

# **ARGUS SA**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
CONCLUDED ON THE DECEMBER 31, 2022**

**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 31<sup>st</sup>, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of,  
Argus SA

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the consolidated financial statements of Argus SA, with registered office in Constanța, 1 Industrială St., identified by unique tax registration code RO1872644, and its subsidiaries ("the Group"), which comprise the consolidated balance sheet at December 31, 2022, and the consolidated statement of profit or loss, including a summary of significant accounting policies.
2. The consolidated financial statements at December 31, 2022 are identified as follows:
  - Total equity: RON 217,229,291
  - Net profit for the financial year: RON 28,143,913
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at December 31, 2022, and its consolidated financial performance for the year then ended in accordance with Ministry of Public Finance Order no. 1802/2014, as revised.

#### Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law 162/2017 ("the Law"). 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' Code of Ethics for Professional Accountants (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 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 audit matters to communicate in our report.

#### Other Matters

6. The consolidated financial statements of the Company for the financial year ended December 31, 2021 were audited by another auditor, which issued an unqualified opinion on July 8, 2022.

## **Other information – Administrators’ Consolidated Report**

7. 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, 2022, 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, as revised, articles 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 and the Remuneration report for the financial year for which the consolidated financial statements have been prepared is consistent, in all material respects, with the 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, as revised, articles 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 at December 31, 2022, we are required to report if we have identified a material misstatement of this Administrators’ consolidated report. We have nothing to report in this regard.

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

8. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Ministry of Public Finance Order no. 1802/2014, as revised, 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.
9. 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.
10. 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**

11. 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.
12. 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 and adequate audit evidence regarding the financial information of the Group entities or business lines in order to express an opinion on the consolidated financial statements. We are responsible for the coordination, supervision and performance of the group audit. We are solely responsible for our audit opinion.
13. 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.

Irina Dobre, 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 no. AF 3344*

On behalf of:

**DELOITTE AUDIT S.R.L.**

*Registered in the Electronic Public Register of Financial Auditors and Audit Firms under no. FA 25*

The Mark Building, 84-98 and 100-102 Calea Grivitei, 9<sup>th</sup> Floor, District 1  
Bucharest, Romania  
July 3, 2023

**ARGUS SA GROUP**  
**CONSOLIDATED BALANCE SHEET**  
**at December 31, 2022**

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2021 (RON)	December 31, 2022 (RON)
<b>A. FIXED ASSETS</b>				
<b>I. INTANGIBLE ASSETS</b>				
3. Concessions, patents, licenses, trademarks, rights and similar assets and other intangible assets	03		12.630	14.490
4. Goodwill	04		-	-
6. Advances	06		-	-
<b>TOTAL</b>	<b>07</b>	<b>2(a)</b>	<b>12.630</b>	<b>14.490</b>
<b>II. TANGIBLE ASSETS</b>				
1. Land and construction	08		148.129.233	140.654.053
2. Equipment and machinery	09		7.975.339	8.684.133
3. Other installations, equipment and furniture	10		414.947	350.987
4. Real estate investments	11		9.870.045	10.105.356
5. Tangible assets in the process of execution	12		21.676	394.365
9. Advances	16		289.127	-
<b>TOTAL</b>	<b>17</b>	<b>2(b)</b>	<b>166.700.367</b>	<b>160.188.894</b>
<b>III. FINANCIAL ASSETS</b>				
3. The shares owned in the associated entities and joint controlled entities	20	2 (c)	6.592	33.584
6. Other loans	23	6	14.006	14.006
<b>TOTAL</b>	<b>24</b>		<b>20.598</b>	<b>47.590</b>
<b>FIXED ASSETS - TOTAL</b>	<b>25</b>		<b>166.733.595</b>	<b>160.250.974</b>
<b>B. CURRENT ASSETS</b>				
<b>I. INVENTORIES</b>				
1. Raw materials and consumables	26	3	69.840.470	114.346.428
2. Production in progress	27		31.654.929	50.637.303
3. Finished goods and merchandise	28		14.358.603	12.767.228
4. Advances	29		4.736.038	162.795
<b>TOTAL</b>	<b>30</b>		<b>120.590.040</b>	<b>177.913.754</b>
<b>II. RECEIVABLES</b>				
1. Trade receivables	31	4	24.209.009	15.859.745
2. Amounts receivable from affiliated entities	32		-	-
4. Other receivables	34		657.010	1.803.646
<b>TOTAL</b>	<b>36</b>		<b>24.866.020</b>	<b>17.663.391</b>
<b>III. SHORT TERM INVESTMENTS</b>				
2. Other short terms investments	38		-	-
<b>TOTAL</b>	<b>39</b>		<b>-</b>	<b>-</b>
<b>IV. CASH AND BANK ACCOUNTS</b>	<b>40</b>		<b>15.035.661</b>	<b>37.562.908</b>
<b>CURRENT ASSETS - TOTAL</b>	<b>41</b>		<b>160.491.721</b>	<b>233.140.053</b>

Notes from 1 to 13 form an integral part of the financial statements.

**ARGUS SA GROUP**  
**CONSOLIDATED BALANCE SHEET**  
**at December 31, 2022**

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2021 (RON)	December 31, 2022 (RON)
<b>C. PREPAYMENTS</b>	<b>42</b>		<b>127.810</b>	<b>95.011</b>
Amounts of resumed in a period of up to one year	43		125.796	93.477
Amounts of resumed over a period of more than one year	44		2.014	1.534
<b>D. DEBTS: AMOUNTS TO BE PAID IN A PERIOD OF UP TO ONE YEAR</b>				
2. Amounts owed to credit institutions	46	6	110.000.000	157.921.978
3. Advances collected for orders	47	6	476.387	183.990
4. Commercial debts - suppliers	48	6	10.884.486	6.942.878
6.Amounts owed to entities in the group	49	6	-	-
8. Other liabilities, including tax debts and debts regarding social insurances	52	6	3.840.426	2.506.545
<b>TOTAL</b>	<b>53</b>		<b>125.201.299</b>	<b>167.555.391</b>
<b>E. NET CURRENT ASSETS/NET CURRENT LIABILITIES</b>	<b>54</b>		<b>35.195.989</b>	<b>65.448.038</b>
<b>F. TOTAL ASSETS MINUS CURRENT LIABILITIES</b>	<b>55</b>		<b>201.931.598</b>	<b>225.700.546</b>
<b>G. DEBTS: AMOUNTS TO BE PAID OVER A PERIOD OF MORE THAN ONE YEAR</b>				
2. Amounts owed to credit institutions	57	6	-	1.158.674
8. Other liabilities, including tax debts and debts regarding social insurances	63		75.379	75.374
<b>TOTAL</b>	<b>64</b>		<b>75.379</b>	<b>1.234.048</b>
<b>H. PROVISIONS</b>				
1. Provisions for employee benefits	65		-	437.177
2. Provisions for taxes	66		12.712	12.712
3. Other provisions	67		1.777.492	6.573.410
<b>TOTAL</b>	<b>68</b>	<b>7</b>	<b>1.790.204</b>	<b>7.023.299</b>
<b>I. DEFERRED INCOME</b>				
1. Investment grants	69		243.953	228.931
Amounts of resumed within a period of up to one year	70		15.023	15.023
Amounts of resumed in a period longer than one year	71		228.931	213.908
2. Deferrend income	72		205.206	215.078
Amounts of resumed within a period of up to one year	73		205.206	215.078
Amounts of resumed in a period longer than one year	74		-	-
<b>TOTAL</b>	<b>79</b>		<b>449.159</b>	<b>444.009</b>

