

ARGUS S.A.

ANNUAL REPORT

2023

INFORMATIVE DATA

- Name: ARGUS S.A.
- Head office: 1 Industrială Street, Constanta - Romania
- Tax registration number: RO1872644
- Commercial register number : J13/550/1991
- Subject of activity: Manufacture of oils and fats (CAEN 1041)
- LEI Code: 315700M31ZOTBZMMBE46

SECURITIES INFORMATION

- Subscribed and paid-up share capital: 53,670,699 lei
- The regulated market on which the securities issued are traded: AeRO
- Trading symbol: UARG

CONTACT DETAILS FOR INVESTORS

- Telephone/fax number: +40 241 67 68 40; +40 241 63 43 67
- Email address: secretariat@argus-oil.ro
- Website : www.argus-oil.ro

Contents

4	Company
5	Administrators' report
	Individual financial statements
11	Independent auditor's report
14	Balance sheet
17	Profit and loss account
19	Cash flow situation
20	Statement of changes in equity
22	Notes to the individual financial statements
	Consolidated financial statements and notes
51	Independent auditor's report
54	Balance sheet
57	Profit and loss account
59	Notes to the individual financial statements

Company

Argus S.A. is a company listed on the Bucharest Stock Exchange since 15 November 2002. It was founded in 1943 as a private company with Romanian capital, later in 1948 it was nationalized by the communist regime, the company operating under the name of Constanta Oil Company.

In 1990, the Company was reorganised as a joint stock company under the name of Argus SA according to Law no. 15/1990 on the basis of HG no. 1353/1990 and in 1994 the Company became a 100% private joint stock company according to Law no. 58/1991, representing a success of the MEBO privatisation method.

Argus owns an oilseed processing plant in Constanta with a total annual capacity of over 130 thousand tonnes of sunflower seeds. The processing of sunflower seeds results in two major products: oil and rapeseed oil, which are sold nationally and internationally. Sunflower seed hulls, a by-product of biomass, are mostly burned in the factory to generate steam for production, but may also be sold to third parties.

Argus SA's processes are carried out in accordance with the Integrated Quality and Environmental Management System, demonstrating the company's continuous commitment to improving environmental performance, quality and food safety risk management to meet customer requirements and expectations.

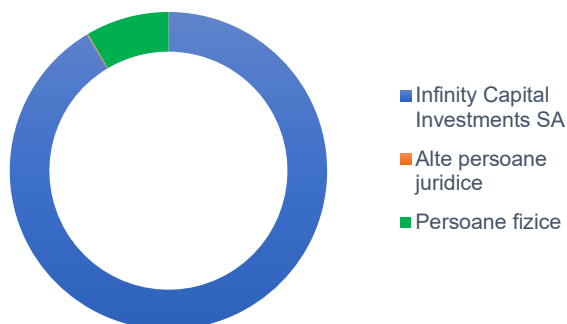
Argus SA holds several accreditations, including ISO 9001, ISO 140001, and FSSC 22000, and since summer 2023 Zero Waste - Bronze certification issued by TUV South.

Argus SA produces a diversified range of very high quality products, with analyses carried out in international laboratories always demonstrating the quality of the oils, saps and acids obtained.

Shareholder structure and share capital

The shareholding structure on 31 December 2023 is as follows:

-Infinity Capital Investments SA: 91.42%
-Other legal entities: 0.11%
-Individuals: 8.47%



The amount of authorised capital as at 31 December 2023 was 53,670,699 lei (31 December 2022: 53,670,699 lei) representing 35,780,466 shares (31 December 2022: 35,780,466 shares). All shares are common, have been subscribed and are fully paid up as at 31 December 2023. All shares have the same voting rights and have a nominal value of 1.5 lei/share.

Argus SA shares are traded on the AeRO market of the Bucharest Stock Exchange under the symbol UARG, since 5 June 2015.

No treasury shares were acquired in the financial year 2023 and as at 31 December 2023 Argus SA does not hold any treasury shares.

The Company did not issue any shares during the year ended 31 December 2023. The Company had no bonds issued as at 31 December 2023 and 31 December 2022.

On the Argus website at <https://www.ARGUS-oil.ro/ro/relatia-cu-investitorii> there is a section dedicated to shareholders, where they can access and download documents related to the General Meetings of Shareholders: procedures for access to and participation in meetings, the notice of meeting, additions to the agenda, information materials, special proxies, postal voting forms, draft resolutions, resolutions, voting results.

Argus makes available to all interested parties the periodic and annual financial statements, drawn up in accordance with the legislation in force. The company also complies with all disclosure requirements under company and capital market legislation. The persons designated to maintain contact with investors handle shareholder enquiries with maximum efficiency and facilitate dialogue with the company's management. Argus creates and develops an appropriate policy to promote effective communication with investors and shareholders.

Argus SA has the following holdings on 31.12.2023:

- Comcereal SA Tulcea - 95,36%
- Aliment Murfatlar S.R.L. - 13.9%
- Argus Trans S.R.L. - 100%
- Eco Rom Ambalaje SA - 8.33%.

On 30 June 2023 Argus SA sold a package of 4330 shares held in Aliment Murfatlar SRL, becoming a minority shareholder.

Administrators' report

Transparency and accountability to shareholders is an established and implemented practice within Argus SA. This report provides a summary of the main points of interest in 2023. In addition to this report, shareholders, as well as other stakeholders, can access relevant information about Argus SA by reading the other sections of the Argus Annual Report and visiting the company's website, contacting the Investor Relations department.

Composition of the Board of Directors

The Board of Directors is composed of three members elected by the AGM (except for provisional members who may be elected by the Board of Directors until the next AGM). The current term of office of the Board of Directors commenced on 12 March 2021 and runs until 20 April 2024.

At the beginning of 2023, the Board of Directors had the following composition: George-Gabriel Vişan (Chairman), Bogdan Stan and Carmen Vasile. Subsequently, after Carmen Vasile's resignation from the Board of Directors, Maria Paraschiv was appointed provisional member on 2 March 2023 until 26 April 2024, when the Ordinary AGM approved the appointment of Matei Codrin as permanent member of the Board of Directors.

The above persons have not been and are not in litigation or administrative proceedings relating to their work at Argus S.A.

Activity of the Board of Directors

In 2023, the Board of Directors thoroughly analysed the position and prospects of Argus SA and fulfilled its duties in accordance with current legislation. In 2023, the members of the Board of Directors met twenty times.

During the meetings, the Board provided detailed information on issues of fundamental importance to Argus SA, including its financial position, business strategy, planned investments and risk management. The Executive Board also provided the Board of Directors with an update on the impact of the Russian-Ukrainian conflict on the Company's performance and activities, providing an overview of the status of operations and the actions taken at both the company level.

Annual financial statements

Argus SA prepares the individual and consolidated financial statements at Group level in accordance with the Order of the Minister of Public Finance No 1802 of 29 December 2014. Deloitte has audited the financial statements for the year 2023, has read the Annual Report and has not identified any information that is inconsistent in all material respects with the information presented in the financial statements and will issue an unqualified audit opinion.

Macroeconomic context

Since the beginning of this year, the company's activity has been substantially affected by the following macro-economic and geopolitical elements:

Russia's invasion of Ukraine in February 2022 and subsequent developments have profoundly disrupted production and trade in certain commodities, including sunflower oil, crude oil, natural gas and grain. Energy prices were on the rise as early as 2021, driven by the strong post-pandemic recovery in demand, but this trend has been greatly exacerbated by sanctions imposed on Russia by the US and Western Europe. Rising fuel and food costs led to widespread price increases globally, while developed countries faced a level of inflation last seen in the early 1980s. The commitment of major central banks to a sustained disinflationary process led to successive increases in benchmark interest rates, particularly in the US, thereby raising borrowing costs.

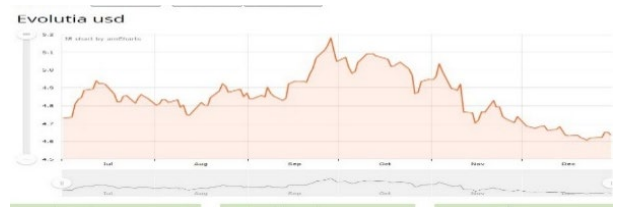
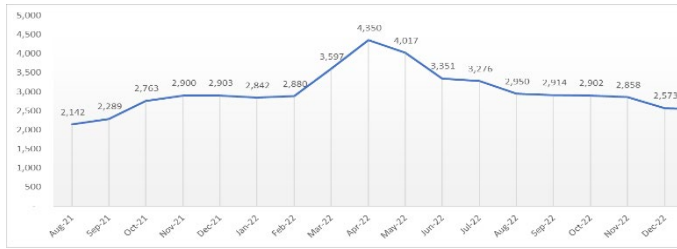
2023 was another challenging year, with the military conflict at our country's borders intensifying volatility in commodity markets and triggering administrative interventions by the RO and EU government to protect consumers. The local market had the additional challenge of frequent and multiple changes in the fiscal environment and sector-specific regulations, including price caps on certain staple foods, including bottled sunflower oil.

Romania's annual consumer price index (CPI) rose to 16.4 in December 2022, the highest level in two decades. Higher inflation prompted the National Bank of Romania to raise its benchmark interest rate, which has pushed up borrowing costs. However, monetary policy continued to remain loose, with the real interest rate deep in negative territory.

Price of raw material (sunflower seeds)

Specific to the oilseed processing industry (in our case sunflower seed), the purchase of raw material is more intense at the beginning of the season, when a huge supply of seed after harvesting allows more attractive sunflower seed prices to be negotiated, in order to partially mitigate the long-term fall in sunflower oil prices. **Sunflower seed prices in the 2022/2023 harvest season were at record highs (equivalent to \$600/ton), 45% higher than the previous season,** driven by volatility in the market amid the blockage of supply chains in Ukraine, record costs for farmers in setting up crops due to negative developments in electricity, diesel and fertiliser prices (the only chemical fertiliser producer in Romania suspended its activity due to record electricity costs) and a USD/USD exchange rate that reached 5.08, a record level.

Against the backdrop of an agricultural year severely affected by drought and a forecast 20% lower harvest compared to the previous year, and a high demand for oil in Europe as a result of the war in Ukraine, the purchase of raw material was concentrated in a very short period from the beginning, and coincided with a very strong dollar, which negatively accentuated the purchase cost of raw material. In Constanta, we compete with established multinationals as well as many local grain traders, who have very generous storage facilities, which makes for extraordinarily high competition during the harvest period.



Sunflower oil prices

Sunflower oil is the fourth largest vegetable oil in terms of global consumption. The main demand on the world market comes from the EU, India and China, together accounting for 42% of global imports, while Ukraine is the largest exporter.

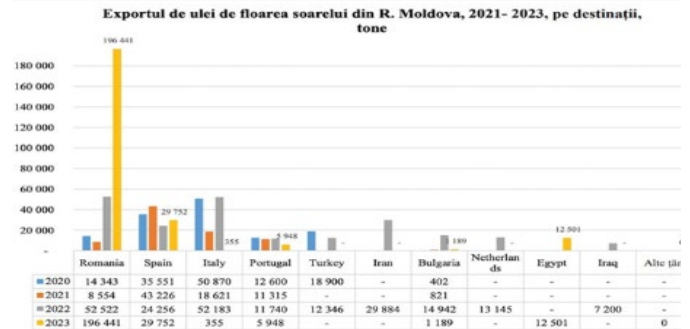
globally, with a 41% share of total exports. From September 2022, when the Black Sea grain agreement became operational, to the end of July 2023, Ukraine exported massive quantities of sunflower oil, totalling 4.9 million tonnes, 9% more than the previous year.

The price of sunflower oil has seen a steep decline from January 2023 to 50% of value (see graph above), **reaching a low throughout H1/2023**, as a result of improving global supply coinciding with demand rationing. Ahead of FY2023, vegetable oil prices have risen steadily since mid-2020, peaking at a record high in spring 2022, driven by 1) global monetary easing that triggered a strong post-covid recovery; and 2) the Russian invasion of Ukraine. Unprecedented price levels finally fell in September 2022, triggered by the resumption of Indonesian palm oil exports, which flooded the market. Accelerated Indonesian exports remained the main driver of the decline until early FY2023, supported subsequently by the bumper EU rapeseed harvest and the Black Sea Grain Initiative, which unlocked massive oilseed and sunflower oil stocks in Ukraine and led to an accelerated fall in sunflower oil prices, including in the domestic market. Overall, good harvests and abundant supply in Ukraine continued to influence world prices until the end of 2023. Meanwhile, global demand for vegetable oils continued to decline due to sluggish economic performance, high food inflation, rising interest rates and falling crude oil prices. All this added further pressure on global vegetable oil prices.

Proximity to Ukraine and the Republic of Moldova

Proximity to the conflict zone and to the Republic of Moldova was not a geopolitical factor that was to the company's advantage. Romania ranked second out of 131 countries of destination in the list of countries importing sunflower oil from Ukraine (according to Forbes Ukraine).

The Republic of Moldova exported a record amount of sunflower oil, over 245 thousand tonnes, of which 80% to Romania.



Romania's proximity to the conflict zone, the size of the market and the specifics of consumption, the facilitation of the development of the logistics chain, the lack of measures to protect domestic producers have made it easier for sunflower oil produced (in all forms) in countries bordering Romania to enter Romania, with major negative effects on the operations of Romanian processors, including Argus SA.

Consumption

Retail trade turnover, an important indicator of household final consumption, **grew by just 1.9% last year** compared to 2022, according to data published by the NSI. Household final consumption is no longer an engine of growth for the economy, even though it maintains an important share in the formation of GDP. In addition, the lack of appetite to spend also shows a lack of confidence on the part of consumers in the evolution of their income, relative to inflation. Sunflower oil falls into the **category most affected by the fall in consumption (-23%)** in consecutive periods from the previous year to 2023 as a result of inflation, a reduction in the volume of purchases by consumers and, in general, a much more careful allocation of expenditure in the daily basket to categories where price is the dominant criterion (the category of commodities to which sunflower oil belongs). The fall in domestic consumption and the fall in the selling price of sunflower oil, the impossibility of covering the costs of purchasing raw materials against the background of the dramatic fall in the selling price of up to 50%, the delay in the conclusion of commercial contracts already in force, the renegotiation of commercial terms already agreed, were factors which had a profound effect on the company's profitability and turnover. In addition to the above, in order to ensure the necessary liquidity, it was necessary to adopt a new strategy aimed at changing the sales mix, i.e. selling a significant quantity of crude oil for export.

Price capping

The protectionist measures adopted by the Romanian Government through GEO nr. 67/2023, having as declared objective to reduce inflation by lowering the price on the shelf, also targeted the industry we are part of by implementing the measure limiting the trade margin to 20% for sunflower oil. This measure applied in the initial version of sunflower oil bottled at 1l, later extended to 2 liters, practically targeted over 95% of the total volume of oil sold on the domestic market. The application of this ordinance from August 2023 to March 2024 affected value-added products and favoured products with trade margins in the low-medium range and, of course, the entire profitability of the commercial operations carried out.



1. Turkey (19.3%),
2. Romania(12.1%)
3. China (11.9%)
4. India (7.2%)
5. Poland (7.2%)

Argus SA financial indicators

According to the data in the balance sheet and the individual annual financial statements, the company's assets, main economic and financial indicators and results for the financial year 2023 and 2022 are as follows:

Balance sheet (Amounts in thousand lei)	2022	2023	Δ (%)
Active			
Fixed assets	101,252	84,967	(16)
Intangible and tangible fixed assets	77,320	69,556	(10)
Investments in subsidiaries and associates	23,919	15,398	(36)
Other financial assets	13	13	1
Current assets	218,323	97,780	(55)
Stocks	178,750	73,550	(59)
Trade receivables	14,321	22,272	56
Other claims	1,889	498	(74)
House and bank accounts	23,363	1,459	(94)
Prepaid expenses	77	75	(3)
Total assets	319,652	182,822	(43)
Equity and debt			
Total equity	144,816	92,185	(36)
Long-term debt (loans)	1,159	669	(42)
Current liabilities	166,902	87,592	(48)
Trade debts	7,052	5,016	(29)
Short-term loans	157,922	80,467	(49)
Other debts	1,927	2,109	9
Provisions	6,773	2,278	(66)
Income in advance	3	98	3358
Total equity and debt	319,652	182,822	(43)

Compared to 31 December 2022, **total assets** decreased by RON 136,830 thousand to RON 182,822 million. Additions of intangible and tangible assets amounted to RON 1,313 thousand (2022: RON 5,318 thousand).

Compared to 31 December 2022, **fixed assets** decreased by RON 16,285 thousand to RON 84.967 million, due to the decrease in tangible fixed assets as a result of recording depreciation.

The decrease in **current assets** was generated by a lower value of inventories. The volume of stocks of raw materials was 25% lower than the previous year and 50% lower in value due to a decrease in the purchase cost by approx. 36%. Stocks of semi-finished and finished products are 70% lower in value, due to a decrease in quantitative stocks

by 46% and in selling price by 45%.

Total equity decreased by 52,631 thousand lei as a result of the 2023 result.

Total liabilities as at 31 December 2023 decreased by 79,799 thousand lei compared to the amount as at 31 December 2021. The decrease in **short-term debts** was mainly due to a decrease in short-term bank loans for the purchase of raw materials as a result of lower purchase costs. In 2023 Argus met all its bank loan repayment terms as agreed.

In view of the financial results achieved, the uncertainties related to the outcome of the war in Ukraine, the strained liquidity position, the company did not distribute a dividend for the year ended 31 December 2022.

Profit and loss account

Statement of income and expenditure (thousand lei)	2022	2023	Δ (%)
Net turnover	360.593	246.593	(32)
Change in stocks	19.718	(44.210)	n.m.
Income from the revaluation of tangible fixed assets	55	0	n.m.
Income from operating subsidiaries	1.327	1.658	25
Other operating income	151	41	(73)
Operating income	381.844	204.082	(47)
Expenditure on raw materials and materials	285.479	218.715	(23)
Expenditure on utilities	11.630	11.047	(5)
Staff expenditure - related to the year	18.024	16.979	(6)
Depreciation expenses	7.737	8.429	9
Value adjustments on current assets	(1.842)	1.586	n.m.
Other operating expenditure	16.852	18.809	12
Adjustments to provisions	1.981	(1.396)	n.m.
Operating expenses	339.861	274.168	(19)
Operating result	41.984	(70.086)	n.m.
Financial income	7.601	33.189	337
Financial expenses	14.265	15.734	10
Financial result	(6.664)	17.455	n.m.
Gross result	35.319	(52.631)	n.m.
Corporate tax	3.482	0	n.m.
Net result	31.838	(52.631)	n.m.

