personnel with respect to collection efforts, and (iii) a decrease in total net income of Banco Galicia.

An increase in Banco Galicia's allowance for loan losses coupled with a reduction in profitability would either lead to an increase in the cost of credit, resulting in existing clients and new clients being affected by higher interest rates for the loans they request, or result in Banco Galicia assuming a loss of profits. A reduction in Banco Galicia's profits would adversely impact the dividends received by Grupo Financiero Galicia and, thus, distributions on its ADSs.

***Banco Galicia (the main subsidiary of Grupo Galicia) uses models to make business decisions that could have an adverse effect on its profitability, consequently, on Grupo Galicia and the value of the ADSs.***

Financial entities, such as Banco Galicia (the main subsidiary of Grupo Galicia), have increased the use of database decision-making models. There is a growing need for financial institutions to have robust models that can accurately measure and control risk, and proactively detect and prevent situations that could adversely affect the corresponding financial institution's profits.

Banco Galicia is exposed to potential losses caused by a variety of non-systematic risks resulting from errors in the implementation of database decision-making models, errors in the assumptions used to run such models, which result in misleading, confusing, or incorrect results, or errors due to the improper use of said models. All of these risks could create deviations and a material adverse effect on Banco Galicia's profitability and, consequently, on Grupo Galicia's and the value of the ADSs.

***The lack of commitment and understanding of environmental, social and economic issues could cause significant reputational damage to Grupo Galicia.***

Grupo Galicia promotes sustainable management based on the conviction that its business can only prosper as long as the social and environmental impact of its operations (and those of its subsidiaries) is taken into account. This

responsibility is based on principles and values that guide the conduct of Grupo Galicia's (and its subsidiaries') employees, and are reflected in Grupo Galicia's (and its subsidiaries') policies, practices and programs.

Grupo Galicia's commitment to sustainable development is a pillar that is reflected in each of its actions and in its daily work to generate a positive impact on the economic development of communities, the care for nature and the well-being of people. Grupo Galicia's sustainability strategy is mainly focused on local development, financial inclusion and education, impact finance, diversity and climate change. Grupo Galicia uses internationally recognized sustainability guidelines, standards and certifications as a guide to achieving its sustainability goals.

Additionally, Grupo Galicia is committed to incorporating criteria for the management of environmental and social risks in its financing-related decisions. Galicia carries out indirect risk management in the granting of financing by analyzing the potential environmental and social risks that may result from the investment projects that are being financed. Grupo Galicia manages its business and subsidiaries so as to generate real and sustainable value and achieve a positive impact on people, communities and the planet.

***The management of Banco Galicia's business (the main subsidiary of Grupo Galicia) could be affected by its shareholder composition.***

Grupo Galicia has full control of the shares (and voting rights related thereto) of Banco Galicia, being its sole shareholder with a 100% equity interest. Grupo Galicia is a company whose purpose is exclusively financial and investment related. In other words, it is a holding company, whose activity mainly consists of managing the equity interests it owns in its subsidiaries, its equity and its resources.

Grupo Galicia's capital structure is comprised of class A shares, each of which grants its holder five votes, and class B shares, each of which grants its holder one vote. As of December 31, 2022, a total of 1,474,692,091 of Grupo Galicia's shares were outstanding, of which 281,221,650 were class A shares and 1,193,470,441 were class B shares.

Grupo Galicia, in turn, is controlled by another pure holding company called EBA Holding S.A., which holds the necessary number of votes required to take all decisions at Grupo Galicia's the shareholders' meeting, but does not perform any management activities related to Grupo Galicia.

As of December 31, 2022, EBA Holding S.A. held 100% of the class A shares representing 19.1% of the total outstanding shares of Grupo Galicia, and 9.6% of the class B shares representing 7.8% of the total outstanding shares of Grupo Galicia. Each class A share entitles its holder to five votes and each class B share entitles its holder to one vote, resulting in EBA Holding S.A. holding, directly and indirectly, 26.9% of the outstanding shares of Grupo Galicia and 58.5% of the total voting power in such company.

Given the particular shareholder composition of Grupo Galicia (and the dominance of multiple voting shares), failure to achieve a voluntary agreement among Grupo Galicia's shareholders could have an impact on Grupo Galicia's normal decision-making process. This could affect the making of major decisions, including, among others, the election of directors, effecting or preventing a merger, the sale or acquisition of assets, the issuance of additional equity securities, the carrying out of related party transactions and distribution of dividends, if any.

