

Argo Group Limited
("Argo" or the "Company")

Interim Results for the six months ended 30 June 2023

Argo today announces its interim results for the six months ended 30 June 2023.

Key highlights for the six months period ended 30 June 2023

This report sets out the results of Argo Group Limited (the "Company") and its subsidiaries (collectively "the Group" or "Argo") covering the six months ended 30 June 2023.

- Revenues US\$1.5 million (six months to 30 June 2022: US\$1.3 million)
- Operating loss US\$0.7 million (six months to 30 June 2022: US\$1.5 million)
- Profit before tax US\$0.1 million (six months to 30 June 2022: loss before tax US\$3.5 million)
- Net assets US\$19.7 million (31 December 2022: US\$19.6 million)

Commenting on the results and outlook, Kyriakos Rialas, Chief Executive of Argo said:

"Argo Group was profitable for the first six months of 2023 mainly due to a positive performance of its investment in The Argo Fund and continuous control of expenses. The group maintains good liquidity and its operational and investment team has the capacity to take on a third first loss managed account in the second half of 2023. During the first half of 2023, the two first loss managed accounts were up 15%. Emerging markets continue to be adversely affected by inflation and higher interest rates but there are signs that disinflation and lower rates has already started ahead of developed markets. As a result, our macro strategy has outperformed distressed debt with many sovereigns still negotiating and waiting for IMF approvals. Finally, the situation in Ukraine remains unstable with the shopping mall in Odessa now opened but only up to 60% capacity."

Enquiries

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

CHAIRMAN'S STATEMENT

Key highlights for the six months ended 30 June 2023

This report sets out the results of Argo Group Limited (the "Company") and its subsidiaries (collectively "the Group" or "Argo") covering the six months ended 30 June 2023.

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- Operating loss US\$0.7 million (six months to 30 June 2022: US\$1.5 million)
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- Net assets US\$19.7 million (31 December 2022: US\$19.6 million)

The Group and its investment objective

Argo's investment objective is to provide investors with absolute returns in the funds that it manages by investing in multi strategy investments in emerging markets.

Argo was listed on the AIM market in November 2008 and has a performance track record dating back to 2000.

Business and operational review

For the six months ended 30 June 2023 the Group generated revenues of US\$1.5 million (six months to 30 June 2022: US\$1.3 million) with management fees accounting for US\$1.1 million (six months to 30 June 2022: US\$1.1 million).

Total operating costs for the period, ignoring bad debt provisions, are US\$1.8 million compared to US\$2.5 million for the six months to 30 June 2022. The Group has provided against management fees of US\$0.4 million due from the Designated share class in The Argo Fund ("TAF") (six months to 30 June 2022: US\$0.3 million). In the Directors' view these amounts are fully recoverable however they have concluded that it would only be appropriate to recognise income without provision from these investment management services once a liquidity event occurs in this share class.

Overall, the financial statements show an operating loss for the period of US\$0.7 million (six months to 30 June 2022: US\$1.5 million) and a profit before tax of US\$0.1 million (six months to 30 June 2022: loss before tax of US\$3.5 million). Net profit on investments of US\$0.3 million (six months to 30 June 2022: net loss on investments US\$2.5 million) and interest income of US\$0.5 million (six months to 30 June 2022: US\$0.5 million).

At the period end, the Group had net assets of US\$19.7 million (31 December 2022: US\$19.6 million) and net current assets of US\$5.4 million (31 December 2022: US\$6.0 million) including cash reserves of US\$1.2 million (31 December 2022: US\$1.6 million).

Net assets include investments in The Argo Fund ("TAF") at fair values of US\$4.5 million (31 December 2022: US\$4.4 million).

At the period end TAF owed the Group total fees of US\$2.4 million (31 December 2022: US\$2.1 million). At 30 June 2023, a provision for US\$2.3 million was made against this amount as the timing of the receipt of the fees from the designated share class in TAF is unknown.