Compared to 2022, the **value of sales revenue** decreased by 32% to 246,593 thousand RON. The main factor contributing to this decline was the impact of lower prices for sunflower oil, crude, refined bulk and bottled, tallow and fatty acids. Bottled oil sales volumes were relatively flat with 2022.

Raw materials and materials expenses decreased by 23% on the back of a decrease in the purchase cost of sunflower seed for the 2023 harvest, starting in September 2023. Production in 2023 decreased by 5% compared to the previous year but raw material expenses related to stocks purchased in the 2022 crop year were at record levels influenced by costs.

Risk management

At Argus SA, management defines risk as an event, action or inaction that may lead to failure to achieve the Company's objectives. Argus has an evolving risk management system designed to preserve the Company's stability and solvency under extreme conditions to ensure sustainable long-term shareholder value. Argus regularly monitors and assesses its risk exposures and takes steps to minimise their impact. The Company's risk management is carried out by the Board of Directors, the Executive Management Team and other staff, starting with the development of strategy and impacting all Company activities and processes. These activities aim to identify and manage risks to provide reasonable assurance that the Company's objectives are being met.

Risk categories: strategic (business), operational and financial risk (credit risk, currency risk, interest rate risk and liquidity risk). This section includes a summary of the main risks

Consequently, the **gross result** in 2023 is a loss of 52,631 thousand lei compared to a profit of 31,838 thousand lei in 2022.

The operating environment in 2023 was totally unfavourable for the company. The grain agreement activated in August 2022 allowed Ukraine to export over 90% of the sunflower oil produced through Ukraine's Black Sea ports. The grain agreement was terminated (and the Black Sea became blockaded again) which caused global prices to reach dramatically low levels, a drop of over 50%.

Financing costs in the financial year 2023 were reduced by 15% to 5,832 thousand lei. Argus repaid all loans taken out in the previous year on time.

Argus may face in the normal course of its business. In any case,

- this section does not purport to contain an exhaustive list of the risks faced by Argus and the company may be materially affected by risks which it has not identified or which have been deemed insignificant;
- Some risks faced by Argus, whether mentioned in this section or not, may arise from external factors beyond Argus' control;
- whereas mitigation measures are mentioned in this section, there is no guarantee that such measures will be effective (in whole or in part) in eliminating or reducing the effect of the risk.

For Argus SA, the 2023 financial year is the second year affected by the war in Ukraine, and management is mainly considering:

- tracking and managing the increasing risk and probability impact of low commodity prices, sunflower oil and spelt, globally in light of this year's developments;

- Risk impact and likelihood of associated liquidity risks low, given that in the first part of 2023 oil demand suffered a significant decline and there was excessive liquidity pressure to repay loans as they matured, the company managed to generate sufficient cash but in a particularly difficult environment

Other risks identified by Company management include (but are not limited to):

- Poor harvest in Romania, restrictions on oilseed imports from Ukraine;

- increased competition especially in the bottled oil segment from Ukraine, weak national and global economic growth;

- economic, political, social and legal policy risks and uncertainties in Romania, such as the example of GEO no. 67/ 2023, which leads to a massive decrease in profit margins;

Chairman of the Board of Directors,

George-Gabriel VIȘAN

- The company has diversified its borrowings by negotiating multi-currency credit agreements;

- the risk of disruption to Argus' production operations;

- Credit risk - Argus is subject to credit risk due to its trade and other receivables. Creditworthiness references are routinely obtained for all new clients, the due date of debts is closely monitored and amounts due after overdue are followed up promptly.

- Interest rate risk: Operating cash flows are affected by changes in interest rates mainly due to borrowings in lei. The Company's borrowings have a variable interest rate based on ROBOR 1M.

With regard to the individual financial statements as at 31 December 2023, we note that they have been prepared on the basis of the data in the accounting records in compliance with the legal rules. The conclusions regarding the verification and certification of the balance sheet and the annual financial statements are recorded in the annual report prepared by the external financial auditor Deloitte Audit SRL, a company registered in the Electronic Public Register of Financial Auditors and Audit Firms under number FA 25.

ARGUS SA

**STAND ALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AS AT
DECEMBER 31, 2023**

Drawn up in accordance with Minister of Public Finance of Romania Order No 1802/201



INDEPENDENT AUDITOR'S REPORT	1 – 3
ACCOUNTING BALANCE SHEET	4 – 6
PROFIT AND LOSS ACCOUNT	7 – 8
CASH FLOW STATEMENT	9
SITUATION OF CHANGES IN EQUITY	10 – 11
NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS	12 – 36
REPORT OF ADMINISTRATORS	1 – 9

BALANCE SHEET AS OF DECEMBER 31, 2023				
	Row	Note	December 31, 2022	December 31, 2023
<i>In RON</i>				
A. FIXED ASSETS				
I. INTANGIBLE ASSETS				
3. Concessions, patents, licenses , trademarks, rights and similar assets and other intangible assets	03		7,314	6,736
TOTAL	07	3.a)	7,314	6,736
II. TANGIBLE ASSETS				
1. Lands and Building	08		68,725,971	62,440,284
2. Technical installations and MACHINERY	09		7,858,787	6,669,298
3. Other installations . equipment and furniture	10		343,566	360,002
5. Tangible assets in progress	12		383,952	79,546
TOTAL	17	3.b)	77,312,275	69,549,130
III. FINANCIAL ASSETS				
1. Actions held at branches	18	3.c)	23,885,860	13,988,872
3. The actions held at associated entities and jointly controlled entities	20	3.c)	33,584	1,409,205
6. Other loans	2. 3	7	13,119	13,217
TOTAL	24		23,932,563	15,411,294
FIXED ASSETS - TOTAL	25		101,252,153	84,967,160
B. CURRENT ASSETS				
I. STOCKS				
		4		
1. Raw materials and consumables	26		115,261,181	54,997,178
2. Production in progress	27		50,565,924	11,983,663
3. Finished products and goods	28		12,764,604	6,467,322
4. Advances	29		157,881	102,070
TOTAL	30		178,749,589	73,550,233
II. RECEIVABLES				
1. Trade receivables	31		14,321,265	22,272,475
2. Amounts to be collected from affiliated entities	32		-	-
4. Other receivables	34		1,888,965	497,885
TOTAL	37	5	16,210,230	22,770,360

	Row	Note	December 31, 2022	December 31, 2023
<i>In RON</i>				
IV. CASH AND BANK ACCOUNTS	41	6	23,362,764	1,459,328
CURRENT ASSETS - TOTAL	42		218,322,584	97,779,921
C. PREPAYMENTS	43		76,857	74,928
Amounts to be resumed in a period of up to one year	44		75,323	67,316
Amounts to be resumed in a period longer than one year	45		1,534	7,612
D. LIABILITIES: AMOUNTS TO BE PAID IN UP TO ONE YEAR				
2. Amounts owed to credit institutions	47		157,921,978	80,466,629
3. Advances received on account of orders	48		183,407	148.106
4. Trade debts - suppliers	49		6,869,048	4,868,171
6. Amounts owed to entities in the group	51		-	-
8. Other debts, including tax debts and social security debts	53		1,927,188	2,109,372
TOTAL	54	7	166,901,622	87,592,278
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES	55		51,496,117	10,236,381
F. TOTAL ASSETS MINUS CURRENT LIABILITIES	56		152,749,803	95,211,153
G. DEBTS: AMOUNTS THAT MUST BE PAID IN A PERIOD LONGER THAN ONE YEAR				
2. Amounts owed to credit institutions	58		1,158,674	668,853
8. Other debts, including tax debts and social security debts	64		-	-
TOTAL	65	7	1,158,674	668,853
H. PROVISIONS				
1. Provisions for employee benefits	66		349,377	361,943
2. Provisions for taxes	67		11,094	11,094
3. Other provisions	68		6,412,314	1,905,292
TOTAL	69	8	6,772,785	2,278,329
I. ADVANCE INCOME				
1. Subsidies for investments	70		2,835	98,032
Amounts to be resumed in a period of up to one year	71		168	18,578
Amounts to be resumed in a period longer than one year	72		2,667	79,454
TOTAL	80		2,835	98,032

0

	Row	Note	December 31, 2022	December 31, 2023
<i>In RON</i>				
J. CAPITAL AND RESERVES				
I. CAPITAL				
1. Paid subscribed capital	81	9	53,670,699	53,670,699
TOTAL	86		53,670,699	53,670,699
II. CAPITAL PREMIUMS	87		97,248	97,248
III. REVALUATION RESERVES	88		69,829,779	69,829,779
IV. RESERVES				
1. Legal reserves	89		9,035,786	9,035,786
3. Other reservations	91		1,900,151	12,761,154
TOTAL	92		10,935,937	21,796,940
Losses related to equity instruments	95		578,989	578,989
V. PROFIT OR LOSS CARRIED OVER				
BALANCE C	96		-	-
BALANCE D	97		19,210,998	-
VI. PROFIT OR LOSS AT THE END OF THE REPORTING PERIOD				
BALANCE C	98		31,837,975	-
BALANCE D	99		-	52,631,160
Distribution of profit	100		1,765,974	-
EQUITY - TOTAL	101		144,815,677	92,184,517
CAPITAL - TOTAL	104		144,815,677	92,184,517

Authorized and signed on behalf of the Board of Directors on 11.03.2024 by:

ADMINISTRATOR

Name and surname Visan George-Gabriel

Signature _____

DRAFTED

Name and surname Zamfir Mihaela

As Chief Financial Officer

Signature _____

PROFIT AND LOSS STATEMENT AS OF 31 DECEMBER 2023				
	Row	Note	December 31, 2022	December 31, 2023
<i>In RON</i>				
1. Net turnover	01	10.a)	360,593,131	246,592,671
corresponding net turnover the predominant activity actually carried out	02		359,039,339	244,545,718
The production sold	03		364,770,216	247,720,836
Income from sale of goods	04		1,247,811	1,752,185
Commercial discounts granted	05		5,424,896	2,880,350
2. Income related to the cost of production in progress				
Balance C	07		19,718,059	-
Balance D	08		-	44,209,664
4. Income from revaluation of tangible assets	10		54,604	-
6. Income from operating subsidiaries	12		1,326,997	1,657,856
7. Other operating income	13		151,450	40,712
- of which, income from investment subsidies	15		168	168
OPERATING INCOME - TOTAL	16		381,844,241	204,081,575
8. a) Expenses with raw materials and consumables	17		285,049,877	218,359,416
Other material expenses	18		428,305	354,117
b) Utilities expenses (energy, gas, water), of which :	19		11,628,887	11,045,709
- expenses regarding energy consumption	20		8,593,293	7,275,628
- expenses regarding the consumption of natural gas	21		1,879,001	2,201,351
c) Expenses regarding the goods	22		3,564	4,302
Trade discounts received	2. 3		901	1,988
9. Personnel expenses, of which:	24	11)	14,924,884	20,077,812
a) Salaries and allowances	25		14,092,870	19,201,067
b) Insurance expenses and social protection	26		832,014	876,745
10. a) Value adjustments regarding tangible and intangible assets	27	3.a). b)	7,736,762	8,428,684
a.1) Operating expenses regarding depreciation of fixed assets	28		7,736,762	8,428,684
b) Value adjustments regarding assets				
ASSETS	31		(1,841,783)	1,586,264
b.1) Expenses	32		518,847	3,860,540
b.2) Income	33		2,360,630	2,274,276
11. Other operating expenses	34		16,851,472	18,807,764
11.1 Expenses regarding external services	35	12)	12,892,519	14,312,122
11.2 Expenses with royalties , management locations and rents, of which:	36		943,080	286,821
- rent expenses	39		943,080	286,821

	Row	Note	December 31, 2022	December 31, 2023
11.6 Expenses with other taxes, fees and similar payments	46		866,466	744,681
Environmental protection expenses surrounding	47		1,425	448
11.8 Expenses from revaluation of tangible assets	48		80,370	-
11.10 Other expenses	50		3,010,691	3,463,692
12. Adjustments to Provisions	51		5,079,651	(4,494,456)
Costs	52		7,161,393	1,947,556
Income	53		2,081,742	6,442,012
OPERATING EXPENSES - TOTAL	54		339,860,718	274,167,624
OPERATING PROFIT OR LOSS :				
- Profit	55		41,983,523	
- Loss	56		-	70,086,049
13. Income from participation interests	57		-	8,089,838
- from which. the income obtained from affiliated entities	58		-	8,089,838
14. Interest income	59		251,772	139,187
16. Other financial income	62	13)	7,349,102	24,960,026
FINANCIAL INCOME - TOTAL	64		7,600,875	33,189,051
18. Interest Expense	68		6,821,935	5,832,686
19. Other financial expenses	70	13	7,442,984	9,901,476
FINANCIAL EXPENSES – TOTAL	71		14,264,919	15,734,162
FINANCIAL PROFIT OR LOSS:				
- Profit	72		-	17,454,889
- Loss	73		6,664,044	-
TOTAL INCOME	74		389,445,116	237,270,626
TOTAL EXPENSES	75		354,125,637	289,901,786
GROSS RESULT				
- Profit	76		35,319,479	
- Loss	77			52,631,160
20. Profit tax	78	15D)	3,481,504	-
21. NET PROFIT OR LOSS OF THE REPORTING PERIOD				
- Profit	83		31,837,975	
- Loss	84		-	52,631,160

Authorized and signed on behalf of the Board of Directors on 11.03.2024 by:

ADMINISTRATOR

Name and surname Visan George-Gabriel

Signature _____

DRAFTED

Name and surname Zamfir Mihaela

As Chief Financial Officer

Signature _____

CASH FLOW STATEMENT AS OF DECEMBER 31, 2023			
		Financial year	Financial year
		concluded at	concluded at
	Note	December 31, 2022	December 31, 2023
		(RON)	(RON)
Cash flows from operating activities :			
Net cash flow (used in)/generated from operating activities	16	(9,403,877)	28,297,086
Interest paid		(6,821,935)	(5,832,686)
Interest income		225,368	165,592
Profit tax paid		(3,829,327)	(373,003)
Proceeds from subsidies		-	3,080,217
Net cash from operating activities		(19,829,771)	25,337,206
Cash flows from investment activities :			
Cash payments for purchase of tangible and intangible fixed assets		(3,473,779)	(929,861)
Cash proceeds from the sale of tangible and intangible assets		-	23,676,440
Acquisitions of equity		(8,785,574)	-
Dividends received		-	8,089,838
Cash from investment activities		(12,259,353)	30,836,417
Cash flows from financing activities :			
(Decrease)/ net increase in bank loans		47,921,978	(77,676,720)
(Decrease)/ increase net of credits term banking long		1,158,674	(268,450)
(Decrease)/ increase net of debt related financial leasing		243,628	(130,816)
Dividends paid		-	(1,074)
Net cash used in financing activities		49,324,280	(78,077,060)
increase / decrease in cash and cash equivalents		17,235,156	(21,903,437)
Cash and cash equivalents at the beginning of the financial year		6,127,608	23,362,764
Cash and cash equivalents at the end the financial exercise		23,362,764	1,459,328

Authorized and signed on behalf of the Board of Directors on 11.03.2024 by:

ADMINISTRATOR

Name and surname Visan George-Gabriel

Signature _____

Stamp unit

DRAWN ,

Name and surname Zamfir Mihaela

As Chief Financial Officer

Signature _____

no. Registration in the professional body

ARGUS SA | Individual financial statements for the year ended 31 December 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (all the amounts are expressed in RON , if not otherwise specified)

Equity element	January 1, 2023	increases , out of which:	By transfer	discounts ,out of which:	By transfer	December 31, 2023
Subscribed capital	53,670,699	-	-	-	-	53,670,699
Share premium	97,248	-	-	-	-	97,248
Revaluation reserves	69,829,779	-	-	-	-	69,829,779
Legal reserves	9,035,786	-	-	-	-	9,035,786
Reserves representing the revaluation surplus	1,823,212	-	-	-	-	1,823,212
Other reservs	1,900,151	10,861,003	10,861,003	-	-	12,761,154
Own shares – debit balance	-	-	-	-	-	-
Losses related to equity instruments	(578,989)	-	-	-	-	(578,989)
Reported result representing retained earnings or uncovered loss – Debit Balance	(15,573,534)	13,750,322	13,750,322	-	-	(1,823,212)
The result carried forward from the adoption for the first time of IAS, less IAS 29 – Debit balance	(82,110)	82,110	82,110	-	-	-
The result carried forward from the transition to the application of accounting Regulations in accordance with the EEC IV Directive – Debit balance	(1,939,680)	1,939,680	1,939,680	-	-	-
Profit or loss for the financial year						
- Credit Balance	31,837,975	-	-	31,837,975	31,837,975	-
- Debit Balance	-	-	-	52,631,160	-	(52,631,160)
Allocation of profit	(1,765,974)	1,765,974	1,765,974	-	-	-
Retained earning- correction of fundamental errors	(3,438,885)	3,438,885	3,438,885	-	-	-
Total Equity	144,815,677	31,837,975	31,837,975	84,469,135	31,837,975	92,184,517

Authorized and signed on behalf of the Board of Directors on 11.03.2024 by:

ADMINISTRATOR
Name and surname Visan George-Gabriel
Signature _____

DRAFTED ,
Name and surname Zamfir Mihaela
As Chief Financial Officer
Signature _ _____

ARGUS SA | Individual financial statements for the year ended 31 December 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022 (all amounts are expressed in RON, unless otherwise specified)

The name ELEMENT	January 1, 2022	increases , of which:	By transfer	discounts , of which:	By transfer	December 31, 2022
Subscribed capital	53,670,699	-	-	-	-	53,670,699
Share premium	97,248	-	-	-	-	97,248
Revaluation reserves	73,801,332	5,227,946	-	9,199,499	-	69,829,779
Legal reserves	7,269,813	1,765,974	1,765,974	-	-	9,035,786
Reserves representing the revaluation surplus	1,823,212	-	-	-	-	1,823,212
Other reserves	1,873,159	26,992	-	-	-	1,900,151
Own shares – debit balance	-	-	-	-	-	-
Losses related to equity instruments	(578,989)	-	-	-	-	(578,989)
Reported result representing retained earnings or uncovered loss – Debit balance	(17,915,528)	2,341,994	2,341,994	-	-	(15,573,534)
The result carried forward from the adoption for the first time of IAS, less IAS 29 – Debit balance	(82,110)	-	-	-	-	(82,110)
The result carried forward from the transition to the application of accounting Regulations in accordance with the EEC IV Directive – Debit balance	(1,939,680)	-	-	-	-	(1,939,680)
Profit or loss for the financial year - Credit balance	2,465,257	31,837,975	-	2,465,257	2,465,257	31,837,975
Allocation of profit	(123,263)	(1,765,974)	(1,765,974)	(123,263)	(123,263)	(1,765,974)
Retained earning- correction of fundamental errors	(3,438,885)	-	-	-	-	(3,438,885)
Total Equity	116,922,262	39,434,908	2,341,994	11,541,493	2,341,994	144,815,677

Authorized and signed on behalf of the Board of Directors on 11.03.2024 by:

ADMINISTRATOR
Name and surname Visan George-Gabriel
Signature _____

DRAFTED
Name and surname Zamfir Mihaela
As Chief Financial Officer
Signature _____

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023 REPORTING ENTITY

1. COMPANY PRESENTATION

Argus S.A., having its registered office in Str. Industriala nr. 1, Constanta – 900147, Romania, hereinafter referred to as the "Company", has as object of activity the processing of oilseeds (sunflower and rapeseed), being one of the largest producers in the Romanian industry. The company sells bulk and bottled refined sunflower oil, crude oil, sunflower meal and fatty acids.