***An increase in cybersecurity breaches or fraudulent and other illegal activity involving Grupo Galicia or its subsidiaries could lead to reputational damage to Grupo Galicia's (or its subsidiaries') brands and could reduce the use and acceptance of its and its subsidiaries' products, therefore adversely affecting its business and results of operations.***

The business of many of Grupo Financiero Galicia's subsidiaries depends on the efficient and uninterrupted operation of its data processing systems, its platforms for the exchange of information and its digital networks. Many of Grupo Financiero Galicia's subsidiaries have access to a large amount of confidential information about their respective clients. Therefore, cybersecurity breaches represent a potential risk for Grupo Financiero Galicia.

Cybersecurity breaches can result in, for example, identity fraud, phishing, ransomware, information leaks, APT (Advanced Persistent Threat), DDoS Attacks (Distributed Denial of Service) or the theft of sensitive and confidential information, and may affect negatively the security of information that is stored and transmitted through the information systems and network infrastructure of Grupo Financiero Galicia and negatively affect the reputation of Grupo Financiero Galicia's brands, thereby causing existing and potential clients to refrain from conducting business with Grupo Financiero Galicia's subsidiaries.



In spite of all existing security measures, Grupo Financiero Galicia cannot provide any assurance that the systems are not vulnerable to cybersecurity breaches or that the mentioned measures will be successful in protecting against any such breach. In addition, any of the aforementioned events could lead to an increase in compliance costs for Grupo Financiero Galicia's subsidiaries. If any of the above described events were to occur, it could lead to monetary losses and reputational damage to Grupo Financiero Galicia's brands, which could reduce the use and acceptance of its products, greater regulation, and increased compliance costs, therefore adversely affect its business and results of operation and the trading price for its ADSs.

***Grupo Galicia's subsidiaries estimate and establish reserves for potential credit risk or future credit losses, which may be inadequate or insufficient, and which may, in turn, materially and adversely affect its financial position and results of operations.***

Pursuant to the implementation of IFRS 9, Grupo Financiero Galicia's subsidiaries establish reserves for potential credit risk and losses related to changes in the levels of income of debtors/borrowers, increased rates of inflation, increased levels of non-performing loans or an increase in interest rates. This process requires a complex methodology combining probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), including economic projections and assumptions regarding the ability of debtors to repay their loans.

Therefore, if in the future Grupo Financiero Galicia's subsidiaries are unable to effectively control the level of quality of their loan portfolio, if loan loss reserves are inadequate to cover future losses, or if they are required to increase their loan loss reserves due to an increase in the amount of their non-performing loans, the financial position and the results of operations of Grupo Financiero Galicia's subsidiaries may be materially and adversely affected and, in turn, the trading prices for the ADSs.

***If Grupo Galicia's subsidiaries should fail to meet regulatory standards or expectations or detect money laundering and other illegal or inappropriate activities in a comprehensive or timely manner, Grupo Financiero Galicia's subsidiaries may incur fines, penalties, reputational harm and other negative consequences which may, in turn, negatively impact dividends received by Grupo Financiero Galicia.***

Grupo Financiero Galicia's subsidiaries must be in compliance with all applicable laws against money laundering, funding of terrorist activities and other regulations. These laws and regulations require, among other things, that Grupo Financiero Galicia's subsidiaries adopt and implement control policies and procedures which involve "know your customer" principles that comply with the applicable regulations and reporting suspicious or unusual transactions to the applicable regulatory authorities. As such, Grupo Financiero Galicia's subsidiaries maintain systems and procedures designed to ensure that they comply with applicable laws and regulations. However, Grupo Financiero Galicia's subsidiaries are subject to heightened compliance and regulatory oversight and expectations, particularly due to the evolving and increasing regulatory landscape that they operate in. Further, Grupo Financiero Galicia's subsidiaries could become subject to future regulatory requirements beyond those currently proposed, adopted or contemplated. The cumulative effect of all of the legislation and regulations on their business, operations and profitability remains uncertain. This uncertainty necessitates that Grupo Financiero Galicia's subsidiaries make certain assumptions with respect to the scope and requirements of the proposed rules in their business planning. If these assumptions prove incorrect, Grupo Financiero Galicia's subsidiaries could be subject to increased regulatory and compliance risks and costs as well as potential reputational harm.

In addition, a single event or issue may give rise to numerous and overlapping investigations and proceedings in different jurisdictions. Also, the laws and regulations in jurisdictions in which Grupo Financiero Galicia's subsidiaries operate may be different or even conflict with each other as to the products and services offered by Grupo Financiero Galicia's subsidiaries or other business activities Grupo Financiero Galicia's subsidiaries may engage in, which can lead to compliance difficulties or issues. Furthermore, many legal and regulatory regimes require Grupo Financiero Galicia's subsidiaries to report transactions and other information to regulators and other governmental authorities' self-regulatory organizations, exchanges, clearing houses and customers. Grupo Financiero Galicia's subsidiaries may be subject to fines, penalties, restrictions on our business, or other negative consequences if they do not timely, completely, or accurately provide regulatory reports, customer notices or disclosures, or make tax-related withholdings or payments, on behalf of themselves or their customers.