TAF ended the period with Assets under Management ("AUM") at US\$110.5 million (31 December 2022: US\$109.8 million). The current level of AUM remains below that required to ensure sustainable profits on a recurring management fee basis in the absence of performance fees. This has necessitated an ongoing review of the Group's cost basis. Nevertheless, the Group has ensured that the operational framework remains intact and that it retains the capacity to manage additional fund inflows as and when they arise.

The average number of permanent employees of the Group for the six months to 30 June 2023 was 20 (30 June 2022: 20).

Fund performance

The Argo Funds

| Fund | Launch date | 30 June 2023 | 30 June 2022 | 2022 year total | Since inception | Annualised performance | Sharpe ratio | Down months |
|--------------------------|-------------|--------------|--------------|-----------------|-----------------|------------------------|--------------|-------------|
| | | % | % | % | % | CAGR % | | |
| The Argo Fund - A class | Oct-00 | 1.46 | -14.25 | -12.54 | 219.78 | 6.00 | 0.39 | 92 of 273 |
| The Argo Fund - X2 class | Feb21 | -1.16 | -21.39 | -16.83 | -8.05 | -3.42 | -0.22 | 12 of 29 |
| The Argo Fund - DI Class | Jan-20 | 1.96 | -6.20 | -2.82 | 92.88 | N/A | N/A | N/A |

In the first half of 2023, global macroeconomic trends continued to have a significant impact on the outlook for and performance of emerging market ("EM") assets. Ongoing uncertainty over the path of inflation and policy trajectory led to false dawns around a peak in US rates. The Federal Reserve raised rates three times in the period and although left fed funds unchanged at 5.25% at the meeting in June, it increased the fed funds rate to a target range of 5.25%-5.5% at its meeting in late July. By contrast, ten-year US Treasury yields were much more volatile, starting the period at 3.9% before dropping below 3.4% by mid-January only to exceed 4% in early March. After falling back to 3.3% in early April they had moved up to over 4% in early July.

After a strong post-pandemic recovery, concern over the evolution of China's economic growth picked up through the second quarter of 2023, as macroeconomic data began to disappoint. This has led to speculation around stimulus measures in recent weeks, although the consensus does not expect a major announcement, even if some targeted support may come through.

However, against this backdrop both EM equities and bonds broadly advanced. The former, as measured by the MSCI Emerging Markets Index, returned close to 5% in the first half of 2023, lagging the MSCI World which was up just over 15%. As mentioned previously, China, which is the largest index market in EM, has been a drag. However, the stunning rally from March onwards of the Super-7 stocks (Apple, Microsoft, Alphabet, Amazon, Tesla, Meta, Nvidia) in the MSCI World has been a factor.

EM bonds and currencies have generated positive returns year-to-date. In sovereign and corporate credit, the impact of higher US Treasury yields was offset by credit spread compression, while EM local debt continued to outperform core fixed income markets almost entirely driven by lower yields. The global inflation surge in 2021-2022 caught the attention of central banks worldwide. However, EM central banks were quicker to respond to this inflationary shock, initiating a remarkable series of rate hikes in the first quarter of 2021 that continued until late 2022/early 2023.

This swift action allowed EM countries to witness falling core inflation in recent months, unlike the developed world, which continues to grapple with entrenched core inflation.

Emerging markets currencies were roughly flat against the US dollar, although Latin American currencies have seen the most appreciation relative to the US dollar year to-date. Turkey and South Africa have seen the greatest currency depreciation.

Meanwhile, market access has remained a concern for high yield EM issuers. While investment grade EM issuance is almost in line with the average over the past few years, for high yield sovereigns and corporates the equivalent figure is around a third. Inevitably, this increases the likelihood of restructurings particularly if world growth proves disappointing.