The company is listed on the Bucharest Stock Exchange under the code "UARG".

In 1990, the Company was organized as a joint stock company under the name of S.C. Argus S.A. according to Law 15/1990 based on GD 1353/1990 and on August 31st, 1994 the Company became a 100% private joint-stock company, according to Law 58/1991.

The company has a shareholdings in three subsidiaries and a jointly controlled entity, as described in Note 2 (c). These financial statements do not include the results of companies in which the Company holds equity. The Company will make a separate set of consolidated financial statements.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

The main accounting policies adopted in the preparation of these financial statements are set out below.

A Basis of preparation of the financial statements

(1) General information

These financial statements were prepared in accordance with:

- (i) Accounting Law 82/1991 republished in June 2015 ("Law 82")
- (ii) The accounting regulations compliant with the European directives approved by the Order of the Minister of Public Finances of Romania 1802/2014 as amended ("OMF 1802").

These regulations transpose partially the provisions of Directive 2013/34/ EU of the European Parliament and Council on the annual financial statements, consolidated financial statements and related reports of certain types of companies amending Directive 2006/43/ EC of the European Parliament and Council and repealing Directives 78/660/EEC and 83/349/EEC, published in the official Journal of the European Union no. L 182 of 29 June 2013.

These financial statements have been drawn up based on the historical cost convention, with the exceptions set out below in the accounting policies.

The Company belongs to the category of large companies. The financial statements are individual and do not belong to a group.

The accounting records on the basis of which these financial statements have been prepared are made in lei ("RON") at historical cost, except for situations where fair value has been used, according to the accounting policies of the Company and according to OMF 1802/2014 as subsequently amended.

(2) **Business Continuity**

The company carries out its activity based on the principle of continuity of activity. This principle assumes that the entity continues its normal operation, without entering a state of liquidation or significant reduction of activity.

(3) **The principle of permanence of methods**

Accounting policies and valuation methods were consistently applied from one financial year to another.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

(4) Use of accounting estimates

The preparation of financial statements in accordance with OMF 1802 requires the management of the Company to make estimates and assumptions that affect the reported values of assets and liabilities, the presentation of contingent assets and liabilities at the date of preparation of the financial statements and the reported income and expenses for the respective period. Although these estimates are made by the Company's management based on the best available information at the date of the financial statements, actual results may differ from these estimates.

(5) The principle of prudence

When drawing up the annual financial statements , recognition and valuation were carried out on a prudent basis and , in particular:

a) the profit and loss account includes only the profit realized on the balance sheet date ;

b) debts incurred during the current financial year or a previous year are recognized , even if they become evident only between the balance sheet date and the date of its preparation;

c) depreciations are recognized, regardless of whether the result of the financial year is loss or profit. The recording of adjustments for depreciation or loss of value is carried out on account of the expense accounts, regardless of their impact on the profit and loss account.

All foreseeable liabilities and potential losses that occurred during the respective financial year or during a previous year are recognized , even if they become evident only between the balance sheet date and the date of its preparation.

(6) The Principle of Continuity

The present financial statements were drawn up on the basis of the going concern principle activities that assume that the Company will continue its activity in the foreseeable future. In order to assess the applicability of this presumption , the management analyzes the forecasts regarding the future cash inflows . Based on these analyses, the management believes that the Company will be able to continue its activity in the foreseeable future and therefore the application of the going concern principle activities in the preparation of financial statements is justified.

Russia's invasion of Ukraine in February 2022 and subsequent developments have deeply disrupted the production and trade of certain commodities, including sunflower oil, crude oil, natural gas and grain. Energy prices have been rising since 2021, under the influence of the strong post-pandemic demand recovery, but this trend has been greatly accentuated by the sanctions imposed on Russia by the US and Western Europe. Rising fuel and food costs led to widespread global price increases, while developed countries faced levels of inflation last seen in the early 1980s. The commitment of major central banks to a sustained disinflationary process led to successive increases in benchmark interest rates, particularly in the US, thereby increasing borrowing costs. The financial year ended on December 31, 2023 was deeply affected by the volatility of the prices of raw materials and vegetable oils, but the Company's management does not consider that there would be any aspect that would affect the continuity of the activity.

(7) The principle of accrual accounting

Effects of transactions and of other events are recognized when the transactions and events occur (and not as the cash or its equivalent is collected or paid) and are recorded in the accounting and reported in the financial statements of the related periods.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

(8) The principle of intangibility

- (1) opening balance sheet for each financial year must correspond to the closing balance sheet of the previous financial year .
- (2) in the case of changes in accounting policies and the correction of errors related to previous periods, the balance sheet of the period prior to the reporting period is not changed.
- (3) recording on the retained earnings account the correction of significant errors related to previous financial years , as well as the change in accounting policies, is not considered a violation of the principle of intangibility

(9) The principle of separate assessment of assets and liabilities.

The components of assets and liabilities are evaluated separately

(10) The principle of non-compensation

Any offset between assets and liabilities or between income and expenses is prohibited. Possible offsets between receivables and debts towards the same entity carried out in compliance with the legal provisions can be registered only after the accounting of receivables and revenues, respectively of the corresponding debts and expenses.

In the above situation, the explanatory notes present the gross value of the receivables and payables that were the object of compensation.

In the case of the exchange of assets, the sale/removal and the purchase/entry into in the books are separately highlighted in the accounting, based on the supporting documents, with the registration of all revenues and expenses related to the operations. The accounting treatment is similar in the case of reciprocal services.

(11) Accounting and presentation of elements of the balance sheet and the profit and loss account taking into account the economic background of the transaction or commitment in question.

The compliance with this principle is aimed at recording in accounting and faithfully presenting the economic-financial operations, in accordance with the economic reality, highlighting the rights and obligations, as well as the risks associated with these operations.

Economic-financial events and operations must be highlighted in accounting as they occur, based on supporting documents. The supporting documents that form the basis of the accounting registration of the economic-financial operations must reflect exactly how they are produced, respectively must be in accordance with reality. Also, the contracts concluded between the parties must provide for the way the operations are carried out and respect the existing legal framework. Entities have the obligation to take into account all the available information when drawing up supporting documents and accounting for economic-financial operations, so that there are extremely rare situations in which the economic nature of the operation is different from the legal form of the documents underlying them .

(12) The principle of the Significance threshold

The company may deviate from the requirements contained in these regulations regarding the presentation of information and publication, when the effects of their compliance are insignificant.

(13) The currency of the financial statements

Accounting is kept in the Romanian language and in the national currency . The elements included in these financial statements are presented in Romanian leu.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

B Conversion foreign currency transactions

The company's transactions in foreign currency are recorded at the exchange rates communicated by the National Bank of Romania ("NBR") for the date of the transactions. At the end of each month, the balances in foreign currency are converted into "Lei" at the conversion rates communicated by the National Bank of Romania on the last banking day of the month. Gains and losses resulting from the settlement of transactions in a foreign currency and from the conversion of monetary assets and debts denominated in foreign currencies are recognised in the profit and loss account, within the framework of the financial results.

1. Intangible assets

Other intangible assets

The licenses and other intangible assets are recognized at acquisition cost . Intangible assets are not revalued.

The licenses and other intangible assets are amortized using the straight-line method over their useful life, but not more than 3 years.

2. Tangible assets

(1) Cost/evaluation

Tangible assets are initially valued at acquisition cost and then subject to periodic reassessment, as follows:

Until December 31, 2003, the tangible fixed assets were revalued based on government decisions ("GD") which provided for the indexation of the historical cost with indices prescribed in the respective government decisions and the adjustment of the indexed value by comparison with the use value and the market value.

At December 31, 2022, the land and the buildings were revalued by an independent external evaluator based on Order 1802 which provides that the revaluation of property, plants and equipment is carried out at the fair value determined based on the appraisal performed, ordinarily, by qualified appraisal professionals

If a fully depreciated tangible asset can still be used, with the occasion of the re-evaluation a new value and economic use are set, proper to the estimated period of use.

Maintenance and repairs of tangible assets are put on expenses when they occur and the significant improvements made to tangible assets that grow value or the duration of their lifetime, or which significantly increase the capacity to generate economic benefit, are capitalized.

(2) Depreciation

Depreciation is calculated at entry value, using the straight- line method over the estimated useful life of the assets as follows:

Active	Years
Construction	20-50
Equipment and machinery	6 – 14
Other installations, equipment and furniture	3 – 15

Depreciation is calculated starting from the month following commissioning and until the full recovery of their input value .

Land is not depreciated as it is deemed to have an indefinite life.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

(3) Sale/disposal of tangible assets

Tangible assets that are scrapped or sold are removed from the balance sheet along with the corresponding accumulated depreciation. Any profit or loss resulting from the difference between the revenues generated by the derecognition and its undepreciated value, including the expenses caused by such operation, is included in the profit and loss account, in "Other operating income" or "Other operating expenses", as the case.

When the company recognizes in the accounting value of the tangible assets (in general those constituted in installations) the cost of a partial replacement (replacing a component), the accounting value of the replaced section with corresponding depreciation, is removed from the register.

(4) Borrowing cost

Interest expenses related to all loans are put on expenses when they are carried out.

E. Impairment of assets

Property, plant and equipment and other long-term assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the accounting value may no longer be recoverable. The impairment loss is represented by the difference between the accounting value and the inventory value.

1. Financial assets

Financial assets include shares held in affiliated entities, loans granted to affiliated entities, participation interests, loans granted to entities with which the Company is linked by virtue of participation interests, as well as other investments held as fixed assets.

(1) Securities in the form of shares held at affiliated entities

Subsidiaries are those entities in which the Company holds more than half of the voting rights or has the power to decide financial or operational policies.

Existence and the effect of potential voting rights that are currently exercisable are taken into account to assess whether the Company controls another entity.

In the individual financial statements of the Company, investments in subsidiaries are recorded at cost. If it is considered that the investments in the subsidiaries have suffered depreciation of a permanent nature, a provision for the depreciation of the corresponding financial fixed assets is recorded.

(2) Securities in the form of participating interests

In the individual financial statements of the Company, the securities in the form of participation interests ("associated companies") are accounted for at cost. Securities in the form of participating interests are securities held in entities in which the Company holds a significant share, but does not exercise control. The significant weight is determined by the direct or indirect holding by the Company of a percentage between 20% and 50% of the voting rights.

2. Inventories

Inventories are recorded and valued in accounting as follows:

- a) at purchase cost – for goods procured for consideration;
- b) at production cost – for the goods produced in the entity;
- c) at the fair value - for the assets ascertained plus the inventory;

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

Inventories of finished goods are recorded at net realizable value, which is estimated based on the selling price less costs of completion. The cost of raw materials is determined based on the weighted average cost method calculated after each reception and monthly. The cost of finished goods and work in progress include materials, labor and related indirect production costs .

Where necessary, provisions are made for slow -moving , physically or morally worn-out stocks.

3. Trade receivables

Trade receivables are recorded at the invoiced value less the provision for the depreciation of these receivables . The provision for the depreciation of commercial receivables is established in case there is objective evidence that the Company will not be able to collect all the amounts at the initial terms . The provision is calculated as the difference between the value recorded in the accounting and the recoverable value, a value that represents the discounted value of future cash flows using the effective discount rate related to a similar financial instrument.

4. Short-term financial investments

These include short-term deposits at banks and other short-bank investments with high liquidity and treasury bills.

5. Cash and cash equivalents

Cash and cash equivalents are shown in the balance sheet at cost. For the cash flow statement, cash and cash equivalent include cash in hand, bank accounts, short-term financial investments and cash advances.

6. Share capital

Joint stocks are classified in the capital and reserves. Expenditure relating to the issued of equity instruments are reflected directly in capital and reserves in the losses related to equity instruments.

The amount paid to repurchase the company's shares will decrease equity. When these shares are subsequently re-issued, the amount received (net of transaction costs) is recognised in equity.

7. dividends

Dividends related to joint stocks are recognised in equity in the period in which they are declared.

8. Loans

Short and long term loans are initially recorded at the amount received.

The short-term portion of long-term loans is classified as "debts: amounts to be paid over a period of up to one year" and included in the "Amounts owed to credit institutions" under current liabilities.

9. Accounting of leasing contracts in which the Company is a lessee

(1) Financial leasing contracts

Leasing contracts for tangible assets in which the company shall bear all risk and benefits of the property are to be classified as financial leasing. Finance leases are capitalized at the estimated present value of the payments. Each payment is divided between the capital and interest in order to obtain a constant interest rate for the duration of the refund. The amount due are included in the short or long term debt. The element of interest is passed in the profit and loss account for the duration of the contracts. Assets held under finance leases are capitalised and amortised over their useful life.

(2) Operational leasing contracts

Leases in which a significant portion of the risks and benefits associated with property are retained by lessor, are classified as operating leases.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

Payments made under such contract (net of any facilities granted by the locator) are recognized in the profit and loss accounts on a straight-line basis over the duration of the contract.

10. Commercial debts

Commercial debts are recorded at the amount to be paid for goods and services received.

11. Provisions

Provisions are recognized at the time that company has a legal obligation generated by an earlier event, when for the settlement of the obligation is likely to be an output of resources and it can be made a reliable estimate in terms of the amount of the obligation.

Provisions for taxed are constructed for obligations as deferred tax, based on the company's management estimates.

12. Employee benefits

Pensions and other benefits after retirement

In the normal course of activity, the company makes payments to pension, health and unemployment funds on behalf of its employees at statutory rates. All employees of the company are members of the pension plan of the Romanian state. These cost can be found in the profit and loss account together with the related salary.

According to the employment agreement in effect at the balance sheet date, the company is obliged to pay upon retirement equivalent to 1-2 monthly gross wages. These obligations of the company are applicable to the employees which will retire during the period of the collective employment agreement. The Company recorded a provision for these obligations in the financial statements according to the actuarial calculation made on 31.12.2022 and 31.12.2023 respectively.

13. Grants

(1) Grants related to assets

Grants received for acquisition of assets such as tangible assets are recorded as investment grants in the balance sheet and recognised in the profit and loss account as depreciation expenses, scrapping or disposal of assets acquired from the grant.

(2) Grants related to income

Grants for revenue are shown as income in the profit and loss account during this period in which for related expenses that these grants are intended to offset.

14. Taxation

Income tax

The company registers the current profit tax based on the taxable profit from the tax reports, according to the legislation relevant Romanian.

15. Revenue recognition

Revenue refers to goods sold and services provided.

Revenues from the sale of goods are recognized when the Company has transferred to the buyer the main risks and benefits associated with the ownership of the goods.

2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (CONTINUED)

The revenues related to the services provided are recognized based on the services provided up to the balance sheet date .

Interest income is recognized periodically and proportionally as the income in question is generated on an accrual basis.

Dividends are recognized as income when legal right to receive such amounts is established.

In these financial statements, the income and expenses are presented at the gross amount. In the balance sheet, liabilities and receivables from the same partners are presented at net value when there is a right to compensation.

16. Turnover

The turnover represents the amounts invoiced and to be invoiced, for goods delivered or services provided to third parties , net of VAT, commercial discounts and volume bonuses granted to customers and commercial discounts.

17. Operating expenses

Operating expenses are recognized in the period to which they relate.

3. FIXED ASSETS
a) Intangible assets

	Licenses and other Intangible Assets
Gross value	
Balance on January 1, 2023	324,444
Increases	4,023
Disposals, transfers and other discounts	55,146
Balance as of December 31, 2023	273,321
Accumulated depreciation	
Balance on January 1, 2023	317,129
Depreciation recorded during the exercise	4,602
Discounts or returns	55,146
Balance as of December 31, 2023	266,585
Net book value on January 1, 2023	7,314
Net book value as of December 31, 2023	6,736

3. FIXED ASSETS (CONTINUED)
b) Tangible assets

	Lands	Construction	Equipment and machinery	Installations, equipment and furniture	Other advances tangible assets in progress	Total
The value brutally						
Balance at January 1, 2023	35,348,679	33,377,292	61,570,089	745,388	383,952	131,425,399
increases , of which:	-	14,949	904,855	84,383	304,971	1,309,158
- Increases from transfers	-	7,534	577,928	-	-	585,462
Total disposal, transfers and other discounts, out of which:	-	38,843	2	-	609,376	648,221
- Exits through transfers	-	38,843	-	-	546,619	585,462
Balance at December 31, 2023	35,348,679	33,353,398	62,474,943	829,771	79,547	132,086,337
Accumulated amortization and impairment adjustments						
Balance at January 1, 2023	-	-	53,711,302	401,822	-	54,113,124
Depreciation recorded during the year	-	6,261,793	2,094,343	67,947	-	8,424,083
Reductions or reversals	-	-	-	-	-	-
Balance at December 31, 2023	-	6,261,793	55,805,645	469,769	-	62,537,207
Net book value on January 1, 2023	35,348,679	33,377,292	7,858,787	343,566	383,952	77,312,275
Net book value on December 31, 2023	35,348,679	27,091,605	6,669,298	360,002	79,546	69,549,130

Revaluation of tangible assets

The lands and the constructions were not revalued on December 31, 2023. The last revaluation was carried out on December 31, 2022 by Neoconsult Valuation SRL, valuer - ANEVAR corporate member, holding Authorization no. 0377/ 2021. The following methods were applied to the valuation of tangible assets:

- The method of direct comparisons for estimating the market value of the land;
- Income approach for estimating the market value of real estate (land and buildings);
- The cost approach for estimating the market value of real estate (land and buildings).