**ARGUS SA GROUP**  
**CONSOLIDATED BALANCE SHEET**  
**at December 31, 2022**

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2021 (RON)	December 31, 2022 (RON)
<b>J. CAPITAL AND RESERVES</b>				
<b>I. CAPITAL</b>				
1. Subscribed paid capital	80	8	53.670.699	53.670.699
<b>TOTAL</b>	<b>85</b>		<b>53.670.699</b>	<b>53.670.699</b>
<b>II. SHARE PREMIUM</b>				
	<b>86</b>		<b>97.248</b>	<b>97.248</b>
<b>III. REVALUATION RESERVE</b>				
	<b>87</b>		<b>132.870.588</b>	<b>137.188.462</b>
<b>IV. RESERVES</b>				
1. Legal reserves	88		8.554.503	10.320.477
2. Statutory or contractual reserves	89		232.281	232.281
3. Other reserves	90		9.660.555	10.953.439
<b>TOTAL:</b>	<b>91</b>		<b>18.447.339</b>	<b>21.506.197</b>
Losses related to equitycapital instruments	94		(578.989)	(578.989)
<b>VI. PROFIT OR LOSS CARRIED FORWARD</b>				
- Balance C	95		-	-
- Balance D	96		22.875.488	24.058.041
<b>VII. PROFIT OF LOSS FOR THE FISCAL YEAR PERTAINING TO THE MOTHER COMPANY</b>				
- Balance C	97		-	28.375.296
- Balance D	98		895.431	-
Profit distribution	99		123.263	1.765.974
<b>EQUITY CAPITAL shareholders to the mother-company</b>	<b>100</b>		<b>180.612.704</b>	<b>214.434.898</b>
<b>VIII. NON-CONTROLLING INTEREST</b>				
1. Profit/(Loss) of the fiscal year related to the non-controlling interests	104		876.280	(231.383)
2. Other equity	105		18.348.102	3.025.776
<b>TOTAL</b>	<b>106</b>		<b>19.224.382</b>	<b>2.794.393</b>
<b>TOTAL EQUITY CAPITAL</b>	<b>107</b>		<b>199.837.085</b>	<b>217.229.291</b>

Approved and signed on behalf of the Board of Directors on 03.07.2023 by:

ADMINISTRATOR,  
Name and surname Visan George - Gabriel  
Signature \_\_\_\_\_

Stamp of the institution

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



**ARGUS SA GROUP**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022**

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2021 (RON)	December 31, 2022 (RON)
<b>1. Net turnover</b>	<b>01</b>	<b>9.1</b>	<b>209.887.310</b>	<b>368.257.463</b>
Sold production	02		196.624.001	371.723.016
Revenue from the sale of goods	03		18.563.194	1.504.781
Trade discounts granted	04		5.702.826	5.424.896
Revenue from operating grants related to turnover	06		402.941	454.562
2. Revenue related to the cost of work in progress				
Balance C	07		13.261.880	16.686.101
Balance D	08		-	-
3. Income from production of tangible and intangible assets	09		51.600	-
4. Income from tangible assets reevaluation	10		27.345	153.480
6. Revenue from operating grants	12		39.200	1.354.635
7. Other operating revenue	13		434.416	1.931.844
-of which,income from negative goodwill	14		-	-
-of which,income from investments subsidies	15		168	168
<b>OPERATING INCOME – TOTAL</b>	<b>16</b>		<b>223.701.751</b>	<b>388.383.523</b>
8. a) Expenses with raw materials and consumables	17		166.455.403	284.192.009
Other material expenses	18		204.245	519.221
b) Other external expenses (with energy and water)	19		4.123.048	11.935.779
Expenses with energy	19a		3.124.818	8.899.769
Expenses with gas	19b		369.999	1.879.001
c) Expenses regarding goods	20		16.041.278	938.749
Commercial discounts received	21		15.540	901
<b>9. Personnel expenses,of which:</b>	<b>22</b>		<b>14.485.371</b>	<b>18.105.678</b>
a) Salaries and allowances	23		13.809.481	17.156.277
b) Social security contributions	24		675.890	949.401
<b>10. a) Value adjustments for tangible and intangible assets</b>	<b>25</b>	<b>2a),b)</b>	<b>4.446.162</b>	<b>10.601.771</b>
a.1) Expenses	26		4.784.782	10.601.771
a.2)Revenue	27		338.620	-
<b>10. b) Value adjustments of current assets</b>	<b>28</b>		<b>636.042</b>	<b>180.720</b>
b.1) Expenses	29		1.664.639	3.130.486
b.2) Revenue	26		1.028.597	2.949.766
<b>11. Other operating expenses</b>	<b>31</b>		<b>15.978.648</b>	<b>18.774.578</b>
11.1 Expenditure on external services	32		11.965.134	14.389.775
11.2 Other taxes, fees and similar liabilities	33		1.359.699	1.248.805
11.3 Environmental protection expenditure	34		3.558	1.426
11.4 Reevalatuion of tangible assets expenses	35		369.205	117.694
11.5 Natural disasters and other similar events expenses	36		130.358	-
11.6 Other expenses	37		2.150.694	3.016.878
<b>Adjustments for provisions</b>	<b>39</b>		<b>252.963</b>	<b>5.233.095</b>
Expenses	40		729.923	7.399.821
Revenue	41		476.960	2.166.726
<b>OPERATING EXPENSES – TOTAL</b>	<b>42</b>		<b>222.607.620</b>	<b>350.480.699</b>

Notes from 1 to 13 form an integral part of the financial statements.

**ARGUS SA GROUP**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022**

All amounts are expressed in ron, unless otherwise specified

	Row	Note	December 31, 2021 (RON)	December 31, 2022 (RON)
<b>OPERATING PROFIT OR LOSS</b>				
- Profit	43		1.094.131	37.902.824
-Loss	44			
12. Income from participation interests	45		-	-
13. Interest income	47		72.880	741.138
15. Other financial income	50		1.143.653	7.349.641
<b>FINANCIAL INCOME – TOTAL</b>	<b>52</b>		<b>1.216.533</b>	<b>8.090.779</b>
16. Value adjustments of financial assets and investments held as current assets	53		-	-
-Expenses	54		-	-
- Revenue	55		-	-
17. Interest expenses	56		2.145.712	6.821.935
- of which, expenses in relation to affiliated entities	57		-	-
Other financial expenses	58		108.862	7.443.371
<b>FINANCIAL EXPENSES – TOTAL</b>	<b>59</b>		<b>2.254.574</b>	<b>14.265.306</b>
<b>FINANCIAL PROFIT OR LOSS</b>				
- Loss	61		1.038.041	6.174.527
<b>TOTAL INCOME</b>	<b>62</b>		<b>224.918.284</b>	<b>396.474.302</b>
<b>TOTAL EXPENDITURE</b>	<b>63</b>		<b>224.862.194</b>	<b>364.746.005</b>
<b>18. GROSS PROFIT OR LOSS</b>				
- Profit	64		56.090	31.728.297
-Loss	65		-	-
19. Income taxes	66	12 d)	-	3.481.504
20. Other taxes not shown at the above items	67	12	75.242	102.880
<b>21. NET PROFIT OR LOSS OF THE REPORTING PERIOD related to the integrated entities</b>				
- Profit	68		-	28.143.913
-Loss	69		19.152	-
<b>22. NET PROFIT OR LOSS OF THE REPORTING PERIOD – TOTAL, of the</b>				
- Mother company	70		(895.431)	28.375.296
- Non-controlling interest	71		876.279	(231.383)

Approved and signed on behalf of the Board of Directors on 03.07.2023 by:

ADMINISTRATOR,  
Name and surname Visan George - Gabriel  
Signature \_\_\_\_\_

Stamp of the institution

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

**ARGUS SA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2022**

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 31.12.2022.