The NAV of the Class A shares of the TAF increased by 1.46 % in the first half of 2023, compared to the drop of 14.25% in the same period of the previous year. The fund benefited from a recovery in Argentine bond prices, though they remained volatile. There were also positive contributions from long positions in local currency bonds (mainly Latin American and East European). The main detractors were corporates in the throes of restructuring and generic credit hedges. Class A shares issued by TAF continue to be invested in diversified sovereign and corporate debt and macro positions which seek to capture alpha through long and short investment. In addition, there are other share classes within the TAF master/feeder structure which offer investors exposure to a distressed debt portfolio (Class X2 launched in 2021); macro strategies (Class X3, launched last year) and also special situations where the timeline to investment realisation will be longer.

Loan to Argo Real Estate Limited Partnership

On 21st March 2023, the back to back loans from the Group to Argo Real Estate Limited Partnership to Novi Biznes Poglyady LLC were replaced by a direct loan from the Group to Novi Biznes Poglyady LLC. The Shopping Centre partially reopened in November 2022. As the loan receivable is still exposed to the performance of this investment property held in Ukraine, the Group continues to hold an IFRS 9 valuation adjustment for US\$0.5 million for expected losses at the reporting date (note 10).

Dividends and share purchase programme

The Group did not pay a dividend during the current or prior period. The Directors intend to restart dividend payments as soon as the Group's performance provides a consistent track record of profitability.

Outlook

The Board remains optimistic about the Group's prospects based on the transactions in the pipeline and the Group's initiatives to increase AUM. A significant increase in AUM is still required to ensure sustainable profits on a recurring management fee basis and the Group is well placed with capacity to absorb such an increase in AUM with negligible impact on operational costs.

Boosting AUM will be Argo's top priority in the next six months. The Group's marketing efforts continue to focus on TAF which has a 22-year track record as well as identifying acquisitions that are earnings enhancing.

Over the longer term, the Board believes there is significant opportunity for growth in assets and profits and remains committed to ensuring the Group's investment management capabilities and resources are appropriate to meet its key objective of achieving a consistent positive investment performance in the emerging markets sector.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023

| | | Six months ended 30 June 2023 | Six months ended 30 June 2022 |
|---|-------|--|--|
| | Note | US\$'000 | US\$'000 |
| Management fees | | 1,111 | 1,140 |
| Performance fees | | - | - |
| Other income | | 400 | 125 |
| Revenue | | 1,511 | 1,265 |
| | | | |
| Legal and professional expenses | | (119) | (128) |
| Management fees payable | | (141) | (180) |
| Operational expenses | | (402) | (362) |
| Employee costs | | (1,108) | (1,752) |
| Bad debt provision | 9, 10 | (367) | (320) |
| Foreign exchange (loss)/profit | | (9) | 9 |
| Depreciation | 7 | (48) | (71) |
| Operating loss | | (683) | (1,539) |
| | | | |
| Interest income | | 496 | 499 |
| Realised and unrealised gain/(loss) on investments | | 308 | (2,507) |
| Profit/(loss) on ordinary activities before taxation | | 121 | (3,547) |
| | | | |
| Taxation | 5 | - | - |
| Profit/(loss) for the period after taxation attributable to members of the Company | 6 | 121 | (3,547) |
| Other comprehensive income | | | |

Items that may be reclassified subsequently to profit or loss:

| | | |
|---|------------|----------------|
| Exchange differences on translation of foreign operations | 6 | (107) |
| Total comprehensive income for the period | 127 | (3,654) |

| | Six months Ended 30 June 2023 US\$ | Six months Ended 30 June 2022 US\$ |
|-------------------------------------|--|--|
| Earnings per share (basic) | 6 | 0.003 |
| Earnings per share (diluted) | 6 | 0.003 |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