Changes from revaluation reserve during the financial year are as follows:

	31 Dec 2022	31 Dec 2023
The revaluation reserve at the beginning of the financial year	73,801,332	69,829,779
Amounts representing surplus transferred in the revaluation reserves	5,227,946	-
Amounts transferred from reserves representing surplus made from revaluation reserves	9,199,499	-
Revaluation reserve at the end the financial year	69,829,779	69,829,779

3. FIXED ASSETS (CONTINUED)
Treatment for tax purposes of the revaluation reserve

According to tax legislation in Romania, until May 1, 2009 revaluation reserves of tangible assets became taxable only when the destination was changed. Following the amendment of the tax code, as of May 1, 2009 revaluation reserves of fixed assets made after January 1, 2004, which are deducted from taxable income through depreciation or expenditure on assets transferred and/or scrapped, shall be taxed simultaneously with the deduction of tax depreciation at the moment of the decrease in management of these assets.

Pledged and restricted tangible assets

The company guaranteed bank loans with tangible assets with a net book value of RON 21,109,791 (December 31, 2022: RON 25,768,699).

Fully depreciated fixed assets

On December 31, 2023, the cost of fully amortized tangible fixed assets was RON 30,381,146 (December 31, 2022: RON 20,167,099).

c) Financial assets
Actions held at affiliated entities

On December 31, 2023, the Company owned shares in the following affiliated entities :

	The object of activity	December 31, 2022		December 31, 2023	
		Percentage HELD (%)	Cost (RON)	Percentage HELD (%)	Cost (RON)
<i>Entities</i>					
Comcereal SA Tulcea	Agriculture services	95.36	13,265,914	95.36	13,265,914
Argus Trans SRL Constanta	Transport services	100	2,126,000	100	2,126,000
Aliment Murfatlar SRL Constanta	Renting and sublease of own or rented real estate	100	9,896,988	-	-
			25,288,902		15,391,914

In the individual financial statements of the company, shares held in subsidiaries are presented at net cost (deducting impairment provision) as follows:

	December 31, 2022	December 31, 2023
Cost	25,288,902	15,391,914
Provision for impairment	(1,403,042)	(1,403,042)
	23,885,860	13,988,872

The provision in the amount of RON 1,403,042 refers to the adjustment for the decrease in value of the shares held by the Company in Argus Trans SRL

3. FIXED ASSETS (CONTINUED)
Participation interests

On December 31, 2023, the Company held securities in the form of participating interests in the following unlisted entities :

	The object of	December 31, 2022		December 31, 2023	
		Percentage HELD	Cost	Percentage HELD	Cost
The society	Activity	(%)	(RON)	(%)	(RON)
ECO-ROM Packaging SA Bucharest	Packaging waste recovery services	8.33	33,584	8.33	33,584
Aliment Murfatlar SRL Constanta	Renting and sublease of own or rented real estate	-	-	13.90	1,375,620
TOTAL			33,584		1,409,205

On 30.06.2023 the Company sold a package of 4,330 shares, representing 86.10% of the share capital of Aliment Murfatlar SRL, the total value of the transaction being RON 23,676,440, becoming a minority partner.

The company has not assumed any obligation and did not make any payment on behalf of the companies in which he holds securities in the form of participation interests.

4. INVENTORIES

	December 31, 2022	December 31, 2023
Raw materials and consumables, of which:	115,261,181	54,997,178
- in custody at intercompany	32,102,447	4,862,443
Production in progress	50,565,924	11,983,663
Finished products and goods , of which:	16,629,735	7,113,703
- finished products (meal) held by third parties	-	-
Price differences in finished products	(3,865,132)	(646,381)
Advances	157,881	102,070
TOTAL	178,749,589	73,550,234

Stocks of raw materials, semi-finished products and finished products (sunflower, crude oil, refined oil, bottled oil, fatty acids, sunflower meal) are part of the mortgage established in favor of Transilvania Bank, in force until the full fulfillment of the resulting obligations from the loan agreement signed by the company in August 2023 for the purchase of raw materials.

On 31.12.2023, the Company recorded provisions for the depreciation of crude oil stocks, for a quantity of 300 tons of oil deposited in the form of residues/ poorly concentrated fatty acids that are to be recovered, in the total amount of RON 668,520. Also, a provision in the amount of RON 1,156,558 was established for the depreciation of raw material stocks.

5. RECEIVABLES

	Balance at December 31, 2022 (RON)	Liquidity term	
		under 1 year (RON)	over 1 year (RON)
	1=2+3	2	3
Trade receivables	19,852,770	19,852,770	-
Provisions for impairment of receivables	(7,307,755)	(7,307,755)	-
Advances	1,776,249	1,776,249	-
Profit Tax	428,393	428,393	-
VAT	56,836	56,836	-
Debtors and other receivables	1,410,729	1,410,729	-
Provisions for Impairment other receivables	(6,993)	(6,993)	-
Other immobilized receivables	13,119	2,719	10,400
Total	16,223,349	16,212,949	10,400

	Balance at December 31, 2023 (RON)	Liquidity term	
		under 1 year (RON)	over 1 year (RON)
	1=2+3	2	3
Trade receivables	27,787,384	27,787,384	-
Provisions for impairment of receivables	(5,551,426)	(5,551,426)	-
Advances	36,517	36,517	-
Profit Tax	373,003	373,003	-
VAT	11,800	11,800	-
Debtors and other receivables	120,075	120,075	-
Provisions for Impairment other receivables	(6,993)	(6,993)	-
Other immobilized receivables	13,217	2,719	10,498
Total	22,783,577	22,773,079	10,498

As of December 31st, 2023 the Company is having a reverse factoring contract (without recourse) signed for a maximum amount of 3 million lei, contract valid until 01.02.2025, with a period of use until 01.08.2024.

6. CASH AND BANK ACCOUNTS

	December 31, 2022 (RON)	December 31, 2023 (RON)
Cash:		
- Ron	6,695	14,626
- Foreign currency	-	-
	6,695	14,626
Current bank accounts :		
- Ron	1,502,461	1,294,292
- Foreign currency	21,853,607	150,410
	23,356,069	1,444,702

7. LIABILITIES

	Balance at December 31, 2022 (RON)	Due date		
		under 1 year (RON)	1 – 5 years (RON)	over 5 years (RON)
		1=2+3+4	2	3
Amounts owed to credit institutions	159,080,652	157,921,978	1,053,340	105,334
Advances collected for orders	183,407	183,407	-	-
Commercial debts - suppliers	5,557,200	5,557,200	-	-
Commercial debts – not yet invoiced	1,311,848	1,311,848		
Amounts owed to entities of the group	-	-	-	-
Debts to employees	652,929	652,929	-	-
Imposit, taxes and social securities	582,954	582,954	-	-
Other liabilities, including tax payable and debts relating to social security	691,304	691,304	-	-
Total	168,060,296	166,901,622	1,053,340	105,334

	Balance at 31st of December 2023 (RON)	Due date		
		under 1 year (RON)	1 – 5 years (RON)	over 5 years (RON)
		1=2+3+4	2	3
Amounts owed to credit institutions	81,135,482	80,466,629	668,853	-
Advances collected for orders	148,106	148,106	-	-
Commercial debts - suppliers	3,822,182	3,822,182	-	-
Commercial debts – not yet invoiced	794,277	794,277	-	-
Amounts owed to entities of the group	251,712	251,712	-	-
Debts to employees	631,072	631,072	-	-
Imposit, taxes and social securities	932,812	932,812	-	-
Other liabilities, including tax payable and debts relating to social security	545,488	545,488	-	-
Amounts owed to credit institutions	88,261,131	87,592,278	668,853	-

7.1 AMOUNTS DUE TO CREDIT INSTITUTIONS

	December 31, 2022 (RON)	December 31, 2023 (RON)
Short term loans	157,921,978	80,466,629
Long term loans	1,158,674	668,853
Total loans	159,080,652	81,135,482

7. DEBTS (CONTINUED)

Credit	Currency	Maturity	December 31, 2022	December 31, 2023
			(RON)	(RON)
Short-term loans for the purchase of raw materials				
Transilvania Bank	RON	27.08.2023	152,921,978	-
Transilvania Bank	RON	27.08.2024	-	65,951,289
Credits for working capital and issuance of letters of guarantee				
BRD Groupe Societe Generale	RON	24.06.2025	5,000,000	4,500,000
BRD Groupe Societe Generale	RON	16.12.2025	-	4,552,156
Term loans short for working capital				
Transilvania Bank	RON	05.08.2024	-	5,241,813
Loans for long-term investments – of which long-term				
BRD Groupe Societe Generale	RON	24.06.2028	1,158,674	668,853
Loans for long-term investments - of which short-term				
BRD Groupe Societe Generale	RON	24.06.2028		221,371
TOTAL			157,921,978	81,135,482

a) For the purchase of raw material, sunflower seeds, the Company contracted on 07.08.2023 a loan with a maximum ceiling of 150 million RON (ROBOR 1M + 1%) with a due date of 27.08.2024. On December 31, 2023, the amount of the loan is RON 65,951,289 (on 12/31/2022: RON 152,921,978).

b) Credit line for working capital (revolving) in the amount of RON 7,250,000 ((ROBOR 1M + 1%), having the period of use until 04.08.2024. On December 31, 2023, the amount of the loan is RON 5,241,813.

c) Credit line for working capital (revolving) through the Rural Invest program at BRD – Groupe Societe Generale with a maximum ceiling of RON 5,000,000, granted for a period of 36 months, with a subsidized interest from the state budget for a period of 24 months from the first use, agreement signed on 12.07.2022.

d) Credit line for working capital (revolving) through the Rural Invest program at BRD – Groupe Societe Generale with a maximum ceiling of RON 5,000,000, granted for a period of 36 months, with a subsidized interest from the state budget for a period of 12 months after use, agreement signed on 29.12.2022.

e) A contract for investments through the Rural Invest program at BRD – Groupe Societe Generale with a maximum value of the facility of RON 3,132,000, subsidized interest from the state budget for a period of 24 months from the first use, signed on 12.07.2022. On 31.12.2023 the value of the loan is RON 890,224 (31 December 2022 : RON 1,158,674).

7.2 Pledged assets

The Company's loans are guaranteed by mortgages on the fixed assets presented in Note 3 b) and the stocks of raw materials, semi-finished products and finished products presented in Note 4.

7. DEBTS (CONTINUED)
7.3 Unused Loan Facilities

On December 31, 2023, the Company has the following contracted and unused loan facilities :

the bank	Currency	The approved amount in the loan currency	Unused amount in credit currency	Unused amount in RON
Transilvania Bank	RON	7,250,000	2,008,187	2,008,187
BRD - for working capital	RON	10,000,000	947,844	947,844

8. PROVISIONS

The name provision	January 1, 2023 (RON)	Transfers		December 31, 2023 (RON)
		in the account (RON)	from the account (RON)	
	1	2	3	4=1+2-3
Provisions for taxes	11,094	-	-	11,094
Provisions for litigation	832,777	-	832,777	-
Provisions for the decommissioning of tangible assets and other similar actions related to them	922,700	-	-	922,700
Provisions for pensions , debts by employees and similar obligations	5,006,214	1,947,556	5,609,235	1,344,535
Total	6,772,785	1,947,556	6,442,012	2,278,329

On 31.12.2023, the Company had recorded provisions in the amount of RON **2,278,329**, of which:

- RON 1,344,535 representing amounts owed to employees, administrators and executive management for unused vacations, premiums for retirement;
- RON 922,700 for the company's expenses regarding the decommissioning of a technological waste deposit.

9. OWN CAPITAL
a) Social capital

The value of the share capital on December 31, 2022 and December 31, 2023 is RON 53,670,699, representing 35,780,466 shares . All shares are common, were subscribed and are paid in full on December 31, 2023. All shares have the same voting rights and have a nominal value of 1.5 RON/ share .

9. EQUITY (CONTINUED)
b) Shareholder structure

The shareholding structure on December 31, 2022 is as follows:

	Number of shares	Nominal Value (RON)	Percentage held (%)
Legal entities, of which:	32,749,639	49,124,459	91.53
INFINITY CAPITAL INVESTMENTS SA (previously named SIF OLTENIA)	30,920,056	46,380,084	86.42
SIF BANAT - CRISANA	1,790,432	2,685,648	5.00
Other legal entities	39,151	58,727	0.11
Individuals	3,030,827	4,546,241	8.47
	35,780,466	53,670,699	100.00

On December 31, 2023, the shareholder structure was as follows:

	Number of shares	Nominal Value (RON)	Percentage held (%)
Legal persons. from which:	32,750,650	49,125,975	91.53
INFINITY CAPITAL INVESTMENTS SA	32,710,488	49,065,732	91.42
Other legal entities	40,162	60,243	0.11
Individuals	3,029,816	4,544,724	8.47
	35,780,466	53,670,699	100

c) Bonds issued

The company had no bonds issued on December 31, 2022 and December 31, 2023.

d) Distribution of the result

The distributions below were made by the Company in accordance with the regulations in force regarding the mandatory distributions that are made according to law 31/1990 on commercial companies .

	Financial year concluded at December 31, 2022 (RON)	Financial year concluded at December 31, 2023 (RON)
Destination		
Distributable net profit/(loss)	31,837,975	(52,631,160)
Legal reserve	1,765,974	-
Retained earnings	30,072,001	(52,631,160)

10. OPERATING RESULT AND TURNOVER
a. Analysis of the operating result

	Financial year concluded at	Financial year concluded at
Name of the indicator	December 31, 2022	December 31, 2023
	(RON)	(RON)
1. Net turnover	360,593,131	246,592,671
2. Cost of goods sold and services rendered (3+4)	294,804,368	295,462,182
3. The expenses of the basic activity	280,968,416	280,917,784
4. Expenses of auxiliary activities	13,835,952	14,544,398
6. Gross result related to net turnover (1-2)	65,788,763	(48,869,511)
7. Selling and distribution expenses	7,891,380	5,750,758
8. General administration expenses	16,119,914	17,164,349
9. Other operating income	206,054	1,698,568
10. Operating result (6-7-8+9)	41,983,523	(70,086,049)

b. Fiscal value

	Financial year concluded at	Financial year concluded at
	December 31, 2022	December 31, 2023
	(RON)	(RON)
Sales of finished goods	364,464,234	247,426,068
- on the domestic market	301,064,836	185,466,511
- on the foreign market	63,399,399	61,959,557
Commercial discounts granted	(5,424,896)	(2,880,350)
Sales of merchandise	1,247,811	1,752,185
Sales of services	-	-
Sales of residual products	155,998	179,572
Other	149,983	115,196
Total turnover	360,593,131	246,592,671

11. INFORMATION REGARDING EMPLOYEES AND MEMBERS OF ADMINISTRATIVE , MANAGEMENT AND SUPERVISORY BODIES

On 31.12.2023, the composition of the Board of Directors is as follows:

- Vişan George-Gabriel – president of the Board of Directors ;
- Stan Bogdan – administrator;
- Vasile Carmen-Iulia – administrator.

On 31.12.2023 the executive management of the Company is exercised by

- Radu Dorel - General Manager
- Zamfir Mihaela - Financial Director

a) Staff costs

	December 31, 2022	December 31, 2023
Salaries and gross allowances	14,092,870	16,102,179
Social security and related expenses	832,014	876,745
Total	14,924,884	16,978,924

	December 31, 2022	December 31, 2023
<i>Salaries and payment allowances at the end of the period:</i>		
Administrators	-	-
Directors	31,650	29,469
Employees	483,924	463,387
Total	515,574	492,856

b) Advances and credits granted to members of the Board of Directors and Management

The company did not grant loans or advances to the members of the administrative , management and supervisory bodies during the financial year ended on December 31, 2023.

c) Average number of employees during the year

	Financial exercise concluded at December 31, 2022	Financial exercise concluded at December 31, 2023
Administrators and directors	5	5
Administrative personnel	31	32
Production staff	191	200
Total	227	237

12. OPERATING EXPENSES

Other operating expenses	Financial year ended on December 31, 2022 (RON)	Financial year ended on December 31, 2023 (RON)
Maintenance and repair expenses	716,274	559,323
Expenses with royalties , management locations and rents	943,080	286,821
Insurance expenses	228,666	308,808
Staff training expenses	-	1,795
Commissions and fees	114,160	100,409
Protocol and advertising expenses	47,607	96,617
Expenses with the transport of goods and personnel	4,752,112	6,895,785
Travel expenses	4,288	57,227
Postal expenses and telecommunications fees	55,207	74,546
Bank fees	386,559	270,059
Other service charges executed by third parties	5,644,568	5,947,553
Total	12,892,519	14,598,943

13. FINANCIAL INCOME AND EXPENSES

	Financial year ended on December 31, 2022 (RON)	Financial year ended on December 31, 2023 (RON)
Income from exchange rate differences	7,348,210	1,279,644
Expenses from exchange rate differences	7,442,984	1,380,108
Other financial revenues (discounts, others)	893	23,680,383
Other financial expenses	-	8,521,368

14. ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS
1. Liquidity indicators

a)	December 31, 2022	December 31, 2023
Current liquidity indicator		
Current assets =	1.3	1.12
Current liabilities		

b)	December 31, 2022	December 31, 2023
Immediate liquidity indicator		
Current Assets – Inventories =	0.24	0.27
Current liabilities		

14. ANALYSIS OF THE MAIN ECONOMIC-FINANCIAL INDICATORS (CONTINUED)
2. Activity indicators (management indicators)

a) Inventory turnover

	December 31, 2022	December 31, 2023
Cost of sales = Number of times	2.48	1.95
Average stock		

b) The speed of rotation of debits - customers

	December 31, 2022	December 31, 2023
	(days)	(days)
Average customer balance $\times 365 =$	20,22	28.84
Turnover		

c) Rotational speed of tangible assets

	December 31, 2022	December 31, 2023
Turnover =	4.66	3.55
Tangible assets		

d) Total assets rotation speed

	December 31, 2022	December 31, 2023
Turnover =	1.13	1.34
Total assets		

15. OTHER INFORMATION
a) Information regarding the presentation of the Company

Argus SA Constanta was established as a joint- stock company according to law no. 15/1990, based on Government Decision no. 1353/1990, by taking over the assets of the Constanța Oil Company, located in Industrial Street no. 1 Constanta. In 1990, the Company was organized as a joint stock company under the name of Argus SA

On August 31, 1994, the Company became a 100% private joint-stock company , according to Law 58/1991.