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 31.12.2021
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%	55.04%
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% de către Comcereal SA	100% de către Comcereal SA

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.

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.

**ARGUS SA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR CONCLUDED ON DECEMBER 31, 2022**

All amounts are expressed in ron, unless otherwise specified

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**1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)**

(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 the consolidated annual financial statements, the consolidation being proportionate to the rights in its capital held by the entity included in the consolidation. Proportional consolidation application involves inclusion of the related party for the Group in the consolidated balance sheet from assets that are controled jointly and of debts for which are solidarily responsible. Also, the consolidated profit and loss account includes the Group's revenues and related expenses of the jointly controlled entity. The inclusion of the Group's related party for each of its assets, debts or costs for the jointly controlled entity is done by adding together similar elements from the other entities that are included in the consolidation.

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**1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)**

The Company owns 55.04% of the shares of Aliment Murfatlar SRL. However, by analyzing the power to govern the financial and operating policies of that entity, management has concluded that although the Company holds more than half of the voting rights, it can only control that entity in common with another entity not included in the consolidation, thus that as of January 1<sup>st</sup> 2009, the net assets of Aliment Murfatlar SRL are included in the consolidated financial statements using the proportionate consolidation method described above. Since June 2013 the Company has two members in the Board of Directors of the SC Aliment Murfatlar and has the power to govern the financial and operating policies of this entity and therefore the Company took the decision to include its net assets by the method of global consolidation.

(3) Equity titles

Equity titles are titles held in entities in which the Group holds significant weight but does not exercise 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 and December 31, 2021, 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

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**1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)**

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.

(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

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**1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)**

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.

**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.

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**1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)**

**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*

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.



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**1. PRINCIPLES, POLICIES AND ACCOUNTING METHODS (CONTINUED)**

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.

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**2. FIXED ASSETS**

**a) Intangible assets**

	<b>Licenses and other intangible assets</b>
	<b>(RON)</b>
<b>Gross value</b>	
Balance at January 01, 2022	416.110
Increases	11.479
Disposals, transfers and other discounts	295
Balance at December 31, 2022	427.295
<b>Cumulative depreciation</b>	
Balance at January 01, 2022	403.480
Depreciation recorded during the year	9.619
Discounts or reversals	294
Balance at December 31, 2022	412.805
<b>Net book value at January 01, 2022</b>	<b>12.630</b>
<b>Net book value at December 31, 2022</b>	<b>14.490</b>

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**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)
<b>Gross value</b>							
Balance at January 01, 2022	65.414.808	82.714.426	9.870.045	67.491.810	1.192.369	310.803	226.994.262
Increases	-	9.550	-	3.654.767	4.537	1.643.964	5.312.818
- Increases from transfers	-	-	-	1.480.850	-	-	1.480.850
Disposal, transfers and other discounts	-	1	-	462.814	1	1.560.402	2.023.217
Disposals through transfers	-	-	-	-	-	1.480.850	1.480.850
Revaluation differences	(2.957.534)	(4.527.197)	235.311	-	-	-	(7.249.420)
<b>Balance at December 31, 2022</b>	<b>62.457.273</b>	<b>78.196.779</b>	<b>10.105.356</b>	<b>70.683.763</b>	<b>1.196.905</b>	<b>394.366</b>	<b>223.034.443</b>
<b>Accumulated amortization and provisions</b>							
Balance at January 01, 2022	-	-	-	59.516.471	777.422	-	60.293.893
Depreciation recorded during the year	-	7.452.918	564.738	2.505.999	68.497	-	10.592.152
Reductions or reversals	-	-	-	22.840	-	-	22.840
Reduction from revaluation	-	7.452.918	564.738	-	-	-	8.017.656
<b>Balance at December 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.999.630</b>	<b>845.919</b>	<b>-</b>	<b>62.845.549</b>
<b>Net book value at January 01, 2022</b>	<b>65.414.808</b>	<b>82.714.426</b>	<b>9.870.045</b>	<b>7.975.339</b>	<b>414.947</b>	<b>310.803</b>	<b>166.700.369</b>
<b>Net book value at December 31, 2022</b>	<b>62.457.273</b>	<b>78.196.779</b>	<b>10.105.356</b>	<b>8.684.133</b>	<b>350.987</b>	<b>394.366</b>	<b>160.188.894</b>

**Revaluation of tangible assets**

Lands and constructions

On December 31, 2022 and December 31, 2021, the Group's land and buildings 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:

	2021	2022
	(RON)	(RON)
<b>Revaluation reserve at the beginning of the financial year</b>	<b>45.025.698</b>	<b>132.870.588</b>
Amounts transferred to the revaluation reserve (*)	104.697.993	20.040.947
Amounts transferred from the revaluation reserve to reserves representing surplus from revaluation reserves	16.853.103	15.723.073
<b>Revaluation reserve at the end of financial year</b>	<b>132.870.588</b>	<b>137.188.462</b>

**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

Notes from 1 to 13 form an integral part of the financial statements.

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**2. FIXED ASSETS (CONTINUED)**

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 25.768.699 (December 31, 2021: RON 33.766.705) related to the Argus SA. On December 31, 2022 and December 31, 2021, respectively, the branches had no bank loans.

**Fully depreciated tangible assets**

At December 31, 2022 the cost for fully depreciated tangible assets was RON 26.790.850 (December 31, 2021: RON 22.170.172).

**c) Financial assets**

On December 31, 2022, the Company held titles in the form of participation interests in Eco-Rom Ambalaje SA, an unlisted company.

Company	Object of activity	December 31, 2021		December 31, 2022	
		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

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.

**3. INVENTORIES**

	December 31, 2021	December 31, 2022
	(RON)	(RON)
Raw materials and consumables	69.840.470	114.346.428
Production in the course of execution	31.654.929	50.637.303
Finished goods and merchandise	14.911.005	16.632.360
- Sunflower meal at third party	7.946.402	-
Price difference in finished products	(552.402)	(3.865.132)
Advances	4.736.038	162.795
<b>TOTAL</b>	<b>120.590.040</b>	<b>177.913.754</b>

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 2022 for the purchase of raw materials.

On 31.12.2022, the Group registered provisions for the depreciation of crude oil inventories related to Argus SA, for a quantity of 59,96 tons of oil deposited in the form of residues/poorly concentrated fatty acids that are to be recovered, in the total amount of RON 258,680.