| | 30 June 2023 | | |
|---|-----------------|---------------|---------------|
| | Note | US\$'000 | US\$'000 |
| Assets | | | |
| Non-current assets | | | |
| Land, fixtures, fittings and equipment | 7 | 571 | 607 |
| Loans and advances receivable | 10 | 14,147 | 13,416 |
| Total non-current assets | | 14,718 | 14,023 |
| Current assets | | | |
| Financial assets at fair value through profit or loss | 8 | 4,451 | 4,387 |
| Loan and advances receivable | 10 | 9 | - |
| Trade and other receivables | 9 | 309 | 413 |
| Cash and cash equivalents | | 1,241 | 1,642 |
| Total current assets | | 6,010 | 6,442 |
| Total assets | | 20,728 | 20,465 |
| Equity and liabilities | | | |
| Equity | | | |
| Issued share capital | 11 | 390 | 390 |
| Share premium | | 25,353 | 25,353 |
| Retained earnings | | (2,856) | (2,977) |
| Foreign currency translation reserve | | (3,203) | (3,209) |
| Total equity | | 19,684 | 19,557 |
| Current liabilities | | | |
| Trade and other payables | 15 | 662 | 497 |
| Total current liabilities | | 662 | 497 |
| Non-current liabilities | | | |
| Trade and other payables | 15 | 382 | 411 |
| Total non-current liabilities | | 382 | 411 |

| | | |
|------------------------------|--------|--------|
| Total equity and liabilities | 20,728 | 20,465 |
|------------------------------|--------|--------|

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

| | Issued share capital 2022 | Share premium 2022 | Retained earnings 2022 | Foreign currency translation reserve 2022 | Total 2022 |
|------------------------------------|------------------------------------|--------------------------|------------------------------|---|---------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 1 January 2022 | 390 | 25,353 | 420 | (3,086) | 23,077 |
| Total comprehensive income | | | | | |
| Loss for the period after taxation | - | - | (3,547) | - | (3,547) |
| Other comprehensive income | - | - | - | (107) | (107) |
| As at 30 June 2022 | 390 | 25,353 | (3,127) | (3,193) | 19,423 |

| | Issued share capital 2023 | Share premium 2023 | Retained earnings 2023 | Foreign currency translation reserve 2023 | Total 2023 |
|--------------------------------------|------------------------------------|--------------------------|------------------------------|---|---------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 1 January 2023 | 390 | 25,353 | (2,977) | (3,209) | 19,557 |
| Total comprehensive income | | | | | |
| Profit for the period after taxation | - | - | 121 | - | 121 |
| Other comprehensive income | - | - | - | 6 | 6 |
| As at 30 June 2023 | 390 | 25,353 | (2,856) | (3,203) | 19,684 |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

| | Note | Six months ended 30 June 2023 | Six months ended 30 June 2022 |
|--|------|--|--|
| | | US\$'000 | US\$'000 |
| Net cash outflow from operating activities | 12 | (387) | (332) |
| Cash flows used in investing activities | | | |
| Purchase of fixtures, fittings and equipment | 7 | (3) | (4) |
| Net cash (used)/ generated from investing activities | | (3) | (4) |
| Cash flows from financing activities | | | |
| Payment of lease liabilities | | - | (78) |
| Net cash used in financing activities | | - | (78) |
| Net decrease in cash and cash equivalents | | (390) | (414) |
| Cash and cash equivalents at 1 January 2023 and 1 January 2022 | | 1,642 | 1,709 |
| Foreign exchange loss on cash and cash equivalents | | (11) | (63) |
| Cash and cash equivalents as at 30 June 2023 and 30 June 2022 | | 1,241 | 1,232 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2023

1. CORPORATE INFORMATION

The Company is domiciled in the Isle of Man under the Companies Act 2006. Its registered office is at 33-37 Athol Street, Douglas, Isle of Man, IM1 1LB. The condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 are available upon request from the Company's registered office or at www.argogrouplimited.com.

The principal activity of the Company is that of a holding company and the principal activity of the wider Group is that of an investment management business. The functional currency of the Group undertakings are US dollars, Sterling and Romanian Lei. The presentational currency is US dollars.

| Wholly owned subsidiaries | Principal activity | Country of incorporation |
|----------------------------------|---------------------------|---------------------------------|
| Argo Capital Management Limited | Investment management | United Kingdom |
| Argo Property Management Srl | Property management | Romania |

2. ACCOUNTING POLICIES

(a) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2022.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022.