The company operates in the field of production of vegetable and animal oils and fats, having NACE code no. 1041. Argus SA is one of the largest sunflower oil companies in Romania that sells refined and crude oil, sunflower meal and fatty acids.

15. OTHER INFORMATION (continued)
b) Informations regarding the relationships of the entity with subsidiaries, affiliated entities or other entities that own strategic equity investments

Information on subsidiaries, associated companies and companies in which strategic holdings are held is presented in Note 3 (c).

The details regarding the transactions with the related parties and the nature of the relations with them are presented in Note 15 i).

c) The conversion bases used for the expression in the national currency of the asset and liability elements, of the highlighted revenues and expenses initially in a foreign currency

The method used to express in the national currency the patrimonial elements, the incomes and expenses highlighted in a foreign currency is presented in Note 2 B.

The main exchange rates used for the RON conversion of the balances denominated in foreign currency are:

Foreign currency	Abbreviation	Exchange rate	
		(RON for 1 unit of foreign currency)	
		December 31, 2022	December 31, 2023
US Dollar	USD	4.6346	4.4958
Euro	EUR	4.9474	4.9746

d) Information about the current result

	Financial year concluded at December 31, 2022 (RON)	Financial year concluded at December 31, 2023 (RON)
Net Profit/Loss	31,837,975	(52,631,160)
Non-taxable income and deductions	13,945,107	40,757,512
Non-deductible expenses and elements similar to income	23,939,507	26,132,592
Tax Profit / (Loss)	41,832,375	(67,256,080)
Reported fiscal loss	(18,117,809)	(67,256,080)
Fiscal profit after deferral	23,714,556	-
Calculated tax on income	3,794,331	-
Tax on income discounts	312,826	-
Current tax on income	3,481,504	-
Tax on income payable at the end of the period	(428,393)	-

15. OTHER INFORMATION (CONTINUED)
e) Expenses with rents and installments paid under an operational leasing contract

The company recorded the following expenses:

	Financial year concluded at December 31, 2022	Financial year concluded at December 31, 2023
	(lei)	(lei)
Rents	943,080	286,821

f) Fees paid to auditors

The company paid to the auditors in 2023 the fees related to the audit of the financial statements on December 31, 2022 in accordance with the contract concluded between the parties .

g) Probable liabilities and granted commitments

On December 31, 2023, the Company has no commitments granted.

h) Commitments received

The company has no commitments received on December 31, 2023 in the form of letters of guarantee and promissory notes from customers.

i) Transactions with related parties / related parties

The affiliated parties are those described in Note 3 c) under " Shares held at affiliated entities " .

The related parties are those described in Note 3 c) under "Participating Interests" in which the Company exercises a significant influence , as well as the entities from the group of companies presumed to act in concert described in Note 8; other related parties are represented by the companies in which Argus SA management members or members of their families exercise significant influence .

The following transactions with affiliated and related parties took place during the financial years ended on December 31, 2022 and December 31, 2023 and the following balances at these dates resulted from these transactions :

Sales of goods and services	Financial year concluded at December 31, 2022	Financial year concluded at December 31, 2023
	(RON)	(RON)
Sales of services - affiliated parties	2,072	-
Sales of services - related parties	-	-
Sales of goods. total of which	3,670	2,098
- affiliated parties	3,670	2,098
- related parties		
	5,742	2,098

15. OTHER INFORMATION (CONTINUED)

Purchases of goods and services	Financial year concluded at December 31, 2022 (RON)	Financial year concluded at December 31, 2023 (RON)
Purchases of services	4,504,182	1,712,968
- Affiliated parties	4,504,182	1,712,968
- Related parties	-	-
Purchases of goods	-	10,680,504
- Affiliated parties	-	10,680,504
- Related parties	-	-

Balances resulting from the sale/purchase of goods/services

	Financial year concluded at December 31, 2022 (RON)	Financial year concluded at December 31, 2023 (RON)
<i>Debit balances- Trade receivables</i>		
- Affiliated parties	-	-
- Related parties	-	-

	December 31, 2022 (RON)	December 31, 2023 (RON)
<i>Credit balances - Suppliers</i>		
- Affiliated parties	14,713	251,712
- Related parties	-	-
TOTAL	14,713	251,712

Dividends from related parties

	December 31, 2022 (RON)	December 31, 2023 (RON)
Dividends received from related parties	-	8,089,838

Loan granted

The company did not grant loans to affiliated and related parties in 2022 and 2023.

16. NET CASH FLOW FROM OPERATING ACTIVITIES

	Financial year concluded at December 31, 2022	Financial year concluded at December 31, 2023
	(RON)	(RON)
Operating activities		
Gross Profit / (Loss)	35,319,479	(52,631,160)
Collected dividends	-	(8,089,838)
Interest income	(251,772)	(139,187)
Interest expense and other financial expenses	6,821,935	5,832,686
Adjustments to reconcile net income with net cash used in operating activities:		
Adjusting the value of tangible and intangible assets	7,762,528	8,428,684
Inventory value adjustment	(1,895,173)	1,680,165
Adjustment of the value of receivables	(91,877)	(93,900)
Adjustments regarding provisions for risks and expenses	5,079,651	(4,494,456)
Net gains from disposal of financial assets		(15,155,072)
Income from subsidiaries	(1,327,165)	(1,658,024)
Increase of operating cash flow before changes in working capital	51,417,606	(66,320,103)
Changes of the working capital:		
(Increase)/ decrease in receivables	7,680,118	(6,464,398)
(Increase)/decrease in inventories	(64,819,546)	103,519,191
(Increase)/decrease in debts	(3,682,056)	(2,437,605)
Cash flow from operating activities	(9,403,877)	28,297,086

17. CONTINGENCIES
(a) Actions in court

The company is subject to a number of court proceedings. The Company's management considers that these proceedings will not have a significant adverse effect on the economic and financial results of the Company.

(b) Taxation

The taxation system in Romania has undergone multiple changes in recent years and is in a phase of adaptation to the jurisprudence of the European Union. As a result, there are still different interpretations of tax legislation. In certain situations, tax authorities may treat certain aspects differently, calculating additional taxes and fees and interest related to delay penalties (currently penalties determined by the duration of the delay are plus 0.02% per day late). In Romania, the fiscal year remains open for tax verification for 5 years. The Company's management believes that the fiscal obligations included in these financial statements are adequate.

17. CONTINGENCIES (CONTINUED)

(c) Transfer price

legislation in Romania includes the " market value " principle, according to which transactions between related parties must be carried out at market value . Local taxpayers who deploy transactions with related parties must prepare and make available to the fiscal authorities in Romania, upon their written request, the file documenting the transfer prices . Failure to present the transfer price documentation file or the presentation of an incomplete file may lead to the application of penalties for non-compliance; In addition to the content of the transfer pricing documentation file, the tax authorities can interpret the transactions and circumstances different from management's interpretation and, as a result, may impose additional tax obligations resulting from the adjustment of transfer prices. The Company's management consider that it will not suffer losses in the event of a tax audit for the verification of transfer prices. However, the impact of the different interpretations of the tax authorities cannot be reliably estimated. It may be material to the financial position and /or to the operations of the Company.

(d) Financial risks

The company is exposed through its operations to the following financial risks:

- Credit risk
- Currency exchange risk
- Liquidity risk

The general objective of management is to establish policies that try to reduce risks as much as possible without unduly affecting the competitiveness and flexibility of the Company .

Also, the volatility of the exchange rate of the RON and the main currencies used in international exchanges was very high. Currently, the full impact of the current financial crisis is still impossible to anticipate and prevent completely.

The management cannot estimate with sufficient accuracy the effects on the financial position of the Company as a result of the increase volatility of the RON/USD exchange rate and inflation in Romania and the EU. The management believes that it has taken all the necessary measures to ensure the continuity of the Company under the current conditions .

(e) Liquidity risk

Liquidity risk arises from the Company's management of working capital and financing expenses and principal repayments for its debit instruments.

The Company's policy is to ensure that it will have sufficient cash on hand to enable it to meet its obligations as they become due.

(f) Operational risk

Operational risk is the risk of direct or indirect losses arising from a wide range of causes associated with the Company's processes, personnel, technology and infrastructure, as well as from external factors, others than credit, market and liquidity risk, such as those arising from legal and regulatory requirements and from generally accepted standards of organizational behavior. Operational risks come from all hte Company's operations.

(g) Capital commitments

There are no significant situations to be presented.

(h) Subsequent events

There are no significant events subsequent to the reporting date.

Authorized and signed on behalf of the Board of Directors on 11.03.2024 by:

ADMINISTRATOR

Name and surname Visan George-Gabriel

Signature _____

DRAFTED

Name and surname Zamfir Mihaela

As Chief Financial Officer

Signature _____

DECLARATION

In accordance with Art. 30 of the Accounting Law no. 82/1991

The annual individual financial statements were drawn up on 12/31/2023 for:

Legal entity: **ARGUS SA**
County: 13 - Constanta
Address: Constanța town, Industrială str. no. 1, tel. 0241 67 68 40
Trade register number: J13/550/1991
Form of ownership: 34 – Joint-stock companies
Main activity (CAEN code and class name): 1041 – Manufacture of oils and fats
Fiscal identification code: RO1872644

The undersigned Vișan George-Gabriel - Chairman of the Board of Directors and Zamfir Mihaela - Financial Director, we assume responsibility for the preparation of the annual individual financial statements on 12/31/2023 and confirm that:

- a) The accounting policies used in the preparation of the annual financial statements are in accordance with the applicable accounting regulations.
- b) The annual financial statements provide a true picture of the financial position, financial performance and other information related to the activity carried out.
- c) The legal person carries out its activity under conditions of continuity.

Vișan George-Gabriel,
Chairman of the Board of Directors

Zamfir Mihaela,
Financial Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Argus SA

Opinion

1. We have audited the financial statements of Argus SA ("the Company"), with registered office in Constanta, Str. Industriala 1, identified by unique tax registration code RO1872644, which comprise the balance sheet as at December 31, 2023, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.
2. The financial statements as at December 31, 2023 are identified as follows:
 - Net assets/ Total equity RON 92,184,517
 - Net profit for the financial year RON 52,631,160
3. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Ministry of Public Finance Order no. 1802/2014, with subsequent amendments.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key matters to be communicated in our report.

Other information – Administrators' Report

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements for the year ended December 31, 2023, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Other responsibilities of reporting with respect to other information – Administrators’ report

With respect to the Administrators’ report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 1802/2014, with subsequent amendments, articles no. 489-492.

On the sole basis of the procedures performed within the audit of the financial statements, in our opinion:

- a) the information included in the Administrators’ report for the financial year for which the financial statements have been prepared is consistent, in all material respects, with these financial statements;
- b) the Administrators’ report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 1802/2014, articles no. 489-492.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the financial statements prepared as at December 31, 2023, we are required to report if we have identified a material misstatement of this Administrators’ report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Ministry of Public Finance Order no. 1802/2014, with subsequent amendments and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

10. Our objectives 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 level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Răzvan Ungureanu.

Răzvan Ungureanu, Audit Partner

For signature, please refer to the original signed Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 4866

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 11, 2024

ARGUS SA

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
CONCLUDED ON THE DECEMBER 31, 2023

Drawn-up according to the Order of the Minister of Public Finance no. 1802/2014,
and the ulterior modifications



ARGUS SA GROUP
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31st, 2023

TABLE OF CONTENTS	PAGE
CONSOLIDATED FINANCIAL STATEMENTS:	
INDEPENDENT AUDITOR'S REPORT	1 - 3
CONSOLIDATED BALANCE SHEET	4 - 6
CONSOLIDATED PROFIT AND LOSS ACCOUNT	7 - 8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9 - 31
MANAGEMENT CONSOLIDATED REPORT	

ARGUS SA GROUP
CONSOLIDATED BALANCE SHEET
at December 31, 2023

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2022 (RON)	December 31, 2023 (RON)
A. FIXED ASSETS				
I. INTANGIBLE ASSETS				
3. Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	03		14.490	14.017
4. Goodwill	04		-	-
6. Advances	06		-	-
TOTAL	07	2(a)	14.490	14.017
II. TANGIBLE ASSETS				
1. Land and construction	08		140.654.053	112.568.018
2. Equipment and machinery	09		8.684.133	7.284.270
3. Other installations, equipment and furniture	10		350.987	364.621
4. Real estate investments	11		10.105.356	-
5. Tangible assets in the process of execution	12		394.365	89.960
9. Advances	16		-	-
TOTAL	17	2(b)	160.188.894	120.306.869
III. FINANCIAL ASSETS				
3. The shares owned in the associated entities and joint controlled entities	20	2 (c)	33.584	1.409.205
6. Other loans	23	6	14.006	14.104
TOTAL	24		47.590	1.423.309
FIXED ASSETS - TOTAL	25		160.250.974	121.744.195
B. CURRENT ASSETS				
I. INVENTORIES				
1. Raw materials and consumables	26	3	114.346.428	54.725.664
2. Production in progress	27		50.637.303	11.983.663
3. Finished goods and merchandise	28		12.767.228	6.487.917
4. Advances	29		162.795	106.546
TOTAL	30		177.913.754	73.303.790
II. RECEIVABLES				
1. Trade receivables	31	4	15.859.745	22.310.238
2. Amounts receivable from affiliated entities	32		-	-
4. Other receivables	34		1.803.646	566.787
TOTAL	37		17.663.391	22.877.025
III. SHORT TERM INVESTMENTS				
2. Other short terms investments	39		-	-
TOTAL	40		-	-
IV. CASH AND BANK ACCOUNTS	41		37.562.908	7.235.252
CURRENT ASSETS - TOTAL	42		233.140.053	103.416.067

Notes form an integral part of the financial statements.

ARGUS SA GROUP
CONSOLIDATED BALANCE SHEET
at December 31, 2023

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2022	December 31, 2023
			(RON)	(RON)
C. PREPAYMENTS	43		95.011	79.587
Amounts of resumed in a period of up to one year	44		93.477	71.975
Amounts of resumed over a period of more than one year	45		1.534	7.612
D. DEBTS: AMOUNTS TO BE PAID IN A PERIOD OF UP TO ONE YEAR				
2. Amounts owed to credit institutions	47	6	157.921.978	80.466.629
3. Advances collected for orders	48	6	183.990	148.106
4. Commercial debts - suppliers	49	6	6.942.878	4.734.935
6. Amounts owed to entities in the group	51	6	-	-
8. Other liabilities, including tax debts and debts regarding social insurances	53	6	2.506.545	2.506.318
TOTAL	54		167.555.391	87.855.988
E. NET CURRENT ASSETS/NET CURRENT LIABILITIES	55		65.448.038	15.585.909
F. TOTAL ASSETS MINUS CURRENT LIABILITIES	56		225.700.546	137.337.716
G. DEBTS: AMOUNTS TO BE PAID OVER A PERIOD OF MORE THAN ONE YEAR				
2. Amounts owed to credit institutions	58	6	1.158.674	668.853
8. Other liabilities, including tax debts and debts regarding social insurances	64		75.374	40.169
TOTAL	65		1.234.048	709.022
H. PROVISIONS				
1. Provisions for employee benefits	66		437.177	440.888
2. Provisions for taxes	67		12.712	11.094
3. Other provisions	68		6.573.410	1.962.589
TOTAL	69	7	7.023.299	2.414.571
I. DEFERRED INCOME				
1. Investment grants	70		228.931	309.272
Amounts of resumed within a period of up to one year	71		15.023	24.777
Amounts of resumed in a period longer than one year	72		213.908	284.495
2. Deferrend income	73		215.078	21.368
Amounts of resumed within a period of up to one year	74		215.078	21.368
Amounts of resumed in a period longer than one year	75		-	-
TOTAL	80		444.009	330.640

ARGUS SA GROUP
CONSOLIDATED BALANCE SHEET
at December 31, 2023

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2022 (RON)	December 31, 2023 (RON)
J. CAPITAL AND RESERVES				
I. CAPITAL				
1. Subscribed paid capital	81	8	53.670.699	53.670.699
TOTAL	86		53.670.699	53.670.699
II. SHARE PREMIUM	87		97.248	97.248
III. REVALUATION RESERVE	88		137.188.462	118.748.660
IV. RESERVES				
1. Legal reserves	89		10.320.477	10.320.476
2. Statutory or contractual reserves	90		232.281	232.281
3. Other reserves	91		10.953.439	20.763.014
TOTAL:	92		21.506.197	31.315.771
Losses related to equitycapital instruments	95		(578.989)	(578.989)
VI. PROFIT OR LOSS CARRIED FORWARD				
Balance C	96		-	-
Balance D	97		24.058.041	7.931.631
VII. PROFIT OF LOSS FOR THE FISCAL YEAR PERTAINING TO THE MOTHER COMPANY				
Balance C	98		28.375.296	-
Balance D	99		-	63.973.324
Profit distribution	100		1.765.974	-
EQUITY CAPITAL shareholders to the mother-company	101		214.434.898	131.348.434
VIII. NON-CONTROLLING INTEREST				
1. Profit/(Loss) of the fiscal year related to the non-controlling interests	104		(231.383)	(208.341)
2. Other equity	105		3.025.776	2.789.535
TOTAL	106		2.794.393	2.581.194
TOTAL EQUITY CAPITAL	107		217.229.291	133.929.628

Approved and signed on behalf of the Board of Directors on 14.03.2024 by:

ADMINISTRATOR,
Name and surname Visan George - Gabriel
Signature _____

DRAFTED,
Name and surname Zamfir Mihaela
As Financial Director
Signature _____
Registration No. in professional body _____
Stamp of the institution _____

ARGUS SA GROUP
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2022 (RON)	December 31, 2023 (RON)
1. Net turnover	1	9.1	368.257.463	249.199.595
Sold production	3		371.723.016	250.035.903
Revenue from the sale of goods	4		1.504.781	1.752.610
Trade discounts granted	5		5.424.896	2.880.350
Revenue from operating grants related to turnover	6		454.562	291.432
2. Revenue related to the cost of work in progress				
Balance C	7		16.686.101	-
Balance D	8		-	44.281.043
4. Income from tangible assets reevaluation	10		153.480	-
6. Revenue from operating grants	12		1.354.635	1.657.856
7. Other operating revenue	13		1.931.844	182.959
-of which, income from investments subsidies	15		168	168
OPERATING INCOME – TOTAL	16		388.383.523	206.759.367
8. a) Expenses with raw materials and consumables	17		284.192.009	215.862.553
Other material expenses	18		519.221	374.055
b) Other external expenses (with energy and water)	19		11.935.779	11.438.237
Expenses with energy	20		8.899.769	7.661.462
Expenses with gas	21		1.879.001	2.201.351
c) Expenses regarding goods	22		938.749	184.813
Commercial discounts received	23		901	1.988
9. Personnel expenses, of which:	24		18.105.678	22.869.485
a) Salaries and allowances	25		17.156.277	21.898.018
b) Social security contributions	26		949.401	971.467
10. a) Value adjustments for tangible and intangible assets	27	2a),b)	10.601.771	11.403.487
a.1) Operating expenses related to depreciation of fixed assets	28		10.601.771	11.403.487
10. b) Value adjustments of current assets	31		180.720	2.619.640
b.1) Expenses	32		3.130.486	6.437.070
b.2) Revenue	33		2.949.766	3.817.430
11. Other operating expenses	34		18.774.578	19.879.731
11.1 Expenditure on external services	35		13.400.538	14.967.469
11.2 Expenses with royalties, management locations and rents, of which:	36		989.237	394.319
- Rent costs	39		989.237	394.319
11.6 Other taxes, fees and similar liabilities	46		1.248.805	1.051.383
11.7 Environmental protection expenditure	47		1.426	448
11.8 Reevalatuaion of tangible assets expenses	48		117.694	-
11.10 Other expenses	50		3.016.878	3.466.112
12. Adjustments for provisions	51		5.233.095	(4.608.728)
Expenses	52		7.399.821	2.005.104
Revenue	53		2.166.726	6.613.832

Notes form an integral part of the financial statements.