While Grupo Financiero Galicia's subsidiaries have adopted policies and procedures intended to detect and prevent the use of their networks for money laundering activities and by terrorists, terrorist organizations and other types of organizations, those policies and procedures may fail to fully eliminate the risk that Grupo Financiero Galicia's subsidiaries

have been or are currently being used by other parties, without their knowledge, to engage in activities related to money laundering or other illegal activities. Moreover, some legal/regulatory frameworks provide for the imposition of fines or penalties for noncompliance even though the noncompliance was inadvertent or unintentional and even though there was in place at the time, systems and procedures designed to ensure compliance. For example, Grupo Financiero Galicia's subsidiaries are subject to regulations issued by the Office of Foreign Assets Control ("OFAC") that prohibit financial institutions from participating in the transfer of property belonging to the governments of certain foreign countries and designated nationals of those countries. OFAC may impose penalties or restrictions on certain activities for inadvertent or unintentional violations even if reasonable processes are in place to prevent the violations. Any violation of the applicable laws or regulatory requirements, even if inadvertent or unintentional, or any failure to meet regulatory standards or expectations, including any failure to satisfy the conditions of any consent orders, could result in fees, penalties, restrictions on Grupo Financiero Galicia's subsidiaries ability to engage in certain business activities, reputational harm, loss of customers or other negative consequences all of which could have a material and adverse effect on Grupo Financiero Galicia's business, financial condition and operations and, in turn, on the trading price for the ADSs.

***A disruption or failure in Grupo Galicia's information technology system could adversely affect its operations and financial position.***

The success of Grupo Financiero Galicia's subsidiaries is dependent upon the efficient and uninterrupted operation of their communications and computer hardware systems, including those systems related to the operation of their ATM networks and digital channels. Grupo Financiero Galicia's communications, systems or transactions could be harmed or disrupted by power failures, data breaches, cyber-attacks, acts of terrorism, physical theft, reputational damage and similar events or disruptions. Any of the foregoing events may cause disruptions in Grupo Financiero Galicia's systems, delays in the provision of and/or the loss of critical data and could prevent it from operating at optimal levels. In addition, the contingency plans in place may not be sufficient to cover all those events and, therefore, this may mean that the applicable insurance coverage is limited or inadequate, preventing Grupo Financiero Galicia (or its subsidiaries) from receiving full compensation for the losses sustained as a result of such a global disruption. If any of these events occur, it could damage the reputation, entail serious costs and affect Grupo Financiero Galicia's transactions, as well as its results of operations, business and financial position and, in turn, the trading price for the ADSs.

***The Argentine Peso qualifies as a currency of a hyperinflationary economy, and Grupo Financiero Galicia is required to apply inflationary adjustments to its financial statements, which adjustments could adversely affect its financial statements, results of operations and financial condition.***

Pursuant to IAS 29 (Financial Reporting in Hyperinflationary Economies), the financial statements of entities whose functional currency is that of a hyperinflationary economy must be restated using a suitable general price index to control for the effects of changes. Further, such regulation requires that the financial statements of an entity whose functional currency is one of a hyperinflationary economy be measured in terms of the current unit of measurement at the closing date of the reporting period. In June 2018, the International Practices Task Force of the Centre for Quality, which monitors "highly inflationary countries", categorized Argentina as a country with a projected three-year cumulative inflation rate greater than 100%. Additionally, some of the other qualitative factors of IAS 29 were present. Argentine companies applying IFRS are required to apply IAS 29 to their financial statements for periods ending on and after July 1, 2018. In addition, the Argentine Securities Commission (Comisión Nacional de Valores) ("CNV"), through Resolution No. 777/18 established the method to restate financial statements in constant currency to be applied by issuers subject to oversight of the CNV, in accordance with IAS 29.

Law No. 27,468 delegated to the BCRA, in the case of financial entities, the entry into force of new regulations. Likewise, for purposes of the determination of the indexation for tax purposes, Law No.27,468, enacted on December 4, 2018, substituted the Wholesale Price Index for CPI and modified the standards triggering tax indexation procedures. During the first three fiscal years after January 1, 2018, the tax indexation was applicable if the variation of the CPI exceeded 55% in 2018, 30% in 2019 and 15% in 2020. The tax indexation determined during any such year was allocated as follows: 1/6 in that same year, and the remaining 5/6 in equal parts in the following five years. From January 1, 2021 onwards, the tax indexation procedure will be triggered under similar standards as those set forth by IAS 29.

Grupo Financiero Galicia cannot predict the full impact of the application of such tax indexation procedures and the related adjustments on its financial statements or the effects of such tax indexation procedures on its business, results of operations and financial condition (or on the trading price for its ADSs).