These condensed consolidated interim financial statements were approved by the Board of Directors on 9 August 2023.

(b) Financial instruments and fair value hierarchy

The following represents the fair value hierarchy of financial instruments measured at fair value in the Condensed Consolidated Statement of Financial Position. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

3. SEGMENTAL ANALYSIS

The Group operates as a single asset management business.

The operating results of the companies are regularly reviewed by the Directors of the Group for the purposes of making decisions about resources to be allocated to each company and to assess performance. The following summary analyses revenues, profit or loss, assets and liabilities:

| Argo Group Ltd | Argo Capital Management Ltd | Argo Property Management Srl | Six months ended 30 June 2023 |
|--|--|---|--|
| 2023 | 2023 | 2023 | 2023 |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Total revenues for reportable segments customers | - | 1,111 | 400 |
| Intersegment revenues | - | - | - |
| Total profit/(loss) for reportable segments | 687 | (602) | 36 |
| Intersegment loss | - | - | - |
| Total assets for reportable | 10,050 | 1,100 | 214 |
| | | | 20,700 |

| | | | | |
|---|--------|-------|-----|-------|
| segments assets | 19,059 | 1,428 | 241 | 20,28 |
| Total liabilities for reportable segments | 6 | 675 | 363 | 1,044 |

Revenues, profit or loss, assets and liabilities may be reconciled as follows: **Six months**

Ended
30 June 2023
US\$'000

| | |
|--|--------------|
| Revenues | |
| Total revenues for reportable segments | 1,511 |
| Elimination of intersegment revenues | - |
| Group revenues | 1,511 |

| | |
|--|----------|
| Profit or loss | |
| Profit for reportable segments | 121 |
| Elimination of intersegment loss | - |
| Other unallocated amounts | - |
| Loss on ordinary activities before taxation | - |

| | |
|---|---------------|
| Assets | |
| Total assets for reportable segments | 20,728 |
| Elimination of intersegment receivables | - |
| Group assets | 20,728 |

| | |
|---|--------------|
| Liabilities | |
| Total liabilities for reportable segments | 4,321 |
| Elimination of intersegment payables | (3,277) |
| Group liabilities | 1,044 |

| | Argo Group Ltd 2022 | Argo Capital Management Ltd 2022 | Argo Property Management Srl 2022 | Six months ended 30 June 2022 |
|--|------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Total revenues for reportable segments customers | - | 1,140 | 125 | 1,265 |
| Intersegment revenues | - | - | - | - |
| Total profit/(loss) for reportable segments | (2,329) | (1,215) | (211) | (3,755) |
| Intersegment loss | 208 | - | - | 208 |
| Total assets for reportable segments assets | 18,046 | 1,279 | 207 | 19,532 |
| Total liabilities for reportable segments | 6 | 77 | 26 | 109 |

Revenues, profit or loss, assets and liabilities may be reconciled as follows: **Six months**

Ended
30 June 2022
US\$'000

| | |
|--|--------------|
| Revenues | |
| Total revenues for reportable segments | 1,265 |
| Elimination of intersegment revenues | - |
| Group revenues | 1,265 |

| | |
|--|----------------|
| Profit or loss | |
| Loss for reportable segments | (3,755) |
| Elimination of intersegment loss | 208 |
| Other unallocated amounts | - |
| Loss on ordinary activities before taxation | (3,547) |

| | |
|---|---------------|
| Assets | |
| Total assets for reportable segments | 19,536 |
| Elimination of intersegment receivables | (4) |
| Group assets | 19,532 |

| Liabilities | | |
|---|------------|--|
| Total liabilities for reportable segments | 3,466 | |
| Elimination of intersegment payables | (3,357) | |
| Group liabilities | 109 | |

4. SHARE-BASED INCENTIVE PLANS

To incentivise personnel and to align their interests with those of the shareholders of Argo Group Limited, Argo Group Limited has granted share options to directors and employees under The Argo Group Limited Employee Stock Option Plan. The options are exercisable within 10 years of the grant date.