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**4. RECEIVABLES**

Receivables	Balance at December 31, 2021 (lei)	Liquidity	
		under 1 year (lei)	over 1 year (lei)
	1=2+3	2	3
Trade receivables	34.919.645	34.919.644	-
Provisions for the impairment of receivables	(10.721.658)	(10.721.658)	-
Advances	11.024	11.024	-
Corporate tax	-	-	-
VAT	510.648	510.648	-
Debtors and other receivables	1.152.601	1.152.601	-
Provisions for the impairment of other receivables	(1.006.240)	(1.006.240)	-
Other immobilized receivables	14.006	-	14.006
<b>Total</b>	<b>24.880.026</b>	<b>24.866.019</b>	<b>14.006</b>

Receivables	Balance at December 31, 2022 (lei)	Liquidity	
		under 1 year (lei)	peste 1 an (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
<b>Total</b>	<b>17.677.397</b>	<b>17.666.110</b>	<b>11.287</b>

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

**5. CASH AND BANK ACCOUNTS**

	December 31, 2021	December 31, 2022
	(RON)	(RON)
<b>Cash:</b>		
- RON	18.212	10.479
- foreign currency	0	0
<b>Current banks accounts:</b>		
- RON	13.154.166	15.692.012
- foreign currency	1.859.713	21.860.418
<b>Total current accounts</b>	<b>15.013.879</b>	<b>32.452.429</b>
<b>Other values</b>	<b>3.570</b>	<b>0</b>
<b>Total</b>	<b>15.035.661</b>	<b>37.562.908</b>

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**6. DEBTS**

Debts	Balance at December 31, 2021 (lei)	Maturities		
		Under 1 year	1 - 5 years	Over 5 years
		1=2+3+4	2	3
Amounts owed to credit institutions	110.000.000	110.000.000	-	-
Advances collected for orders	476.387	476.387	-	-
Commercial debts - suppliers	10.718.523	10.718.523	-	-
Trade debts, unreceived invoices	165.964	165.964	-	-
Debts to employees	659.370	659.051	319	-
Debts relating to taxes, duties and wage contributions	2.550.318	2.550.318	-	-
Other liabilities, including tax payable and debts relating to social security	706.118	631.058	75.060	-
<b>Total</b>	<b>125.276.680</b>	<b>125.201.301</b>	<b>75.379</b>	<b>-</b>

Debts	Balance at December 31, 2022 (lei)	Maturities		
		Under 1 year	1 - 5 ani	Under 1 year
		1=2+3+4	2	3
Amounts owed to credit institutions	159.080.652	157.921.978	-	1.158.674
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	-
<b>Total</b>	<b>168.789.439</b>	<b>167.555.391</b>	<b>75.374</b>	<b>1.158.674</b>

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

**6.1 AMOUNTS OWED TO CREDIT INSTITUTIONS**

	December 31, 2021 (RON)	December 31, 2022 (RON)
<b>The current portion</b>		
Short-term loans	110.000.000	157.921.978
The current portion of long-term loans	-	-
	110.000.000	157.921.978
<b>The long-term portion</b>		
Long-term loans	-	1.158.674
<b>Total loans</b>	<b>110.000.000</b>	<b>159.080.652</b>

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Listed below are short-term loans:

<b>Lender</b>	<b>Currency</b>	<b>Maturity</b>	<b>December 31, 2021</b>	<b>December 31, 2022</b>
			<b>(RON)</b>	<b>(RON)</b>
<i>Working capital loans</i>				
Transilvania Bank	RON		110.000.000	152.921.978
<i>Credit line for working capital and letters of guarantee</i>				
BRD	RON		-	5.000.000
			110.000.000	157.921.978

- (a) For the purchase of raw material - sunflower seeds, the Group contracted a loan with a limit of RON 220 million. The contract was signed on August 18, 2022 with the final maturity as at August 27, 2023. As at December 31, 2022 the payment amount was 152,921,978 lei (2021: 110,000,000 lei)
- (b) A working capital contract loan 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.
- (c) 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, 2022 the outstanding amount due was 1,158,674 lei

As of December 31, 2022, the Company has financial leasing debts of RON 243.628 (0 as of December 31, 2021).

## 6.2 Pledged assets

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

## Unused loan facilities

On December 31, 2022 the company has the following credit facilities contracted and unused:

<b>Bank</b>	<b>Currency</b>	<b>Approved amount in loan currency</b>	<b>Unused amount in loan currency</b>	<b>Unused amount in RON</b>
Transilvania Bank	RON	7,250,000	7,250,000	7,250,000
BRD - for working capital	RON	5.000.000	5.000.000	5.000.000
BRD - for investments	RON	3.132.000	1.973.326	1.973.326
<b>Total</b>		<b>15.382.000</b>	<b>14.223.326</b>	<b>14.223.326</b>

## 7. PROVISIONS

<b>Provision</b>	<b>Balance at</b>	<b>Transfers</b>		<b>Balance at</b>
	<b>January 1, 2022</b>	<b>into account</b>	<b>from account</b>	<b>Decembre 31, 2022</b>
	<b>(RON)</b>	<b>(RON)</b>	<b>(RON)</b>	<b>(RON)</b>
	1	2	3	4=1+2-3
Provisions for employee benefits	1.085.467	6.336.369	2.166.726	5.255.110
Provisions for taxes	12.712	-	-	12.712
Provisions for disputes	-	832.777	-	832.777
Provisions for the decommissioning of tangible assets and other similar actions related to them	692.025	230.675	-	922.700
<b>Total</b>	<b>1.790.204</b>	<b>7.399.821</b>	<b>2.166.726</b>	<b>7.023.299</b>

Notes from 1 to 13 form an integral part of the financial statements.

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**7. PROVISIONS (CONTINUED)**

As at December 31, 2022, the Group recorded provisions in the amount of RON **7.023.299** as follows:

- a) RON 5.255.110 amounts due to employees, administrators and board of directors for vacations nor performed, premium for retirements and bonuses for the year end result;
- b) RON 922.700 for expenses for decommissioning a technological waste deposit;
- c) RON 832.777 provisions for litigations;
- d) RON 12.712 provizioni for taxes.

**8. EQUITY**

**a) Share capital**

The value of the authorized share capital on December 31, 2022 and December 31, 2021 is RON 53.670.699 representing 35.780.466 shares. All the shares are common, were subscribed and integrally paid on December 31, 2022. 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:

	<b>Number of shares</b>	<b>Total nominal value (RON)</b>	<b>Percentage owned (%)</b>
Legal persons, from which:	32.749.639	49.124.459	91,53
SIF OLTENIA	30.920.056	46.380.084	86,42
SIF BANAT-CRISANA	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
<b>Total</b>	<b>35.780.466</b>	<b>53.670.699</b>	<b>100</b>

On December 31, 2021 the structure of the shareholding was as following:

	<b>Number of shares</b>	<b>Total nominal value (RON)</b>	<b>Percentage owned (%)</b>
Legal persons, from which:	32.755.591	49.133.387	91,55
SIF OLTENIA	30.920.056	46.380.084	86,42
SIF BANAT-CRISANA	1.790.432	2.685.648	5,00
Other legal entities	45.103	67.655	0,13
Individuals	3.024.875	4.537.313	8,45
<b>Total</b>	<b>35.780.466</b>	<b>53.670.699</b>	<b>100,00</b>

**c) Distribution of result**

The individual financial statements of Argus SA for the financial exercise concluded on December 31, 2022 were approved by the General Assembly of Shareholdes in the meeting from 26.04.2023. In 2022 the Company recorded a profit of RON 31.837.975 (2021: profit RON 2.465.257), of which RON 1.765.974 were established as legal reserve, and the difference was used to cover the loss from the previous years.