ARGUS SA GROUP
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

All amounts are expressed in ron, unless otherwise specified

	Ro w	Note	December 31, 2022 (RON)	December 31, 2023 (RON)
OPERATING EXPENSES – TOTAL	54		350.480.699	280.021.285
OPERATING PROFIT OR LOSS				
- Profit	55		37.902.824	
-Loss	56			73.261.918
13. Income from participation interests	57		-	-
14. Interest income	59		741.138	525.693
16. Other financial income	62		7.349.641	24.960.058
FINANCIAL INCOME – TOTAL	64		8.090.779	25.485.751
17. Value adjustments of financial assets and investments held as current assets	65		-	-
-Expenses	66		-	-
- Revenue	67		-	-
18. Interest expenses	68		6.821.935	5.832.686
19. Other financial expenses	70		7.443.371	10.549.944
FINANCIAL EXPENSES – TOTAL	71		14.265.306	16.382.630
FINANCIAL PROFIT OR LOSS				
- Profit	72		-	9.103.120
- Loss	73		6.174.527	-
TOTAL INCOME	74		396.474.302	232.245.118
TOTAL EXPENDITURE	75		364.746.005	296.403.915
GROSS PROFIT OR LOSS				
- Profit	76		31.728.297	
-Loss	77		-	64.158.797
20. Income taxes	78	12 d)	3.481.504	-
24. Other taxes not shown at the above items	82	12	102.880	22.868
NET PROFIT OR LOSS OF THE REPORTING PERIOD related to the integrated entities				
- Profit	84		28.143.913	-
-Loss	85		-	64.181.665
NET PROFIT OR LOSS OF THE REPORTING PERIOD – TOTAL, of the			28.143.913	(64.181.665)
- Mother company	86		28.375.296	(63.973.324)
- Non-controlling interest	87		(231.383)	(208.341)

Approved and signed on behalf of the Board of Directors on 14.03.2024 by:

ADMINISTRATOR,
Name and surname Visan George - Gabriel
Signature _____

DRAFTED,
Name and surname Zamfir Mihaela
As Financial Director
Signature _____
Registration No. in professional body _____

Stamp of the institution

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023
All amounts are expressed in ron, unless otherwise specified

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

(all amounts are expressed in RON, unless otherwise specified)

Denumirea elementului	Balance at January 1, 2023	Total Increases, of which:	Through Transfer	Total Decreases, of which:	Reductions following the elimination of Aliment Murfatlar SRL from consolidation	Through Transfer	Balance at December 31, 2023
Subscribed capital (note 9)	53.670.699	-	-	-	-	-	53.670.699
Share premium	97.248	-	-	-	-	-	97.248
Revaluation reserves	137.188.462	-	-	18.439.802	18.136.624	303.178	118.748.660
Legal reserves	10.320.476	-	-	-	-	-	10.320.476
Reserves representing the revaluation surplus	4.350.866	303.178	303.178	2.818.143	303.178	-	1.835.901
Other reserves	11.185.720	10.861.003	10.861.003	1.051.428	(1.547.777)	-	20.995.295
Losses related to equity instruments	(578.989)	-	-	-	-	-	(578.989)
Reported result representing retained earnings or uncovered loss	(20.349.123)	16.100.999	16.100.999	2.820.458	(4.297.335)	5.813.355	(7.068.582)
The result carried forward from the adoption for the first time of IAS, less IAS 29	(82.110)	82.110	82.110	-	-	-	-
The result carried forward from the transition to the application of accounting Regulations in accordance with the EEC IV Directive	(1.939.680)	1.939.680	1.939.680	-	-	-	-
Profit or loss for the financial year	28.375.296	7.051.147	5.813.356	99.399.767	-	34.188.652	(63.973.324)
Allocation of profit	(1.765.974)	1.765.974	1.765.974	-	-	-	-
Retained earning- correction of fundamental errors	(6.037.993)	3.438.885	3.438.885	99.842	-	-	(2.698.950)
Non-controlling interest	2.794.393	-	-	213.199	-	-	2.581.194
Total Equity	217.229.291	41.542.976	40.305.185	124.842.639	12.594.690	40.305.185	133.929.628

ADMINISTRATOR,
Name and surname Visan George - Gabriel
Signature _____

DRAFTED,
Name and surname Zamfir Mihaela
As Financial Director
Signature _____
Registration No. in professional body

Stamp of the institution

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023
All amounts are expressed in ron, unless otherwise specified

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

(all amounts are expressed in RON, unless otherwise specified)

Denumirea elementului	Balance at January 1, 2022	Total Increases, of which:	Through Tranfer	Total Decreases, of which:	Through Transfer	Balance at December 31, 2022
Subscribed capital (note 9)	53.670.699	-	-	-	-	53.670.699
Share premium	97.248	-	-	-	-	97.248
Revaluation reserves	132.870.587	20.371.037	-	16.053.162	569.611	137.188.462
Legal reserves	8.554.503	1.765.973	-	-	-	10.320.476
Reserves representing the revaluation surplus	2.893.934	1.456.932	569.611	-	-	4.350.866
Other reserves	9.892.837	2.326.939	2.299.947	1.034.056	-	11.185.720
Losses related to equity instruments	(578.989)	-	-	-	-	(578.989)
Reported result representing retained earnings or uncovered loss	(20.308.746)	13.865.214	1.580.242	13.905.591	3.864.828	(20.349.123)
The result carried forward from the adoption for the first time of IAS, less IAS 29	(82.110)	-	-	-	-	(82.110)
The result carried forward from the transition to the application of accounting Regulations in accordance with the EEC IV Directive	(1.939.680)	-	-	-	-	(1.939.680)
Profit or loss for the financial year	(895.431)	38.566.579	3.864.828	9.295.852	4.003.452	28.375.296
Allocation of profit	(123.263)	123.263	123.263	1.765.974	-	(1.765.974)
Retained earning- correction of fundamental errors	(3.438.885)	-	-	2.599.108	-	(6.037.993)
Non-controlling interest	19.224.382	-	-	16.429.989	-	2.794.393
Total Equity	199.837.086	78.475.937	8.437.891	61.083.732	8.437.891	217.229.291

ADMINISTRATOR,
Name and surname Visan George - Gabriel
Signature _____

DRAFTED,
Name and surname Zamfir Mihaela
As Financial Director
Signature _____
Registration No. in professional body

Stamp of the institution

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

REPORTING ENTITY

These consolidated financial statements were prepared by Argus SA (the "Company") in accordance with the provisions of OMF 1802/2014, by consolidating the entities within the Argus group (the "Group") for the 12-month financial year ended on 31.12.2023.

The entities that fall within the scope of consolidation are the following:

Company Name	Nature of the relationship	Address	Registration number	Trade Registry No.	Percentage held at 31.12.2022	Percentage held at 31.12.2023
Argus SA	Parent company	Str. Industriala nr. 1, Constanta	1872644	J13/550/1991	-	-
Aliment Murfatlar SRL	Group entity	Bd. I.C. Bratianu nr. 176	1897770	J13/3409/1991	100%	-
Argus Trans SRL	Group entity	Str. Industriala nr. 1, Constanta	15603131	J13/2203/2003	100%	100%
Comcereal SA Tulcea	Group entity	Str. Isaccai nr. 73, et. 3, Tulcea	8392201	J36/165/1996	95,36 %	95,36 %
Cereal Prest SRL	Subsidiary of Comcereal SA	Str. Isaccai nr. 73, et. 3, Tulcea	19056894	J36/475/2006	100% by Comcereal SA	100% by Comcereal SA

On June 30, 2023, the parent company sold to a package of 4,330 shares representing 86.10% of the share capital of Aliment Murfatlar SRL, the total value of the transaction being RON 23.676.440. In 2023, the parent company received dividends from aliment Murfatlar SRL in the amount of RON 8.089.838. In the profit and loss account the sale of the subsidiary Aliment Murfatlar SRL is presented on the lines "Other financial income" and "Other financial expenses", the net amount being RON 14.506.835. Taking into account the dividends granted by Aliment Murfatlar in the financial year 2023 to the parent company, the gain following the sale of the subsidiary Aliment Murfatlar SRL at the level of the Argus group is RON 6.416.997.

The main accounting policies adopted in preparing these consolidated financial statements are presented below.

1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS

A Basis of preparation of the financial statements

(1) General information

These consolidated financial statements have been prepared in accordance with:

- (i) Accounting Law 82/1991 republished in June 2008 („Law 82”)
- (ii) Accounting regulations compliant with European directives approved by the Minister of Public Finance of Romania Order 1802/2014 as amended („OMF 1802”).

These regulations transpose partially the provisions of Directive 2013/34/ EU of the European Parliament and Council on the annual financial statements, consolidated financial statements and related reports of certain types of companies amending Directive 2006/43/ EC of the European Parliament and Council and repealing Directives 78/660/EEC and 83/349/EEC, published in the official Journal of the European Union no. L 182 of 29 June 2013 .

These financial statements have been drawn up based on the historical cost convention, with the exceptions set out below in the accounting policies.

(2) Use of estimates

Preparation of financial statements in accordance with OMF 1802 requires management to make estimates and assumptions that affect the reported values of assets and liabilities. Although these estimates are made by management based on the best available informations at the date of the financial statements, actual results may differ from these estimates.

(3) Business Continuity

These financial statements have been drawn up based on the principle of continuity of the activity which implies that the companies within a Group will continue their activity in the foreseeable future. To evaluate the applicability of this presumptive, leadership examines estimates related to the future cash inflows.

Notes forman integral part of the financial statements.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)

Based on these analyses, the management believes that the companies will be able to continue their activity in the foreseeable future and therefore is justified to apply the principle of continuity in preparing the financial statement.

(4) Currency for presentation of the financial statements

Accounting is kept in Romanian language and in the national currency. Items included in these financial statements are presented in Romanian currency "RON".

B Conversion of foreign currency transactions

The company's transactions in foreign currency are recorded at the exchange rates communicated by the National Bank of Romania ("NBR") for the date of the transactions. At the end of each month, the balances in foreign currency are converted into "RON" at the conversion rates communicated by the National Bank of Romania on the last banking day of the month. Gains and losses resulting from the settlement of transactions in a foreign currency and from the conversion of monetary assets and debts denominated in foreign currencies are recognised in the profit and loss account, within the framework of the financial results.

C Group accounting

(1) Subsidiaries

Subsidiaries are those entities in which the Group holds more than half of the voting rights or has otherwise power to govern the financial and operating policies. In order to assess whether the Group controls or not another entity are taken into account the existence and effect of potential voting rights that can be exercised or can be converted. Subsidiaries are consolidated from the date on which control over them was transferred to the Group and are no longer consolidated from the date on which control ceases.

The acquisition of a subsidiary is registered base on the acquisition method. The cost of an acquisition is measured at the fair value of the asset given, shares issued or liabilities recorded or taken at the date of acquisition plus costs directly attributable to the acquisition.

The assets and liabilities acquired and the contingent liabilities taken over in a business combination are considered at their book value at the acquisition date, irrespective of the share of non-controlling interests.

The difference between the acquisition cost and the accounting value of the net assets acquired by Comcereal Tulcea and Aliment Murfatlar was recorded as a goodwill (see note 6 D relating to goodwill policy). Given that Argus Trans subsidiary was created by the Company, there was no need to record goodwill for this subsidiary. Also, because the Cereal Prest subsidiary was created by the Comcereal Tulcea, there was no need to register goodwill for this subsidiary.

Removal of balances and transactions between Group companies

For the acquisition method, transactions between Group companies, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated only if the transaction provides indications of impairment of the transferred asset.

Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Subsidiary Company's share; unrealised losses are eliminated in a similar way except in cases where there are indications of impairment of the asset traded.

(2) Jointly controlled entities

Jointly controlled entities are those entities in which a company from the Group has the power to govern financial and operating policies together with one or more entities not included in the consolidation. Jointly controlled entities are included in consolidated annual financial statements, consolidation being carried out by the global method.

(3) Equity titles

Equity titles are titles held in entities in which the Group holds significant weight but does not exercise

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)

control (associate). Significant weight is determined by holding, directly or indirectly, by the Company of a percentage between 20% and 50% of the voting rights.

Titles in associated companies are accounted for using the equity method. Therefore, the Company's profit or loss from post-purchase is recognised in the profit and loss account, and the post acquisition reserves variations of the associated companies are recognized in reserves. The cost of the investment is adjusted with the Company's share of cumulative post-acquisition reserve changes.

As described in Note 2 c), from December 31,2011 the Company has accounted for the investment in the Rex Agra SRL using the equity method and from September 1,2012, as a result of acquiring the power to govern the financial and operating policies, this investment was consolidated by the global consolidation method.

Unrealised gains from transactions between the Company and its associated undertakings are eliminated up to the limit of the shareholding of the Company in these entities; unrealized losses are also eliminated, except where there is evidence of impairment of the transferred asset.

D Intangible assets

(1) Cost/valuation

Goodwill

Goodwill represents the difference between the cost of an acquisition and the book value of the net assets held by the Company in subsidiary/associated undertaking acquired, at the acquisition date.

Other intangible assets

Licenses and other intangible assets are recognized at the acquisition cost. Intangible assets are not revalued.

(2) Depreciation

Goodwill

Goodwill is amortized on the basis of the linear method, over a useful life not exceeding 5 years.

Other intangible assets

Licenses and other intangible assets are amortized using the straight-line method over their useful life, but not more than 3 years.

E. Tangible assets

(1) Cost/valuation

Tangible assets are originally valued at acquisition cost and then subjected to periodically re-evaluation, as follows:

On December 31, 2022 land and buildings were revalued by an independent external valuer under OMF 1802, which provides that the revaluation of property, plant and equipment shall be carried out at fair value determined on the basis of valuations typically carried out by qualified valuation professionals.

If a fully depreciated fixed tangible asset can still be used, a new amount and a new economic useful life corresponding to the period expected to continue to be used shall be determined at the time of its revaluation.

Maintenance and repairs of property, plant and equipment are booked when they occur, and significant improvements to property, plant and equipment that increase their value or lifespan, or significantly increase their ability to generate economic benefits, are capitalised.

The revaluation surplus was credited to the revaluation reserve account under equity. The recording of revaluation reserves was made on a net worth basis, as the difference between the amount in the revaluation report and the net carrying amount at the valuation date.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)

(2) Depreciation

Depreciation is calculated at entry value, using the straight- line method over the estimated useful life of the assets as follows:

<u>Assets</u>	<u>Years</u>
Constructions	20 - 50
Equipment and machinery	6 - 14
Other installations, equipment and furniture	3 - 15

Depreciation is calculated from the month following commissioning and until full recovery of their input. Land is not depreciated as it is deemed to have an indefinite life.

(3) Sale/scraping tangible assets

Tangible assets which are scrapped or sold are removed from the balance sheet together with the accumulated depreciation. Any profit or loss resulted as difference between the revenue generated by removing from the register and its undepreciated value, including expenditure incurred on such operation, is included in the profit and loss account in "Other operating revenue" or "Other operating expenses". When the Group recognizes in the accounting value of the tangible assets (in general those constituted in installations) the cost of a partial replacement (replacing a component), the accounting value of the replaced section with corresponding depreciation, is removed from the register.

(4) Borrowing costs

Interest expenses related to all loans are put on expenses when they are carried out.

F. Impairment of assets

Tangible and other long term assets shall be reviewed for the identification of the loss of impairment whenever events or changes in the circumstances indicate that the accounting value can no longer be recovered. An impairment loss is the difference between the accounting value and inventory value.

G. Financial assets

Financial assets include shares in affiliated entities, loans granted to affiliated entities, interest of participation, loans to entities with which the company is linked by virtue of participating interest and other investments held as fixed assets.

Titles in associated companies are accounted for using the equity method as described in Note 1 C (3).

Other financial assets are recognized in the balance sheet at the cost of acquisition or at the amount determined in the acquisition contract. Purchase costs also include transaction costs. Financial assets are assessed subsequently at the input value less the adjustments cumulated loss of value.

H. Inventories

Inventories are recorded at the lowest value between the cost and the net realizable value. Cost is generally determined based on the weighted average cost method and monthly calculated after each reception. The cost of finished good and work in progress goods include materials, labor and indirect related cost of production.

When necessary, provisions are made for slow-moving inventories that are worn out physically or morally. Net realizable value is estimated based on selling price reduced by the cost of completion and selling expenses.