The fair value of the options granted during the period was measured at the grant date using a Black-Scholes model that takes into account the effect of certain financial assumptions, including the option exercise price, current share price and volatility, dividend yield and the risk-free interest rate. The fair value of the options granted is spread over the vesting period of the scheme and the value is adjusted to reflect the actual number of shares that are expected to vest.

The principal assumptions for valuing the options are:

| | |
|--|------|
| Exercise price (pence) | 21.0 |
| Weighted average share price at grant date (pence) | 19.0 |
| Average option life at date of grant (years) | 10.0 |
| Expected volatility (% p.a.) | 15.0 |
| Dividend yield (% p.a.) | 10.0 |
| Risk-free interest rate (% p.a.) | 2 |

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The total charge to employee costs in respect of this incentive plan is £nil (2022: £nil).

The number and weighted average exercise price of the share options during the period is as follows:

| | Weighted average exercise price | No. of share options |
|------------------------------------|--|---------------------------------|
| Outstanding at beginning of period | 21.2p | 3,895,998 |
| Granted during the period | - | - |
| Forfeited during the period | - | - |
| Outstanding at end of period | 21.2p | 3,895,998 |
| Exercisable at end of period | 21.2p | 3,895,998 |

Outstanding share options are contingent upon the option holder remaining an employee of the Group. The weighted average fair value of the options issued during the period was £Nil (2022: £Nil).

No share options were issued during the period.

5. TAXATION

Taxation rates applicable to the parent company and the UK and Romanian subsidiaries range from 0% to 25% (2022: 0% to 19%).

| Consolidated statement of profit or loss | Six months ended 30 June 2023 | Six months Ended 30 June 2022 |
|---|--|--|
| | US\$'000 | US\$'000 |
| Taxation charge for the period on Group companies | - | - |

The charge for the period can be reconciled to the profit shown on the Condensed Consolidated Statement of profit or loss as follows:

| | Six months Ended 30 June 2023 | Six months Ended 30 June 2022 |
|--|--|--|
| | US\$'000 | US\$'000 |
| Profit/(loss) before tax | 121 | (3,547) |
| Applicable Isle of Man tax rate for Argo Group Limited of 0% | - | - |
| Timing differences | - | - |

| | | |
|--|----------|----------|
| Non-deductible expenses | - | - |
| Other adjustments | - | - |
| Tax effect of different tax rates of subsidiaries operating in other jurisdictions | - | - |
| Tax charge | - | - |

Consolidated statement of financial position

| | 30 June 2023 | 31 December 2022 |
|--|-----------------|------------------------|
| | US\$'000 | US\$'000 |

Corporation tax payable

6. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period.

| | Six months ended 30 June 2023 | Six months ended 30 June 2022 |
|---|--|--|
| | US\$'000 | US\$'000 |
| Net profit/(loss) for the period after taxation attributable to members | 121 | (3,547) |
| | | |
| | No. of shares | No. of shares |
| Weighted average number of ordinary shares for basic earnings per share | 38,959,986 | 38,959,986 |
| Effect of dilution (Note 4) | 3,895,998 | 3,895,998 |
| Weighted average number of ordinary shares for diluted earnings per share | 42,855,984 | 42,855,984 |
| | Six months Ended 30 June 2023 | Six months ended 30 June 2022 |
| | US\$ | US\$ |
| Earnings per share (basic) | 0.003 | (0.09) |
| Earnings per share (diluted) | 0.003 | (0.08) |

