



Argo Corporation Reports Fiscal Year 2024 Financial Results

May 1, 2025

TORONTO, May 1, 2025 /CNW/ - **Argo Corporation** (TSXV: ARGH), (OTCQX: ARGHF) ("**Argo**" or the "**Company**"), leader in next-generation transit solutions, announced its audited financial results for the fiscal year ended December 31, 2024. Highlights include the launch of Argo's proprietary Smart Routing™ transit system, significant growth in the revenues of FoodsUp Inc., and a successful operational transition resulting in the removal of \$13 million in liabilities from its balance sheet.



In Q1 2025, the Company received approximately \$2.5 million in proceeds from the sale of 5,855 subordinate-voting shares of FoodsUp Inc. All figures are in Canadian dollars unless otherwise noted.

Launch of Smart Routing™ Transit System

Argo developed and deployed the world's first fully vertically integrated Smart Routing™ transit system. This end-to-end platform combines real-time routing software, electric vehicles and full-service operations to deliver dynamic, on-demand transit services.

- **Research & Development:** The company invested \$1.5 million in research and development to build its proprietary Smart Routing™ hardware and AI-powered software ecosystem, including vertical integration hardware onboard its Argo X1 electric vehicles.
- **Argo Transit:** In December, Argo signed a partnership with the town of Bradford West Gwillimbury to deploy the world's first vertically integrated Smart Routing™ transit system. The system is being rolled out gradually to replace the town's fixed-route bus system.
- **Argo School:** The company successfully launched Argo School in September, which continues to serve multiple schools across Ontario with safe, on-demand student transportation.

FoodsUp Inc.

The company held a 56.386% non-controlling interest in FoodsUp Inc. as of December 31, 2024. FoodsUp is one of Canada's leading restaurant supply platforms, with annual revenues of \$108 million in fiscal 2024.

- **Option Agreements:** In Q1 2025, the Company entered into two option agreements granting the holders thereof the irrevocable option to purchase up to a total of 45,932 subordinate-voting shares of FoodsUp at a price per share of up to \$658 in the coming quarters. The closing of the transactions contemplated under the option agreements is subject to any required approvals, which include approval of the TSX Venture Exchange.
- **Distribution Transaction:** The Company continues to pursue its plan to provide its shareholders with either the net proceeds of sale of the majority of its interest in FoodsUp to a third party, or an indirect or tracking ownership interest in FoodsUp as of a to-be-determined record date. Such a distribution transaction is subject to any required approvals, including approval of the TSX Venture Exchange.

Operational Transition

The company has made significant progress in its discontinuation of legacy operations related to prior ventures of the predecessor in its corporate entity.

- **Sale of Assets:** In Q3 2024, the company received \$750,000 in proceeds for the sale of 14,200 shares of preferred stock in the capital of Westbrook Global Inc. The Company received approximately \$2.5 million in proceeds from the sale of 5,855 subordinate-voting shares of FoodsUp Inc. in Q1 2025.
- **Reduction in Legacy Liabilities:** In 2024, Argo removed \$13 million in liabilities from its balance sheet related to discontinued operations in two legacy subsidiaries, which were assigned into bankruptcy under the Bankruptcy and Insolvency Act in Canada, and to an assignee for liquidation under a General Assignment for the Benefit of Creditors pursuant to California Law, respectively. These removals were completed in accordance with IFRS and reflect the full discharge of those obligations. Additionally, in Q4 2024, the company filed a statement of claim in connection with a disputed office lease, which remains as a \$2.4 million liability on the balance sheet as of December 31, 2024.

For detailed information, please refer to Argo's 2024 Annual Consolidated Financial Statements and its Management Discussion and Analysis of Financial Condition and Results of Operations for the years ended December 31, 2024 and 2023 (the "**2024 Annual MD&A**"), filed on SEDAR+ at www.sedarplus.ca. The following table provides a summary of Argo's financial results for the years ended December 31, 2024 and 2023:

| For the years ended December 31, | 2024 | 2023 |
|---|---------------|---------------|
| REVENUE | \$1,564,865 | \$14,834,490 |
| Cost of revenue | \$236,091 | \$14,419,193 |
| General and administration | 6,560,070 | 3,831,910 |
| Operational support | 1,657,225 | 3,272,198 |
| Research and development | 1,454,184 | 606,765 |
| Sales and marketing | 186,324 | 521,852 |
| Provision for trade and other receivables | 115,207 | 726,112 |
| Amortization & depreciation | 383,311 | 1,376,311 |
| Depreciation | 56,271 | 704,511 |
| Total operating expenses | 10,592,412 | 24,754,341 |
| OPERATING LOSS | (\$9,027,547) | (\$9,919,851) |
| OTHER INCOME (EXPENSES) | | |
| Government grant | – | (48,450) |
| Foreign exchange gain/ (loss) | (144,224) | (14,191) |
| Interest expenses | (2,026,312) | (278,525) |
| Interest income | 4,000 | 22,734 |
| Other expense | (538,660) | - |

| | | |
|---|-----------------------|---------------------|
| Loss on termination | (30,712) | - |
| Loss on shares for debt settlements | (90,763) | |
| Write-off of accounts payable settlements | 392,462 | - |
| Gain/ (Loss) from the spin-off of a subsidiary | - | 33,791,897 |
| Fair value gain (loss) on investments | 568,402 | (919,077) |
| Loss on sale of investment | (159,063) | - |
| Gain on forgiveness of debt | 114,913 | |
| Penalties and settlement | (36,671) | |
| Derecognition of right-of-use assets | - | (2,366,016) |
| Share of loss of an associate | (3,842,146) | (5,737,886) |
| Net income/ (loss) from continuing operations | (\$15,208,783) | \$14,530,635 |
| Income tax recovery | (129,595) | 33,468 |
| Deferred income tax recovery | (58,761) | 69,967 |
| Discontinued Operations | | |
| Net loss from discontinued operations, net of tax | (2,724,633) | (14,224,918) |
| Gain from derecognition, net of tax | 14,387,684 | |
| NET GAIN (LOSS) | (\$3,734,088) | \$409,152 |
| Cumulative translation adjustment | 195,984 | 616,528 |
| NET PROFIT (LOSS) AND COMPREHENSIVE PROFIT (LOSS) | (\$3,538,104) | \$1,025,680 |
| (Loss) Profit per share | | |
| (Loss) income per share from continuing operations | | |
| – Basic and diluted | (\$0.12) | \$0.11 |
| Income (loss) per share from derecognition and discontinued operations - Basic and diluted | \$0.09 | (\$0.10) |
| Weighted average shares outstanding - Basic and diluted | 133,586,040 | 132,944,615 |

All figures rounded to the nearest dollar. Prepared in accordance with IFRS.

About Argo

Founded in June 2024, Argo delivers the world's first fully vertically integrated transit system, combining Argo X1 electric vehicles, Smart Routing™ technology, and comprehensive operational management in a single end-to-end solution. By integrating every aspect of the transit experience, Argo enables municipalities to transition from traditional fixed-route services to dynamically optimized transit systems that deliver substantially better efficiency, coverage, and rider satisfaction while maintaining standard public transit pricing. The company launched Argo School in September 2024 and began its first municipal deployment in Bradford West Gwillimbury in early 2025. Learn more at www.rideargo.com.

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Forward-Looking Information

This news release includes certain forward-looking statements as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate," "estimate," and "intend," and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. The forward-looking information set out in this news release relates to future events or our future performance and includes, without limitation, statements concerning the completion of the the exercise of the options granted pursuant to the option agreements by the holders thereof, Argo's ability to obtain all necessary approvals in respect of the option agreements and the distribution transaction, and Argo's intention with respect to the distribution transaction. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, as described in more detail in the Company's securities filings available at www.sedarplus.ca. Actual events or results may differ materially from those projected in the forward-looking statements, and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law. See "Cautionary Note Regarding Forward-Looking Information", "Financial Risk Management Objectives And Policies" and "Other Business Risks and Uncertainties" in the Company's 2024 Annual MD&A and its interim Management's Discussion & Analysis for the three and nine months ended September 30, 2024 for a discussion of the uncertainties, risks and assumptions associated with these statements and other risks. Readers are urged to consider the uncertainties, risks, and assumptions carefully when evaluating forward-looking information and are cautioned not to place undue reliance on such information. We have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation and regulatory requirements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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