I. Trade receivables

Trade receivables are recorded at the invoice value less impairment provision of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)

J. Short-term financial investments

These include short-term deposits at banks and other short-bank investments with high liquidity and treasury bills.

K. Cash and cash equivalents

Cash and cash equivalents are shown in the balance sheet at cost.

L. Share capital

Joint stocks are classified in the capital and reserves. Expenditure relating to the issued of equity instruments are reflected directly in capital and reserves in the losses related to equity instruments.

The amount paid to repurchase the company's shares will decrease equity. When these shares are subsequently re-issued, the amount received (net of transaction costs) is recognised in equity.

M. Dividends

Dividends are recognised in equity in the period in which they are declared.

N. Loans

Short and long term loans are initially recorded at the amount received.

The short-term portion of long-term loans is classified as "debts: amounts to be paid over a period of up to one year" and included in the "Amounts owed to credit institutions" under current liabilities.

O. Leasing contracts in which the Group is the lessee

(1) Finance lease

Leasing contracts for tangible assets in which the Group shall bear all risk and benefits of the property are to be classified as financial leasing. Finance leases are capitalized at the estimated present value of the payments. Each payment is divided between the capital and interest in order to obtain a constant interest rate for the duration of the refund. The amount due are included in the short or long term debt. The element of interest is passed in the profit and loss account for the duration of the contracts. Assets held under finance leases are capitalised and amortised over their useful life.

(2) Operating leases

Leases in which a significant portion of the risks and benefits associated with property are retained by lessor, are classified as operating leases. Payments made under such contract (net of any facilities granted by the locator) are recognized in the profit and loss accounts on a straight-line basis over the duration of the contract.

P. Commercial debts

Commercial debts are recorded at the amount to be paid for goods and services received.

Q. Provisions

The provision for decommissioning, restructuring, litigation, as well as other provisions for risk and expenses are recognized at the time when the Group has a legal obligation generated by an earlier event, when for the settlement of the obligation is likely to be an output of resources and it can be made a reliable estimate in terms of the amount of the obligation.

Provisions for taxed are constructed for obligations as deferred tax, based on the Company's management estimates.

R. Employee benefits

Pensions and other benefits after retirement

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)

In the normal course of activity, the Group makes payments to pension, health and unemployment funds on behalf of its employees at statutory rates. All employees of the Group are members of the pension plan of the Romanian state. These cost can be found in the profit and loss account together with the related salary.

According to the employment agreement in effect at the balance sheet date, the Group is obliged to pay upon retirement of Company and Comcereal SA employees, equivalent to 1-2 monthly gross wages. These obligations of the company are applicable to the employees which will retire during the period of the collective employment agreement. The company considered that these expenses are not significant enough to record a provision related to these obligations.

S. Grants

(1) Grants related to assets

Grants received for acquisition of assets such as tangible assets are recorded as investment grants in the balance sheet and recognised in the profit and loss account as depreciation expenses, scrapping or disposal of assets acquired from the grant.

(2) Grants for revenue

Revenue grants are presented as income in the income statement for the period corresponding to the expenses that these grants are to offset.

T. Taxation

Income tax

The Group recorded current income tax based on the taxable profit of the fiscal statements of the individual consolidated companies, in accordance with the legislation of the relevant tax.

U. Revenue recognition

Incomes relate to the sold goods and provided services.

Revenue from sales of goods are recognized at the time at which the Group has transferred to the buyer the main risks and benefits associated with the ownership of the goods.

Related services revenues are recognized on the basis of services rendered up to the date of balance sheet.

Revenues from royalties are recognized on the basis of accounting principles in accordance with economic contracts.

Interest income is recognized periodically and proportionally as the income in question is generated on an accrual basis.

Dividends are recognized as income when legal right to receive such amounts is established.

In these financial statements, the income and expenses are presented at the gross amount. In the balance sheet, liabilities and receivables from the same partners are presented at net value when there is a right to compensation.

V. Turnover

Turnover represents amounts invoiced and being invoiced for goods delivered and services rendered to third parties, net of VAT and rebates, with the exception of commercial discounts and volume bonuses granted to special customers, that are invoiced by them and listed in "Other operating expenses".

W. Operating expenses

Operating expenses are recognized in the period to which they relate.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

2. FIXED ASSETS

a) Intangible assets

	Licenses and other intangible assets
	(RON)
Gross value	
Balance at January 01, 2023	427.295
Increases	7.310
Disposals, transfers and other discounts	90.811
Balance at December 31, 2023	343.794
Cumulative depreciation	
Balance at January 01, 2023	412.805
Depreciation recorded during the year	7.736
Discounts or reversals	90.764
Balance at December 31, 2023	329.777
Net book value at January 01, 2023	14.490
Net book value at December 31, 2023	14.017

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023
All amounts are expressed in ron, unless otherwise specified

2. FIXED ASSETS (CONTINUED)

b) Tangible assets

	Land	Constructions	Real estate investments	Equipment and machinery	Other installations, equipment and furniture	Advances and tangible assets in progress	Total
	(RON)	(RON)	(RON)	(RON)	(RON)	(RON)	(RON)
Gross value							
Balance at January 01, 2023	62.457.273	78.196.779	10.105.356	70.683.763	1.196.905	394.366	223.034.442
Increases	-	14.949	-	909.237	84.383	304.971	1,313,540
- Increases from transfers	-	7.534	-	577.928	-	-	585.462
Disposal, transfers and other discounts	18.689.815	712.785	10.105.356	304.781	425.721	609.377	30.847.835
Disposals through transfers	-	38,843	-	=	-	546.619	585.462
Revaluation differences	-	-	-	=	-	-	=
Balance at December 31, 2023	43.767.458	77.498.943	-	71.288.219	855.567	89.960	193.500.147
Accumulated amortization and provisions							
Balance at January 01, 2023	-	-	-	61.999.630	845.919	-	62.845.549
Depreciation recorded during the year	-	8.698.384	-	2.309.099	70.748	-	11.078.231
Reductions or reversals	-	-	-	304.780	<u>425.722</u>	-	<u>730.502</u>
Reduction from revaluation	-	-	-	-	=	-	-
Balance at December 31, 2023	-	8.698.384	-	64.003.949	490.945	-	73.193.278
Net book value at January 01, 2023	62.457.273	78.196.779	10.105.356	8.684.133	350.987	394.366	160.188.894
Net book value at December 31, 2023	43.767.458	68.800.560	-	7.284.270	364.621	89.960	120.306.869

Notes form an integral part of the financial statements.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

2. FIXED ASSETS (CONTINUED)
b) Tangible assets (continued)

Revaluation of tangible assets

Lands and constructions

The last revaluation of land and construction took place on December 31, 2022. Those were revalued by Neoconsult Valuation S.R.L. - evaluator and ANEVAR corporate member, holding Authorization no. 0377/ 2021. The revaluation surplus was credited to the revaluation reserve account under equity. The recording of revaluation returns was made on a net worth basis, as the difference between the amount in the revaluation report and the net carrying amount at the date of measurement.

When valuing property, plant and equipment, the following methods were applied:

- Direct comparison method for estimating the market value of land;
- Income approach for estimating the market value of the property (land and buildings);
- Cost approach to estimating the market value of the property (land and construction).

Changes from revaluation reserve during the financial year are as follows:

	2022	2023
	(RON)	(RON)
Revaluation reserve at the beginning of the financial year	132.870.588	137.188.462
Amounts transferred to the revaluation reserve (*)	20.040.947	-
Amounts transferred from the revaluation reserve to reserves representing surplus from revaluation reserves	15.723.073	
Other outputs	-	18.439.802
Revaluation reserve at the end of financial year	137.188.462	118.748.660

Treatment for tax purposes of the revaluation reserve

According to tax legislation in Romania, until May 1, 2009 revaluation reserves of tangible assets became taxable only when the destination was changed. Following the amendment of the tax code, as of May 1, 2009 revaluation reserves of fixed assets made after January 1, 2004, which are deducted from taxable income through depreciation or expenditure on assets transferred and/or scrapped, shall be taxed simultaneously with the deduction of tax depreciation at the moment of the decrease in management of these assets.

Pledged and restricted tangible assets

The Group has guaranteed bank loans with tangible assets with a net book of RON 21.109.791 (December 31, 2022: RON 25.768.699) related to the Argus SA. On December 31, 2023 and December 31, 2022, respectively, the branches had no bank loans.

Fully depreciated tangible assets

At December 31, 2023 the cost for fully depreciated tangible assets was RON 37.550.601 (December 31, 2022: RON 26.790.850).

c) Financial assets

On December 31, 2023, the Company held titles in the form of participation interests in Eco-Rom Ambalaje SA and Aliment Murfatlar SRL, an unlisted company.

Company	Object of activity	December 31, 2022		December 31, 2023	
		Percentage held	Cost	Percentage held	Cost
		(%)	(lei)	(%)	(lei)
ECO-ROM Ambalaje SA București	Services regarding the recovery of packaging waste	8,33	33.584	8,33	33.584
Aliment Murfatlar SRL	Renting and subletting of own or leased real estate	-	-	13,99	1.375.621

The company has not assumed any obligations or made any payments on behalf of the companies in which it holds securities in the form of participating interests.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

3. INVENTORIES

	December 31, 2022	December 31, 2023
	(RON)	(RON)
Raw materials and consumables	114.346.428	54.725.664
Production in the course of execution	50.637.303	11.983.663
Finished goods and merchandise	16.632.360	7.134.298
Price difference in finished products	(3.865.132)	(646.381)
Advances	162.795	106.546
TOTAL	177.913.754	73.303.790

Raw materials, semi-finished products and finished products that belongs to Argus SA, parent company (sunflower, crude oil, refined oil, bottled oil, fatty acids, sunflower meal) are part of the mortgage established in favor of Transilvania bank, in force until the full fulfillment of the resulting obligations from the loan contract contracted by Argus SA in 2023 for the purchase of raw materials.

On 31.12.2023, the Group registered provisions for the depreciation of crude oil inventories related to Argus SA, for a quantity of 300 tons of oil deposited in the form of residues/poorly concentrated fatty acids that are to be recovered, in the total amount of RON 668.520. Also, a provision of 1,156,558 lei was established for depreciation of raw material stocks related to Argus SA.

4. RECEIVABLES

Receivables	Balance at December 31, 2022 (lei)	Liquidity	
		under 1 year (lei)	over 1 year (lei)
	1=2+3	2	3
Trade receivables	24.665.856	24.665.856	-
Provisions for the impairment of receivables	(10.591.205)	(10.591.205)	-
Advances	1.785.094	1.785.094	-
Corporate tax	436.873	436.873	-
VAT	132.160	132.160	-
Debtors and other receivables	5.752.335	5.752.335	-
Provisions for the impairment of other receivables	(4.517.722)	(4.517.722)	-
Other immobilized receivables	14.006	2.719	11.287
Total	17.677.397	17.666.110	11.287

Receivables	Balance at December 31, 2023 (lei)	Liquidity	
		under 1 year (lei)	peste 1 an (lei)
	1=2+3	2	3
Trade receivables	29.571.732	27.852.941	1.718.791
Provisions for the impairment of receivables	(7.303.978)	(5.551.426)	(1.752.552)
Advances	42.484	42.484	-
Corporate tax	381.483	381.483	-
VAT	36.469	36.469	-
Debtors and other receivables	4.751.249	1.422.004	3.329.245
Provisions for the impairment of other receivables	(4.602.414)	(1.273.169)	(3.329.245)
Other immobilized receivables	14.104	2.719	11.385
Total	22.891.129	22.913.505	(22.376)

Amounts receivable from related parties are disclosed in Note 12 i).

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

5. CASH AND BANK ACCOUNTS

	December 31, 2022	December 31, 2023
	(RON)	(RON)
Cash:		
- RON	10.479	20.184
- foreign currency	-	-
Current banks accounts:		
- RON	15.692.012	7.064.587
- foreign currency	21.860.418	150.481
Total current accounts	32.452.429	7.215.068
Other values	-	-
Total	37.562.908	7.235.252

6. DEBTS

Debts	Balance at	Maturities		
	December 31,	Under 1	1 - 5	Over 5
	2022 (lei)	year	years	years
	1=2+3+4	2	3	4
Amounts owed to credit institutions	159.080.652	157.921.978	1.053.340	105.334
Advances collected for orders	183.990	183.990	-	-
Commercial debts - suppliers	5.569.680	5.569.680	-	-
Trade debts, unreceived invoices	1.373.198	1.373.198	-	-
Debts to employees	850.712	850.397	315	-
Debts relating to taxes, duties and wage contributions	769.982	769.982	-	-
Other liabilities, including tax payable and debts relating to social security	961.225	886.166	75.059	-
Total	168.789.439	167.555.391	1.128.714	105.334

Debts	Balance at	Maturities		
	December 31,	Under 1	1 - 5 ani	Under 1
	2023 (lei)	year	years	year
	1=2+3+4	2	3	4
Amounts owed to credit institutions	81.135.482	80.466.629	668.853	-
Advances collected for orders	148.106	148.106	-	-
Commercial debts - suppliers	3.865.860	3.865.860	-	-
Trade debts, unreceived invoices	869.075	869.075	-	-
Debts to employees	797.388	797.388	-	-
Debts relating to taxes, duties and wage contributions	1.024.713	1.024.713	-	-
Other liabilities, including tax payable and debts relating to social security	724.386	684.217	40.169	-
Total	88.565.010	87.855.988	709.022	-

Amounts payable to related parties are disclosed in Note 12 i).

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

6. DEBTS (CONTINUED)

6.1 AMOUNTS OWED TO CREDIT INSTITUTIONS

	December 31, 2022	December 31, 2023
	(RON)	(RON)
The current portion		
Short-term loans	157.921.978	80.245.258
The current portion of long-term loans	-	221.371
The long-term portion		
Long- term loans	1.158.674	668.853
Total loans	159.080.652	81.135.482

Lender	Currency	Maturity	December 31, 2022	December 31, 2023
			(RON)	(RON)
Working capital loans				
Transilvania Bank	RON	28.08.2023	152.921.978	-
Transilvania Bank	RON	27.08.2024	-	65.951.289
Credit line for working capital and letters of guarantee				
BRD	RON	24.06.2025	5.000.000	4.500.000
BRD	RON	16.12.2025	-	4.552.156
Credit line for working capital				
Transilvania Bank	RON	05.08.2024	-	5.241.813
			157.921.978	80.245.258

The parent company had several credit facilities at its disposal on 31 December 2023 and 31 December 2022 as follows:

- For the purchase of raw material - sunflower seeds, Argus SA contracted a loan with a limit of RON 150 million (ROBOR 1m + 1%). The contract was signed on August 7, 2023 with the final maturity as at August 27, 2024. As at December 31, 2023 the payment amount was 65,951,289 lei (2022: 152,921,978 lei);
- Credit line for working capital (revolving) in the amount of RON 7,250,000 (ROBOR 1M + 1%), with the period of use until 04.08.2024. As of December 31, 2023, the loan amount is RON 5,241,813.
- A credit line for working capital (revolving) through the Rural Invest program at BRD – Groupe Societe Generale in the amount of 5,000,000 lei with subsidized interest from the state budget for a period of 24 months, signed on July 27, 2022.
- A credit line for working capital (revolving) through the Rural Invest program at BRD – Groupe Societe Generale in the amount of 5,000,000 lei with subsidized interest from the state budget for a period of 12 months, signed on December 29, 2022.
- A contract for investments through the Rular Invest program at BRD – Groupe Societe Generale with a maximum value of the facility of 3,132,000 lei, subsidized interest from the state budget for a period of 24 months from the first use, signed on July 27, 2022. As of December 31, 2023 the outstanding amount due was 890,224 lei

6.2 Pledged assets

Group loans are secured by mortgages on fixed assets presented in Note 2 b).

Unused loan facilities

On December 31, 2023 the company has the following credit facilities contracted and unused:

Bank	Currency	Approved amount in loan currency	Unused amount in loan currency	Unused amount in RON
Transilvania Bank	RON	7,250,000	2.008.187	2.008.187
BRD - for working capital	RON	10.000.000	947.844	947.844
Total		17.250.000	2.956.031	2.956.031

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

7. PROVISIONS

Provision	Balance at	Transfers		Balance at
	January 1, 2023	into account	from account	Decembre 31, 2023
	(RON)	(RON)	(RON)	(RON)
	1	2	3	4=1+2-3
Provisions for employee benefits	5.255.110	2.005.104	5.779.437	1.480.777
Provisions for taxes	12.712	-	1.618	11.094
Provisions for disputes	832.777	-	832.777	-
Provisions for the decommissioning of tangible assets and other similar actions related to them	922.700	-	-	922.700
Total	7.023.299	2.005.104	6.613.832	2.414.571

On 31.12.2023, the Group had registered provisions in the amount of RON 7.023.299, as follows: RON 1.480.777 representing amounts owed to employees, administrators and executive management for unpaid annual leave, retirement benefits; 922.700 lei for the company's expenses regarding the decommissioning of a technological waste landfill; 11.094 lei provision for taxes.

8. EQUITY

a) Share capital

The value of the authorized share capital on December 31, 2023 and December 31, 2022 is RON 53.670.699 representing 35.780.466 shares. All the shares are common, were subscribed and integrally paid on December 31, 2023. All the shares have the same right to vote and have a nominal value of 1,5 RON/share.

B) Structure of the shareholding

The structure of the shareholding on December 31, 2022 is as following:

	Number of shares	Total nominal value (RON)	Percentage owned (%)
Legal persons, from which:	32.749.639	49.124.459	91,53
Infinity Capital Investments S.A.	30.920.056	46.380.084	86,42
Lion Capital SA	1.790.432	2.685.648	5,00
Other legal persons	<u>39.151</u>	<u>58.727</u>	0,11
Natural persons	3.030.827	4.546.241	8,47
Total	35.780.466	53.670.699	100

On December 31, 2023 the structure of the shareholding was as following:

	Number of shares	Total nominal value (RON)	Percentage owned (%)
Legal persons, from which:	32.750.650	49.125.975	91,53
Infinity Capital Investments S.A.	32.710.488	49.065.732	91,42
Other legal entities	40.162	60.243	0,11
Individuals	3.029.816	4.544.724	8,47
Total	35.780.466	53.670.699	100,00

c) Distribution of result

In 2023, Argus SA recorded a loss of RON 52.631.160 (2022: profit RON 31.837.975). The branches of the Company recorded in 2022 the following results:

- Comcereal SA Tulcea recorded a loss of RON 4.072.328 (2022: loss of RON 4.440.388) to be recovered from future profits.
- Cereal Prest SRL recorded a loss of RON 417.775 (2022: profit of RON 546.305).