The branches of the Company recorded in 2022 the following results:

- Comcereal SA Tulcea recorded a loss of RON 4.440.388 (2021: loss of RON 3.918.384) to be recovered from future profits.
- Cereal Prest SRL recorded a loss of RON 546.305 (2021: profit of RON 518.028).
- Argus Trans SRL recorded a loss of RON 128.592 (2021: loss of RON 128.257), which was included in the reported result, following to be recovered from the future profits.
- Aliment Murfatlar SRL recorded in 2022 a net profit of RON 2.350.677 (2021: net profit of RON 2.299.947), following to be reinvested.



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**9. OPERATING RESULTS AND TURNOVER**

**a) Analysis of the result from the operating result**

<b>Name of indicator</b>	<b>December 31, 2021</b>	<b>December 31, 2022</b>
<b>1. Net turnover</b>	209.887.310	368.257.462
2. Cost of goods and services performed (3+4)	194.764.571	307.102.508
3. Expenses of the basic activity	188.490.745	295.208.603
4. Expenses of the similar activities	6.273.827	11.893.905
<b>6. Gross result related to net turnover (1-2)</b>	<b>15.122.740</b>	<b>61.154.954</b>
7. Sales costs	4.023.227	7.891.380
8. General expenses of management	10.557.943	17.473.712
9. Other operating revenues	552.561	2.112.962
<b>10. Operating result (6-7-8+9)</b>	<b>1.094.131</b>	<b>37.902.824</b>

**b) Turnover**

	<b>December 31, 2021</b>	<b>December 31, 2022</b>
Sale of ended products	192.358.967	365.863.635
- on internal market	172.963.662	302.464.236
- on external market	19.395.305	63.399.399
Commercial discounts	(5.702.826)	(5.424.896)
Sales of goods	18.563.194	1.504.781
Sale of services	3.845.019	3.952.490
Sale of residual products	223.539	155.998
Others	599.417	2.205.455
<b>TOTAL</b>	<b>209.887.310</b>	<b>368.257.463</b>

**10. OPERATING EXPENSES**

<b>Other operating expenses</b>	<b>Financial year ended December 31, 2021</b>	<b>Financial year ended December 31, 2022</b>
Maintanance and repair expenses	321.084	868.847
Royalties and rental expenses	1.443.489	989.237
Insurance	264.296	303.433
Expenses with collaborators	-	266.796
Commissions and fees	42.489	114.260
Advertising and protocol expenses	19.030	50.938
Transport of goods and personnel	1.765.928	2.537.391
Travel expenses	33.040	25.246
Postal expenses and telecommunications charges	81.588	80.069
Bank fees	248.393	402.081
Other services provided by third parties	7.745.796	8.812.576
<b>Total</b>	<b>11.965.134</b>	<b>14.450.872</b>

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

On December 31, 2022 the Board of Directors was :

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

On December 31, 2022, the executive management of the Company is exercised by Radu Dorel as General Manager and Zamfir Mihaela as Chief Financial Officer.

**a) Allowances granted to Board of Directors and management**

	Financial year ended December 31, 2021	Financial year ended December 31, 2022
<i>Salaries and allowance expenses</i>		
Administrators	615.647	583.512
Directors	1.131.034	1.647.187
<b>Total</b>	<b>1.746.680</b>	<b>2.230.699</b>
	31 decembrie 2021	31 decembrie 2022
<i>Salaries and allowances to be paid at the end of the year :</i>		
Administrators	15.213	14.674
Directors	29.709	56.117
<b>Total</b>	<b>44.922</b>	<b>70.791</b>

**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, 2022.

**c) Employees**

Average number of employees during the year was as follows:

	Financial year ended December 31, 2021	Financial year ended December 31, 2022
Administrators and directors	18	15
Administrativ personnel	42	42
Personnel in production	217	214
<b>TOTAL</b>	<b>277</b>	<b>271</b>
	Financial year ended December 31, 2021	Financial year ended December 31, 2022
Employee salaries expense (excluding directors and administrators)	12.738.690	15.874.979
	December 31, 2021	December 31, 2022
Salaries to be paid at the end of the year	367.074	590.950

Notes from 1 to 13 form an integral part of the financial statements.

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**12. ANALYSIS OF MAIN ECONOMIC AND FINANCIAL INDICATORS**

**1. Liquidity indicators**

a)	Current liquidity	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Current assets}}{\text{Current liabilities}} =$	1,28	1,39

b)	Immediate liquidity indicator	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Current assets} - \text{inventories}}{\text{Current liabilities}} =$	0,32	0,33

**2. Risk indicators**

a)	Indebtedness indicator	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Long-term loans}}{\text{Equity}} \times 100$	(%) 0,04	(%) 0,58

Where:

- Long term loans = loans over a year

b)	Interest coverage ratio	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Earnings before interests and taxes}}{\text{Interest Expenses}}$	(%) 1,03	(%) 5,65

**3. Activity indicators (management indicators)**

a)	Inventory turnover	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Sales cost}}{\text{Average age of inventory}} = \text{Number of times}$	2,06	2,54

b)	Debit speed rotation -customers	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Average customer balance}}{\text{Turnover}} \times 365 =$	(zile) 51,12	(zile) 19,60

c)	Rate movement of credits – suppliers	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Average supplier balance}}{\text{Purchase of goods (withour services)}} \times 365 =$	(zile) 31,70	(zile) 11,17

d)	Rotation speed – tangible assets	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Turnover}}{\text{Tangible assets}} =$	1,26	2,30

e)	Rate movement of total assets	<b>December 31, 2021</b>	<b>December 31, 2022</b>
	$\frac{\text{Turnover}}{\text{Total assets}} =$	0,64	0,94

**ARGUS SA GROUP**  
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**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	<b>Financial year ended December 31, 2021</b>	<b>Financial year ended December 31, 2022</b>
		(%)	(%)
	Profit before the financial <u>result</u> <u>and tax profit</u> = Employed capital	0,01	0,18
b)	Gross margin from sales	<b>Financial year ended December 31, 2021</b>	<b>Financial year ended December 31, 2022</b>
		(%)	(%)
	<u>Gross Profit from sales</u> Turnover	0,52	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, 2022 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, 2022 Argus SA held 95,36% from the share capital of Comcereal SA.

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**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.

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.

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

*ALIMENT MURFATLAR SRL - CONSTANȚA*

The Company owned participating titles in a jointly controlled entity, Aliment Murfatlar SRL. The Company Aliment Murfatlar SRL was incorporated in 1991 and has as main object of activity „Retail trade”. On 31 Decembrie 2015 Argus SA held 55,04% from the share capital of Aliment Murfatlar SRL.