7. LAND, FIXTURES, FITTINGS AND EQUIPMENT

| | Right of use assets | Fixtures, fittings and equipment | Land | Total |
|---------------------------------|---------------------------|---|------------|------------|
| | | | USD'000000 | US\$'000 |
| Cost | | | | |
| At 1 January 2022 | | 732 | 201 | 182 |
| Additions | | 455 | 7 | - |
| Disposals | | (732) | (3) | - |
| Foreign exchange movement | | - | (17) | (10) |
| At 31 December 2022 | | 455 | 188 | 172 |
| Additions | | - | 3 | - |
| Disposals | | - | (31) | - |
| Foreign exchange movement | | 22 | 5 | (7) |
| At 30 June 2023 | | 477 | 165 | 165 |
| Accumulated Depreciation | | | | |
| At 1 January 2022 | | 634 | 191 | - |
| Depreciation charge for period | | 120 | 5 | - |
| Disposals | | (732) | (3) | - |

| | | | | |
|--------------------------------|-----------|------------|----------|------------|
| Foreign exchange movement | 8 | (16) | - | (8) |
| At 31 December 2022 | 30 | 177 | - | 207 |
| Depreciation charge for period | 46 | 2 | - | 48 |
| Disposals | - | (31) | - | (31) |
| Foreign exchange movement | 3 | 9 | - | 12 |
| At 30 June 2023 | 79 | 157 | - | 236 |

| | | | | |
|----------------------------|------------|-----------|------------|------------|
| Net book value | | | | |
| At 31 December 2022 | 425 | 11 | 172 | 608 |
| At 30 June 2023 | 398 | 8 | 165 | 571 |

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| Holding | Investment in management shares | 30 June 2023 | 30 June 2023 |
|---------|---------------------------------|------------------------|------------------------|
| | | Total cost US\$'000 | Fair value US\$'000 |
| 10 | The Argo Fund Ltd | - | - |
| | | - | - |
| Holding | Investment in ordinary shares | Total cost US\$'000 | Fair value US\$'000 |
| 13,920 | The Argo Fund Ltd* | 4,648 | 4,451 |
| | | 4,648 | 4,451 |
| Holding | Investment in management shares | 31 December 2022 | 31 December 2022 |
| | | Total cost US\$'000 | Fair value US\$'000 |
| 10 | The Argo Fund Ltd | - | - |
| | | - | - |
| Holding | Investment in ordinary shares | Total cost US\$'000 | Fair value US\$'000 |
| 13,920 | The Argo Fund Ltd* | 3,824 | 4,387 |
| | | 3,824 | 4,387 |

*Classified as current in the consolidated statement of Financial Position

9. TRADE AND OTHER RECEIVABLES

| | At 30 June 2023 US\$ '000 | At 31 December 2022 US\$ '000 |
|---|---------------------------------|-------------------------------------|
| Trade receivables - Gross | 2,500 | 2,255 |
| Less: provision for impairment of trade receivables | (2,358) | (1,980) |
| Trade receivables - Net | 142 | 275 |
| Other receivables | 34 | 41 |
| Prepayments and accrued income | 133 | 97 |
| | 309 | 413 |

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. All trade receivable balances are recoverable within one year from the reporting date except as disclosed below.

The movement in the Group's provision for impairment of trade and loan receivables is as follow:

| | At 30 June 2023 US\$ '000 | At 31 December 2022 US\$ '000 |
|---------------------------|---------------------------------|-------------------------------------|
| As at 1 January | 14,019 | 14,252 |
| Bad debt recovered | - | (125) |
| Charged during the period | 368 | 636 |
| Foreign exchange movement | 209 | (744) |
| Closing balance | 14,596 | 14,019 |

10. LOANS AND ADVANCES RECEIVABLE

| | At 30 June 2023 US\$'000 | At 31 December 2022 US\$'000 |
|---|--------------------------------|------------------------------------|
| Deposits on leased premises - current | 9 | - |
| Deposits on leased premises - non-current (see below) | 89 | 96 |
| Other loans and advances receivable - non-current (note 14) | 14,058 | 13,320 |
| | <hr/> 14,156 | <hr/> 13,416 |

The deposits on leased premises relate to the Group's offices in London and Romania.

The Group also has a balance receivable for \$12.2 million (€11.2 million) from Argo Real Estate Limited Partnership that was assigned from Argo Real Estate Opportunities Fund Limited during 2021. The carrying value of this balance is \$nil.