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023
All amounts are expressed in ron, unless otherwise specified

8. EQUITY (CONTINUED)

- Argus Trans SRL recorded a loss of RON 204.713 (2022: loss of RON 128.592), which was included in the reported result, following to be recovered from the future profits.

9. OPERATING RESULTS AND TURNOVER

a) Analysis of the result from the operating result

Name of indicator	December 31, 2022	December 31, 2023
1. Net turnover	368.257.462	249.199.595
2. Cost of goods and services performed (3+4)	307.102.508	300.624.324
3. Expenses of the basic activity	295.208.603	285.621.660
4. Expenses of the similar activities	11.893.905	15.002.664
6. Gross result related to net turnover (1-2)	61.154.954	(51.424.729)
7. Sales costs	7.891.380	5.573.328
8. General expenses of management	17.473.712	18.104.676
9. Other operating revenues	2.112.962	1.840.815
10. Operating result (6-7-8+9)	37.902.824	(73.261.918)

b) Turnover

	December 31, 2022	December 31, 2023
Sale of ended products	365.863.635	247.423.971
- on internal market	302.464.236	185.464.414
- on external market	63.399.399	61.959.557
Commercial discounts	(5.424.896)	(2.880.350)
Sales of goods	1.504.781	1.752.610
Sale of services	3.952.490	2.317.186
Sale of residual products	155.998	180.586
Others	2.205.455	405.593
TOTAL	368.257.463	249.199.596

10. OPERATING EXPENSES

Other operating expenses	Financial year ended December 31, 2022	Financial year ended December 31, 2023
Maintanance and repair expenses	868.847	639.795
Royalties and rental expenses	989.237	394.319
Insurance	303.433	384.155
Staff training expenses	-	1.795
Expenses with collaborators	266.796	240.642
Commissions and fees	114.260	100.909
Advertising and protocol expenses	50.938	102.632
Transport of goods and personnel	2.537.391	6.695.480
Travel expenses	25.246	66.652
Postal expenses and telecommunications charges	80.069	98.533
Bank fees	402.081	284.662
Other services provided by third parties	8.812.576	6.352.213
Total	14.450.872	15.361.787

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

11. INFORMATION ABOUT EMPLOYEES AND THE MEMBERS OF THE ADMINISTRATION AND MANAGEMENT

On December 31, 2023 the Board of Directors was :

- Vişan George-Gabriel – Chairman of the Board of Directors
- Vasile Carmen – administrator
- Stan Bogdan – administrator

On December 31, 2023, the executive management of the Company is exercised by:

- Radu Dorel as General Manager
- Zamfir Mihaela as Chief Financial Officer

a) Allowances granted to Board of Directors and management

	Financial year ended December 31, 2022	Financial year ended December 31, 2023
<i>Salaries and allowance expenses</i>		
Administrators	583.512	678.430
Directors	1.647.187	4.157.901
Total	2.230.699	4.836.331
	31 decembrie 2022	31 decembrie 2023
<i>Salaries and allowances to be paid at the end of the year :</i>		
Administrators	14.674	9.000
Directors	56.117	35.469
Total	70.791	44.469

b) Advances and loans granted to Board of Director and management

The company has not granted any loans or advances to members of the Board of Directors or management in the course of the financial year ended on December 31, 2023.

c) Employees

Average number of employees during the year was as follows:

	Financial year ended December 31, 2022	Financial year ended December 31, 2023
Administrators and directors	15	14
Administrativ personnel	42	43
Personnel in production	214	<u>234</u>
TOTAL	271	291
	Financial year ended December 31, 2022	Financial year ended December 31, 2023
Employee salaries expense (excluding directors and administrators)	15.874.979	18.033.154
	December 31, 2022	December 31, 2023
Salaries to be paid at the end of the year	590.950	695.878

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

12. ANALYSIS OF MAIN ECONOMIC AND FINANCIAL INDICATORS

1. Liquidity indicators

	December 31, 2022	December 31, 2023
a) Current liquidity		
$\frac{\text{Current assets}}{\text{Current liabilities}} =$	1,39	1,18
b) Immediate liquidity indicator		
$\frac{\text{Current assets} - \text{inventories}}{\text{Current liabilities}} =$	0,33	0,34

2. Risk indicators

	December 31, 2022	December 31, 2023
a) Indebtedness indicator		
$\frac{\text{Long-term loans}}{\text{Equity}} \times 100$	0,58 (%)	0,54 (%)

Where:

- Long term loans = loans over a year

	December 31, 2022	December 31, 2023
b) Interest coverage ratio		
$\frac{\text{Earnings before interests and taxes}}{\text{Interest Expenses}}$	5,65 (%)	-

3. Activity indicators (management indicators)

	December 31, 2022	December 31, 2023
a) Inventory turnover		
$\frac{\text{Sales cost}}{\text{Average age of inventory}} = \text{Number of times}$	2,54	1,98
b) Debit speed rotation -customers		
$\frac{\text{Average customer balance}}{\text{Turnover}} \times 365 =$	19,60 (zile)	27,95 (zile)
c) Rate movement of credits – suppliers		
$\frac{\text{Average supplier balance}}{\text{Purchase of goods (withour services)}} \times 365 =$	11,17 (zile)	9,85 (zile)
d) Rotation speed – tangible assets		
$\frac{\text{Turnover}}{\text{Tangible assets}} =$	2,30	2,07
e) Rate movement of total assets		
$\frac{\text{Turnover}}{\text{Total assets}} =$	0,94	1,11

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

12. ANALYSIS OF MAIN ECONOMIC AND FINANCIAL INDICATORS (CONTINUED)

4. Profitability indicators

The Group did not present these indicators as it recorded losses in the reporting period.

a)	Return on capital employed	Financial year ended December 31, 2022	Financial year ended December 31, 2023
		(%)	(%)
	Profit before the financial <u>result and tax profit</u> = Employed capital	0,18	-
b)	Gross margin from sales	Financial year ended December 31, 2022	Financial year ended December 31, 2023
		(%)	(%)
	<u>Gross Profit from sales</u> Turnover	10,29	-

13. OTHER INFORMATION

a) Informations regarding the presentation of the Group

The Group Argus SA includes Argus SA Company („Company”) and its branches, Argus Trans SRL, Aliment Murfatlar SRL, Comcereal SA Tulcea and Cereal Prest SRL (branch of Comcereal SA Tulcea), collectively named „Group”.

ARGUS SA

Argus SA Constanta was created as a joint stock company as Law 15/1990, based on HG 1353/1990, by taking over the assets of „Oil Company Constanta”, located in Industrial Street no. 1.

In 1990, the company was organised as joint stock company under the name ARGUS SA.

At August 31, 1994, the company became a private limited company in a proportion of 100%, in conformity with Law 58/1991.

The company operates in the production of oils and vegetable and animal fats, its main activity being the manufacturing and commercialization of crude and refined oils and fats, and also animal meal feeds.

Starting with November 15th 2002, the company was listed on the RASDAQ market and starting February 13, 2015 Argus is listed on ATS – AeRO, premium category.

ARGUS TRANS SRL

Argus Trans SRL was incorporated by Argus SA in 2003 and has as object of activity „Performances of transportation services”. On December 31, 2023 Argus SA held 100% from the share capital of Argus Trans SRL.

COMCEREAL SA - TULCEA

Comcereal SA Company became a branch of Argus SA in 2000 and is rated on RASDAQ market. On December 31, 2023 Argus SA held 95,36% from the share capital of Comcereal SA.

Comcereal SA was incorporated by the Governmental Decision 1054/1995 as a result of reorganization of the former company Romcereal RA Tulcea into two economic agents, respectively Comcereal SA (Tulcea) and the National Agency of Agricultural RA Tulcea.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

13. OTHER INFORMATION (CONTINUED)

Comcereal SA develops its activity in the domain of agriculture and food industry, the basic activity is represented by the conditioning, storage and trading of agriculture products in seven working points, silos and reception bases located in Tulcea County in the following localities: Baia, Casimcea, Isaccea, Mihail Kogalniceanu, Macin, Mahmudia and Peceneaga.

In October 2006, Comcereal SA was reorganized by the incorporation of Cereal Prest SRL, integrally owned by Comcereal SA.

b) Informations regarding the relationships of the entity with subsidiaries, affiliated entities or other entities that own strategic equity investments

Informations regarding subsidiaries, associate enterprises and companies where strategic equity investments are owned are presented in Note 2 (c).

Details regarding transactions with affiliated parties and the nature of relations with these are presented in Note 12 i).

c) Conversion bases used for expression in national currency of the active and passive elements, incomes and expenses highlighted initially in a foreign currency

The modality used for expressing in the national currency of the patrimonial elements, revenue and expenses recorded in a foreign currency is presented in Note 2 b.

The main exchange rates used for the conversion in RON of balances expressed in a foreign currency are:

Foreign currency	Abbreviation	Exchange rate (RON for 1 unit from the foreign currency)	
		December 31, 2022	December 31, 2023
US Dollar	USD	4,6346	4,4958
Euro	EUR	4,9474	4,9746

d) Information regarding the current income tax

The company recorded a fiscal loss to be recovered in subsequent years of RON 66.099.522 at December 31, 2023 (2022: taxable profit of RON 23.714.566), while the branches which enter into consolidation recorded the following fiscal results after reporting on December 31, 2022:

- Argus Trans SRL passed from 01.01.2018 to income tax, having to pay for 2023, an income tax of RON 3.834 (2022 income tax of RON 25.093),
- Comcereal SA recorded a fiscal loss of RON 1.808.405 (2021: fiscal loss of RON 820.121),
- Cereal Prest SRL starting with 01.02.2017 passed to income tax, having to pay for 2023, an income tax of RON 165 (2022: income tax of RON 41.725);

In 2023, the group did not register income tax expenses (2022 related to Argus S.A.: 3.481.504 lei).

The income tax expense is related to Cereal Prest SRL: RON 165 and Argus Trans SRL: RON 3,834.

e) Expenses with rents and installments paid within the operational leasing agreements

The group recorded the following expenses:

	Financial year ended on December 31, 2022 (RON)	Financial year ended on December 31, 2023 (RON)
Rents	989.237	394.319

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

13. OTHER INFORMATION (CONTINUED)

On 31.12.2023 the Group had leases for the periods subsequent to 31 December 2023, the value of which is shown in the following table:

	Financial year ended December 31, 2022	Financial year ended December 31, 2023
< 1 year	20.154	20.179
1 - 3 years	11.502	8.628
> 3 years	15.336	8.628

f) Fees paid to the auditors

The Group paid fees to internal and external auditors in 2023 under their contracts.

g) Presumptive debts and undertakings granted

On December 31, 2023 the Group has undertakings granted under the form of guaranteed promissory notes in amount of RON 0.

h) Undertakings received

The Group has undertakings received on December 31, 2023 under the form of promissory notes and guarantee letters from customers in amount of RON 2.427.306 (2022: RON 4.602.365).

i) Transactions with affiliated / related parties

The related parties are those described in Note 2 c) in which the Company exercises a significant influence, as well as the entities from the Group of companies presumed to act as established described in Note 8; other related parties are represented by the companies in which the members of the management or the members of their families exercise a significant influence.

On December 31, 2023, respectively December 31, 2022, transactions and balances with related parties of the Group are RON 0.

14. CONTINGENCIES

(a) Court actions

The Group is the subject of a number of court actions resulting in the ordinary course of business. The Company's management believes that these actions will not have a material adverse effect on the Group's economic results and financial position.

On 31.12.2023, the company had registered in court a number of 22 cases, of which:
in 2 cases he has the status of plaintiff for the amount of RON 1.326.200;
in 1 cases has the status of defendant for the amount of RON 33.170;
in 0 cases has the status of intervener;
in 19 cases in insolvency proceedings for the amount of RON 11.091.753;
in 0 other causes for the amount of 0 lei

According to their subject-matter, cases are structured as follows:

3 civil cases;
0 cases - annulment of GMS decisions, in which he has the status of plaintiff / defendant;
19 cases in insolvency proceedings;

Also, the company had registered 11 enforcement cases for the amount of RON 1.547.451

14. CONTINGENCIES (CONTINUED)

(b) Taxation

The taxation system from Romania suffered multiple modifications in the latest years and it is in an adjustment stage at the jurisprudence of European Union. Therefore there are still different interpretations of fiscal legislation. In some situations, the fiscal authorities may differently treat some aspects, proceeding at the calculation of some taxes and additional fees and interests and related delay penalties (at present penalties determined by the duration of the delay, plus 0.02% per day interest for delay). In Romania, the fiscal exercise remains opened for fiscal verification for 5 years. The management of the company considers that the fiscal liabilities included in these fiscal situations are proper.

(c) Financial Risk

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Foreign exchange risk
- Liquidity risk

The overall objective of management is to establish policies that seek to reduce risks as much as possible without unduly affecting the competitiveness and flexibility of the Group.

Also, the volatility of the RON exchange rate and of the main currencies used in international exchanges was very high. At present, the full impact of the current financial crisis is still impossible to predict and completely prevent.

Management cannot accurately estimate the effects on the Group's financial position due to increased RON/USD exchange rate volatility and inflation in Romania and the EU. The management considers that it has taken all necessary measures to ensure the continuity of the Group in the current conditions.

(d) Transfer price

The fiscal legislation from Romania includes the principle of „market value”, according to which the transactions among the affiliated parties must be developed at the market value. The local taxpayers who develop transactions with the affiliated parties must draw up and put at the disposal of fiscal authorities from Romania, at their written request, the documentation file of the transfer price. Failure to present the documentation file of the transfer price or presenting an incomplete file may lead at the application of penalties for the lack of conformity; besides the content of documentation file of the transfer prices, fiscal authorities may interpret the transactions and circumstances differently from the interpretation of the management, therefore they can impose additional fiscal liabilities resulted from the adjustment of the transfer prices. The management of the company considers that Group shall not suffer losses in case of a fiscal control for checking the transfer prices. The Group prepares annually the transfer pricing file. Nevertheless, the impact of different interpretations of fiscal authorities cannot be credibly estimated. It may be significant for the financial position and/or operations of the Group.

Internally, additional risks refer to the delay in reforms and absorption of European funds, especially through the National Recovery and Resilience Plan (NRRP) and to the risk of default on loans contracted by the non-governmental sector.

Based on existing data, the Group analysed possible developments in the domestic and international economic environment as a result of this event, including the impact on the sectors of activity in which the Group has exposure, concluding however that profitability may be affected, but in the short or medium term and no difficulties are expected in honouring the Group's commitments and business continuity is not affected.

The prolongation of the war in Ukraine and the extension of associated sanctions raise uncertainties and risks to the outlook for economic activity, medium-term inflation developments, oil and sunflower seed prices.

The management closely monitors the evolution of this conflict and other events and trends globally and their impact and the measures taken at international level on the economic environment at national level, the market where the company's assets are exposed.

ARGUS SA GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2023

All amounts are expressed in ron, unless otherwise specified

14. CONTINGENCIES (CONTINUED)

Events after the date of the balance sheet

On March 1, 2024, Comcereal SA organized a Dutch-style auction for the award of 100% of the share capital of Cereal Prest SRL, respectively 103,360 shares at the price of RON 1,450,000. The final decision on the sale of the shares to the winner of the auction will be taken by the management bodies of Comcereal SA, according to the decision-making powers, within maximum 2 (two) working days from the date of solving the appeals or the expiration of the date of filing appeals. The sale-purchase contract will be signed with the successful bidder within 30 working days from the date of signing the award report.

ADMINISTRATOR,
Name and surname Visan George - Gabriel
Signature _____

DRAFTED,
Name and surname Zamfir Mihaela
As Financial Director
Signature _____
Registration No. in professional body

Stamp of the institution

DECLARATION

In accordance with Art. 30 of the Accounting Law no. 82/1991

The annual consolidated financial statements on 12/31/2023 were drawn up for:

Legal entity: **ARGUS SA**
County: 13 - Constanta
Address: Constanța town, Industrială str. no. 1, tel. 0241 67 68 40
Trade register number: J13/550/1991
Form of ownership: 34 – Joint-stock companies
Main activity (CAEN code and class name): 1041 – Manufacture of oils and fats
Fiscal identification code: RO1872644

The undersigned Vișan George-Gabriel - Chairman of the Board of Directors and Zamfir Mihaela - Financial Director, we assume responsibility for the preparation of the annual consolidated financial statements on 12/31/2023 and confirm that:

- a) The accounting policies used to prepare the consolidated financial statements are in accordance with the applicable accounting regulations.
- b) The annual financial statements provide a true picture of the financial position, financial performance and other information related to the activity carried out.
- c) The legal person carries out its activity under conditions of continuity.

Vișan George-Gabriel,
Chairman of the Board of Directors

Zamfir Mihaela,
Financial Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Argus SA

Opinion

1. We have audited the consolidated financial statements of Argus SA and its subsidiaries ("the Group"), with registered office in Constanta, Str. Industriala 1, identified by unique tax registration code RO1872644, which comprise the consolidated balance sheet as at December 31, 2023, the consolidated income statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.
2. The consolidated financial statements as at December 31, 2023 are identified as follows:

• Net assets/ Equity	RON 133,929,628
• Net loss for the financial year	RON 63,973,324
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance for the year then ended in accordance with Ministry of Public Finance Order no. 1802/2014 with subsequent amendments.

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "Law 162/2017"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

5. 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.

We have determined that there are no key matters to be communicated in our report.

Other information – Administrators' Consolidated Report

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Administrators' Consolidated Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements for the year ended December 31, 2023, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Administrators' Consolidated Report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 1802/2014 with subsequent amendments, articles no. 554-555.

On the sole basis of the procedures performed within the audit of the consolidated financial statements, in our opinion:

- a) the information included in the Administrators' consolidated report for the financial year for which the consolidated financial statements have been prepared is consistent, in all material respects, with these consolidated financial statements;
- b) the Administrators' Consolidated Report has been prepared, in all material respects, in accordance with the provisions of Ministry of Public Finance Order no. 1802/2014, articles no. 554-555.

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the consolidated financial statements prepared as at December 31, 2023, we are required to report if we have identified a material misstatement of the Administrators' Consolidated Report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Ministry of Public Finance Order no. 1802/2014, with subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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 audit. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Răzvan Ungureanu, Audit Partner

For signature, please refer to the original signed Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 4866

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 14, 2024