**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, 2021	December 31, 2022
US Dollar	USD	4,3707	4.6346
Euro	EUR	4,9481	4.9474

**d) Information regarding the current income tax**

The company recorded a fiscal profit after the reporting of RON 23.714.566 at December 31, 2022 (2021: fiscal loss of RON 18.117.809), 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 2022, an income tax of RON 25.093 (2021 income tax of RON 24.522),
- Comcereal SA recorded a fiscal loss of RON 820.121 (2021: fiscal profit of RON 2.108.698),
- Cereal Prest SRL starting with 01.02.2017 passed to income tax, having to pay for 2022, an income tax of RON 41.725 (2021: income tax of RON 17.894);
- Aliment Murfatlar SRL passed from 01.01.2018 to income tax, having to pay for 2022, an income tax of RON 36.062 (2021: income tax of RON 32.826).

The expenses with tax on profit presented in consolidated financial statements for the year 2022 is related to Argus SA: RON 3.481.504 (2021: RON 0), Comcereal SA: RON 0 (2020: RON 237.191).

The income tax expense is related to Cereal Prest SRL: RON 41.725, Argus Trans SRL: RON 25.093 and Aliment Murfatlar SRL: RON 36.062.

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**13. OTHER INFORMATION (CONTINUED)**

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

The group recorded the following expenses:

	Financial year ended on December 31, 2021	Financial year ended on December 31, 2022
	(RON)	(RON)
Rents	1.443.489	989.237

On 31.12.2022 the Group had leases for the periods subsequent to 31 December 2022, the value of which is shown in the following table:

	Financial year ended December 31, 2022	Financial year ended December 31, 2021
< 1 year	20.154	20.154
1 - 3 years	11.502	11.502
> 3 years	15.336	19.170

**f) Fees paid to the auditors**

The Group paid fees to internal and external auditors in 2022 under their contracts.

**g) Presumptive debts and undertakings granted**

On December 31, 2022 the Group has undertakings granted under the form of guaranteed promissory notes in amount of RON 0.

**13. OTHER INFORMATION (CONTINUED)**

**h) Undertakings received**

The Group has undertakings received on December 31, 2022 under the form of promissory notes and guarantee letters from customers in amount of RON 4.602.365 (2021: RON 4.020.623).

**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, 2022, respectively December 31, 2021, 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 31.12.2022, the company had registered in court a number of 43 cases, of which: in 25 cases he has the status of plaintiff for the amount of 2.991.385,67 lei;

Notes from 1 to 13 form an integral part of the financial statements.

**ARGUS SA GROUP**  
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**14. CONTINGENCIES (CONTINUED)**

in 1 cases has the status of defendant;  
in 0 cases has the status of intervener;  
in 17 cases in insolvency proceedings for the amount of 11.036.791,59 lei.  
in 0 other causes for the amount of 0 lei

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

6 commercial cases;  
0 cases - annulment of GMS decisions, in which he has the status of plaintiff / defendant;  
17 cases in insolvency proceedings, of which: in 11 cases it has the status of unsecured creditor and in 6 cases it has the status of contribution creditor;  
20 other causes.

**(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 in the last half of 2022 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. 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.

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**14. CONTINGENCIES (CONTINUED)**

**(e) The impact of the Russian-Ukrainian military conflict and other international trends on the Group's position and financial performance**

On February 24, 2022, Russia began military operations against Ukraine. This was preceded by a troop build-up on the border with Ukraine and Russia's diplomatic recognition of the Donetsk People's Republic and the Luhansk People's Republic on February 21, 2022.

This event has had and is expected to continue to have a negative impact on many economic sectors, also given the important role played by Russia in the energy raw materials market in Europe. The group has no direct exposures in Russia or Ukraine.

2022 was a difficult year for the capital market, with the energy shock created by the military conflict, aggravated by inflationary pressures having negative influences on listed share prices, which recorded declines and high volatility.

Amid inflationary pressures stemming, in particular, from the increase in global commodity prices, the National Bank of Romania operated, starting September 2021, successive increases in the monetary policy interest rate (also accentuated by the start of the military conflict in Ukraine), reaching 6.75% in November 2022, respectively 7% at the beginning of January 2023. The broad-based rate hike has led to an increase in bank interest expense and USD volatility in 2022.

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.

**Events after the date of the balance sheet**

Following the balance sheet reporting date on 30.06.2023, Argus SA sold a package of 4330 shares, representing 86.10% of the share capital of Aliment Murfatlar SRL, the total value of the transaction being 23,676,440 lei. Following this transaction, ARGUS SA becomes a minority shareholder with a 13.90% stake in the share capital of Aliment Murfatlar SRL.

ADMINISTRATOR,  
Name and surname Visan George - Gabriel  
Signature \_\_\_\_\_

Stamp of the institution  
Registration No. in professional body

DRAFTED,  
Name and surname Zamfir Mihaela  
As Financial Director  
Signature \_\_\_\_\_



**ARGUS S.A.**

**BOARD OF DIRECTORS ANNUAL REPORT  
ON CONSOLIDATED FINANCIAL STATEMENTS  
AT 31.12.2022**

**According to Financial Supervisory Authority Regulation no. 5/2018**



The 2022 Directors Report on the consolidated financial statements contains a brief history of the Company and its subsidiaries, explains the consolidated financial results of the Company, including its subsidiaries.

**ARGUS S.A.**

*One of the largest players in the sunflower oil production industry in Romania*

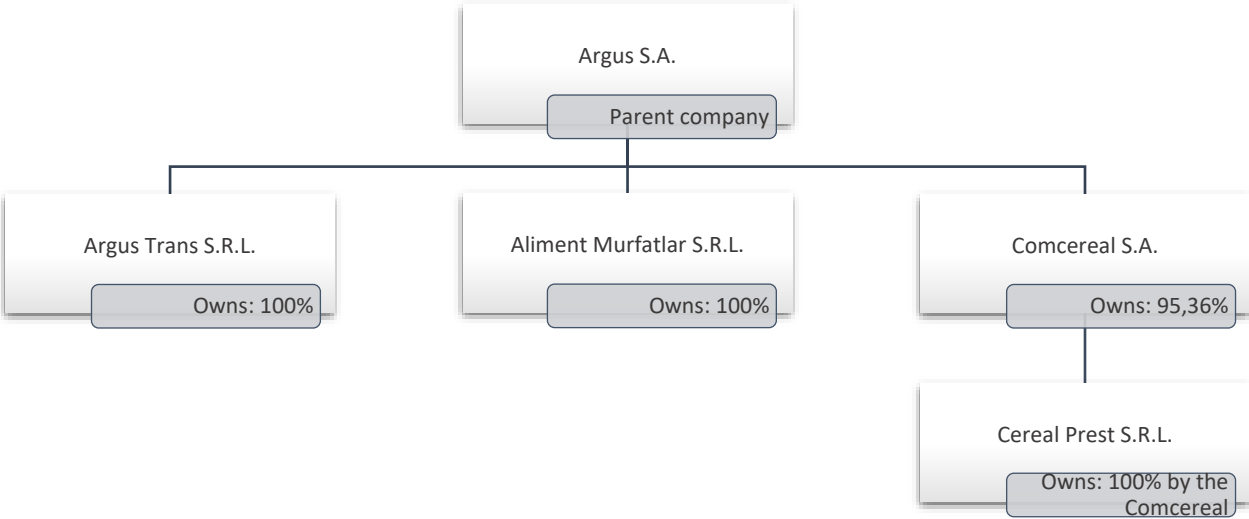
Argus S.A. ("Company") is a Romanian company, founded in 1943, later in 1948 being nationalized by the communist regime, called Constanta Oil Enterprise until 1990, when it was reorganized as a joint stock company under the name of Argus S.A. according to Law nr. 15/1990 based on GD no. 1353/1990. In 1994 the Company became a 100% private joint-stock company according to Law no. 58/1991.