11. SHARE CAPITAL

The Company's authorised share capital is unlimited with a nominal value of US\$0.01.

| | 30 June 2023 No. | 30 June 2023 US\$'000 | 31 December 2022 No. | 31 December 2022 US\$'000 |
|----------------------------------|------------------------|-----------------------------|-------------------------------|------------------------------------|
| Issued and fully paid | | | | |
| Ordinary shares of US\$0.01 each | 38,959,986 | 390 | 38,959,986 | 390 |
| | <hr/> 38,959,986 | <hr/> 390 | <hr/> 38,959,986 | <hr/> 390 |

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2022 and do not recommend an interim dividend in respect of the current period.

12. RECONCILIATION OF NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES TO PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

| | Six months ended 30 June 2023 US\$'000 | Six months ended 30 June 2022 US\$'000 |
|---|--|--|
| Profit/(loss) on ordinary activities before taxation | 121 | (3,547) |
| Interest income | (496) | (499) |
| Depreciation on fixtures, fittings and equipment | 2 | 3 |
| Depreciation on right of use asset | 46 | 68 |
| Realised and unrealised (profit)/loss on investments | (308) | 2,507 |
| Net foreign exchange loss/(profit) | 9 | (9) |
| Increase/(decrease) in payables | 136 | (49) |
| Decrease in receivables, loans and advances | 103 | 1,194 |
| Corporation tax paid | - | - |
| Net cash outflow from operating activities | <hr/> (387) | <hr/> (332) |

13. FAIR VALUE HIERARCHY

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level of the fair value hierarchy (note 2b).

| | At 30 June 2023 | | | |
|---|----------------------|----------------------|----------------------|--------------------|
| | Level 1 US\$ '000 | Level 2 US\$ '000 | Level 3 US\$ '000 | Total US\$ '000 |
| Financial assets at fair value through profit or loss | - | 4,451 | - | 4,451 |
| <hr/> | | | | |
| | At 31 December 2022 | | | |
| | Level 1 US\$ '000 | Level 2 US\$ '000 | Level 3 US\$ '000 | Total US\$ '000 |
| Financial assets at fair value through profit or loss | - | 4,387 | - | 4,387 |

14. RELATED PARTY TRANSACTIONS

All of the Group revenues derive from The Argo Fund in which two of the Company's directors, Kyriakos Rialas and Kenneth Watterson, have influence through directorships and the provision of investment management services.

At the reporting date the Company holds investments in The Argo Fund Limited. These investments are reflected in the accounts at fair value of US\$4.5 million (31 December 2022: \$4.4 million).

At the period end, the Group was owed \$14.6 million (note 10) by Novi Biznes Poglyady LLC, an entity that is 100% ultimately owned by Andreas Rialas. The adjusted IFRS 9 valuation of the loan after providing for expected losses was US\$14.1 million. This balance relates to a loan that was originally made to ARE LP in February 2020 that was lent onwards to Novi Biznes Poglyady LLC for the refinancing of Riviera Shopping City in Odessa, Ukraine. During the period, the original back to back loans were replaced by a direct loan from Argo Group Limited to Novi Biznes Poglyady LLC.

The Group is also owed US\$12.2 million (€11.2 million) (31 December 2022: US\$12.0 million (€11.2 million)) by ARE LP, which were previously owed by the now liquidated Argo Real Estate Opportunities Fund Limited. These balances are carried at US\$ nil (31 December 2020: US\$ nil) in the financial statements.

15. TRADE AND OTHER PAYABLES

| | At 30 June 2023 US\$ '000 | At 31 December 2022 US\$ '000 |
|---|---------------------------------|-------------------------------------|
| Trade creditors | 72 | 26 |
| Other creditors and accruals | 590 | 471 |
| Total current trade and other payables | 662 | 497 |

Trade creditors are normally settled on 30-day terms.

| | At 30 June 2023 US\$ '000 | At 31 December 2022 US\$ '000 |
|---|---------------------------------|-------------------------------------|
| Other creditors and accruals | 382 | 411 |
| Total non-current trade and other payables | 382 | 411 |

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