With 80 years of experience, Argus is among the top five national producers of vegetable oils and fats, focusing mainly on the manufacture and marketing of crude and refined sunflower oils and derived products: feed groats, fatty acids used in the cosmetics industry.

The processes within Argus SA are carried out according to the Integrated Quality and Environmental Management System, the company demonstrating the continuous commitment to improving environmental performance, quality and risk management in food safety, to meet customer requirements and expectations. At the time of writing, Argus holds several certifications under which it operates, including: ISO 9001, ISO 140001 and FSSC 22000, with the last recertification taking place in 2022.

The positioning of the factory in Constanta and the storage capacities in Constanta and Ialomița counties is a strategic advantage given the proximity to Constanta Port.

The structure of the companies owned by Argus S.A. is presented below:



**Comcereal S.A.**

Comcereal S.A. is a joint stock company with majority private capital, having as activity the storage and conditioning of cereals and oilseeds in the seven silos and storage bases in Tulcea County, being one of the most important owners of storage spaces and with the largest geographical dispersion in this county. Access to river transport routes as well as proximity to the border crossing point can be a competitive advantage both in the current context and in the future context in which alternative grain transit routes from Ukraine need to be developed, taking into account the closure of the Grain Corridor.

### **Aliment Murfatlar S.R.L.**

Aliment Murfatlar is a Romanian company founded in 1991 for retail activity, owning eight stores in Constanta. In 2012 the company decides to implement a new business model considering the trends of developing modern commerce and expanding distribution networks belonging to major international retailers nationwide, respectively renting street commercial spaces mainly to them.

On 29.11.2022, Argus SA acquired the shares held by Dobrogea Grup SA and individuals, in total 44.96% of the share capital of Aliment Murfatlar SRL, becoming as of this date the sole shareholder.

### **Argus Trans S.R.L.**

Argus Trans is a company founded in 2003 whose object of activity is the road transport of goods. This is a complementary company for the parent company which, through its services, fulfills the role of carrier, thus ensuring the necessary logistics both for the supply of raw materials and for the marketing of products made by Argus S.A.

### **Cereal Prest S.R.L.**

Cereal Prest is a company from Tulcea County founded in 2006 and fully owned by Comcereal S.A., having as main activity the cultivation of cereals and oilseeds on leased land.

## **Main plans at group level**

### **Trade strategy**

Our commercial strategy focuses on strengthening and expanding our position in the vegetable oil market, offering high quality products and building trusting relationships with our customers. The main elements on which our commercial strategy is based are as follows:

1. **High quality:** We are committed to producing and marketing high quality products, ensuring that our products meet the most demanding quality and food safety standards;
1. **Brand differentiation:** We are building a strong and recognizable brand in the sunflower oil market. We focus on communicating our values, such as freshness, purity and health benefits. We develop marketing strategies that differentiate us and stand out from the competition;
1. **Expanding the product range:** We analyze customer needs and develop new products tailored to them;
1. **Solid customer relationships:** We build long-lasting relationships with our customers, understanding their needs and providing them with personalized support. We engage in open and transparent communication, always seeking to exceed their expectations and provide them with a satisfactory shopping experience;
1. **Expansion into new markets:** We are looking for opportunities to expand our presence into new markets, both nationally and internationally. We evaluate and explore export possibilities and collaborations with distributors or strategic partners to reach new market segments and increase our market share.

### **Financial strategy**

Our financial strategy is based on the following aspects:

- Search for measures to optimize production costs and identify opportunities to reduce expenses at all stages of the production chain. As a result, we maintain competitiveness in the market and ensure operational profitability;
- Paying special attention to cash flow management in order to ensure the financial stability of the company;
- Exploring new national and international markets and diversifying products according to their needs;

## Human resources strategy

Our HR strategy is based on understanding and valuing the human capital of our organization. We are committed to building a motivating work environment that encourages employees to reach their full potential. We understand that our employees are our company's most valuable resource and that our success depends on their talent and commitment.

In the table below we presented the average number of employees at group level in 2022 compared to 2021:

Average number of employees	2022	2021
Administrators and directors	15	18
Administrative staff	42	42
Production personnel	214	217

## ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

### Balance sheet

According to the data from the consolidated balance sheet and consolidated annual financial statements, the assets of the group, the main economic and financial indicators and the results obtained in the financial years 2021 and 2022 are presented as follows:

Assets and liabilities	31 December 2021 (lei)	31 December 2022 (lei)	Evolution (%)
Non-current assets	166.733.595	160.250.974	-4%
Current assets	160.491.721	233.140.053	45%
Prepayments	127.810	95.011	-26%
Debts due under 1 year	125.201.299	167.555.391	34%
Debts due over 1 year	75.379	1.234.048	1.537%
Total net assets	202.076.448	224.696.599	11%
Provisions	1.790.204	7.023.299	292%
Deferred Income	449.159	444.009	-1%
Total Equity, of which:	199.837.085	217.229.291	9%
Share capital, of which:	53.670.699	53.670.699	0%
- subscribed not paid up	0	0	0%
- subscribed paid up	53.670.699	53.670.699	0%
Share Premium	97.248	97.248	0%
Revaluation reserves	132.870.588	137.188.462	3%
Statutory reserves and other reserves	18.447.339	21.506.197	17%
Losses on equity instruments	(578.989)	(578.989)	0%
Loss carried forward	(22.875.488)	(24.058.041)	5%
Result for the year	(895.431)	28.375.296	3.269%
Profit distribution — statutory reserve	(123.263)	(1.765.974)	1.333%
Minority interests, of which:	19.224.382	2.794.393	-85%
- Profit or loss for the financial year	876.280	(231.383)	-126%
- Other equity	18.348.102	3.025.776	-84%

## Non-current assets

The decrease in fixed assets was due to the change in the net book value of land, constructions and real estate investments as a result of the registration on December 31, 2022 of the revaluation of fixed assets carried out by Neoconsult Valuation S.R.L., valuer – ANEVAR corporate member, holding Authorization no. 0377/2021. As a result, the revaluation resulted in a reduction in the net value of tangible assets as follows:

	31 December 2021	31 December 2022	Evolution (lei)	Evolution (%)
<b>Land and buildings</b>	<b>148.129.233</b>	<b>140.654.053</b>	<b>(7.475.180)</b>	-5%
Technical installations and machinery	7.975.339	8.684.133	708.794	9%
Other plant, machinery and furniture	414.947	350.987	(63.960)	-15%
<b>Real estate investment</b>	<b>9.870.045</b>	<b>10.105.356</b>	<b>235.311</b>	2%
Advances and property, plant and equipment pending	310.803	394.365	83.562	27%
<b>Total Net tangible assets</b>	<b>166.700.367</b>	<b>160.188.894</b>	<b>(6.511.473)</b>	<b>-4%</b>

On December 31, 2022, the Group held titles in the form of participation interests in Eco-Rom Packaging SA, an unlisted company having as object of activity the provision of services regarding the recovery of packaging waste. The percentage held is 8,33% (33,584 lei).

## Current assets

Current assets had an increase of 45% compared to 2021, mainly due to the increase in stocks of raw materials and semi-finished products. Thus, stocks registered a considerable advance, increased by 48% from RON 120.590.040 on 31.12.2021, to RON 177.913.754 on 31.12.2022.

	31 December 2021	31 December 2022	Evolution (lei)	Evolution (%)
Raw materials and consumables	69.840.470	114.346.428	44.505.958	64%
Production in progress	31.654.929	50.637.303	18.982.374	60%
Finished goods and merchandise	14.358.603	12.767.228	(1.591.375)	-11%
Advances	4.736.038	162.795	(4.573.243)	-97%
<b>Total stocks</b>	<b>120.590.040</b>	<b>177.913.754</b>	<b>57.323.714</b>	<b>48%</b>

The value of **trade receivables** registered a significant decrease of 34%, from RON 24.209.010 at the beginning of the year to RON 15.859.745 on 31.12.2022. This trend reflects our efforts to manage receivables and optimize cash flow to ensure the financial stability of our company, which can also be proven by the increase in cash and cash equivalents with an absolute value of RON 22.527.247.

**Short-term debts** increased by 34% compared to the previous year, with a net value of approximately RON 42.4 million, in order to purchase a larger quantity of raw materials. We mention that at this date there are no arrears in the repayment of the loan to Transilvania Bank. The value of commercial debts to suppliers recorded a significant reduction of RON 3.941.608, from RON 10.884.486 on 31.12.2021 to RON 6.942.878 on 31.12.2022. By reducing trade debt, we aim to strengthen the financial stability of our organization and ensure that we are in a strong position to meet our commitments to suppliers.

## Equity

The increase in equity was mainly the result of the financial performance in the current year, which increased by approximately RON 23.3 million compared to the previous year. This increase reflects the success and profitability of our activities in the last financial year.

	31 December 2021	31 December 2022	Evolution (lei)	Evolution (%)
Profit/Loss for the financial year	(895.431)	28.375.296	29.270.727	3.269%

## Profit and Loss Statement

	31 December 2021	31 December 2022	Evolution (lei)	Evolution (%)
<b>Operating income</b>	<b>223.701.751</b>	<b>388.383.523</b>	<b>164.681.772</b>	<b>74%</b>
Net Turnover	209.887.310	368.257.463	158.370.153	75%
Revenue related to the cost of production of work in progress	13.261.880	16.686.101	3.424.221	26%
Other operating income	552.561	3.439.959	2.887.398	523%
<b>Operating expenses</b>	<b>222.607.620</b>	<b>350.480.699</b>	<b>127.873.079</b>	<b>57%</b>
Expenditure on raw materials and materials	166.659.648	284.711.230	118.051.582	71%
Utility expenses	4.123.048	11.935.779	7.812.731	189%
Expenditure on goods	16.041.278	938.749	(15.102.529)	-94%
Staff costs	14.485.371	18.105.678	3.620.307	25%
Other operating charges	21.298.275	34.789.263	13.490.988	63%
<b>Operating result</b>	<b>1.094.131</b>	<b>37.902.824</b>	<b>36.808.693</b>	<b>3.364%</b>
Financial income	1.216.533	8.090.779	6.874.246	565%
Financial expenses	2.254.574	14.265.306	12.010.732	533%
<b>Financial result</b>	<b>(1.038.041)</b>	<b>(6.174.527)</b>	<b>(5.136.486)</b>	<b>495%</b>
<b>Gross profit or loss</b>	<b>56.090</b>	<b>31.728.297</b>	<b>31.672.207</b>	<b>56.467%</b>
Corporate income tax and other taxes	75.242	3.584.384	3.509.142	4.664%
Net result	(19.152)	28.143.913	28.163.065	147.050%
Profit or loss belonging to ARGUS SA	(895.432)	28.375.296	29.270.728	3.269%
Profit belonging to minority interests	876.280	(231.383)	(1.107.663)	-126%

For 2022, we recorded a significant increase in operating revenue, of approximately 74%, reaching from RON 223.701.751 to RON 388.383.523. At the same time, net turnover increased by 75%, from RON 209.887.310 to RON 368.257.463. This increase was possible due to maintaining the level of sales constant throughout 2022, at a level similar to that reached in the last quarter of the previous year. These results confirm the success of our growth strategies and our commitment to provide quality products and services in line with our customers' needs and requirements.

The increase in financial loss was caused by the Group contracting a larger loan to purchase the raw material needed for the production of bottled oil, in order to meet market demand.

## Board of Directors

As of December 31, 2022, the Board of Directors of Argus S.A. consisted of three members and had the following structure:

- George Gabriel Vişan – Chairman of the Board of Directors, economist
- Carmen Vasile - Member of the Board of Directors, lawyer
- Bogdan Stan – Member of the Board of Directors, lawyer

**Executive Team**

- Dorel Radu – General Manager, dated 01.07.2021;
- Mihaela Zamfir – Financial Director, dated 18.06.2021.

The above persons have not been and are not in litigations or administrative proceedings related to their activity within Argus S.A.

Regarding the Separate Financial Statements as of December 31, 2022, we mention that they were prepared on the basis of data from the accounting records in compliance with the legal norms.

The conclusions regarding the verification and certification of the balance sheet and annual financial statements are recorded in the annual report prepared by the external financial auditor Deloitte Audit SRL, a company registered in the Public Electronic Register of Financial Auditors and Audit Firms under no. FA 25.

**The Chairman of the Board of Directors,  
George-Gabriel VIȘAN  
July 3, 2023**

## STATEMENT

**according to the provisions of art. 30 of the Accounting Law no.82/1991**

The annual consolidated financial statement as at 31 December 2022 were prepared for:

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Legal entity: ARGUS S.A.  
County: 13-Constanta  
Address: 1 Industrialia Street,  
Phone : 0241/676840  
Trade Register number: J13/550/1991  
Form of ownership: 34 – Joint-Stock company  
Main activity (CAEN code and class name): 1041 – Manufacture of oils and fats  
Fiscal code: 1872644

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We, George-Gabriel Visan as Chairman of the Board of Directors and Mihaela Zamfir as Chief Financial Officer, undertake entire responsibility for the drafting of the individual yearly financial statements at 31 December 2022 and we hereby confirm the following:

- a) The accounting policies used at the drafting of individual yearly financial statements are in compliance with applicable accounting regulations.
- b) The annual financial statements offer an accurate image of the financial position, financial performance and other information related to the developed activity.
- c) The legal entity develops its activity in a continuous manner.

Chairman of the Board of Directors,  
George-Gabriel Visan

Chief Financial Officer,  
Mihaela Zamfir