

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 9, 2020

ARGAN, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	001-31756	13-1947195
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
One Church Street, Suite 201, Rockville, MD		20850
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (301) 315-0027

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

<u>Title of Each Class:</u>	<u>Trading Symbol(s):</u>	<u>Name of Each Exchange on Which Registered:</u>
Common Stock, \$0.15 Par Value	AGX	New York Stock Exchange

Item 2.02. Results of Operations and Financial Condition.

On December 9, 2020, Argan, Inc. ("Argan") issued a press release announcing its financial results for the third quarter ended October 31, 2020. A copy of Argan's press release is attached to this report as Exhibit 99.1 and is incorporated herein by reference.

Item 8.01. Other Events.

On December 10, 2020, Argan's board of directors (the "Board") declared a special cash dividend of \$1.00 per share of common stock in addition to a regular quarterly cash dividend in the amount of \$0.25 per share of common stock, for a total declared cash dividend of \$1.25 per share of common stock, payable December 29, 2020 to stockholders of record at the close of business on December 21, 2020. A copy of Argan's press release making this announcement is attached to this report as Exhibit 99.2 and is incorporated herein by reference.

The Board also approved a new, revised Code of Conduct which provides guidance to directors, officers and employees setting forth expectations for good judgement and ethical behavior, among other guidance, while they are affiliated with Argan.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
14	Code of Conduct for Argan, Inc., effective December 10, 2020
99.1	Press Release issued by Argan on December 9, 2020
99.2	Press Release issued by Argan on December 10, 2020
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

EXHIBIT INDEX

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARGAN, INC.

Date: December 10, 2020

By: /s/ David H. Watson
David H. Watson
Senior Vice President, Chief Financial Officer,
Treasurer and Secretary

Argan, Inc.
Code of Conduct
(Effective December 10, 2020)

General

The honesty, loyalty, concern for others and accountability of our actions is fundamental to the reputation and success of Argan, Inc. and its subsidiaries ("Argan" or the "Company"). The directors, officers and employees of Argan, wherever located, collectively referred to herein as "employees," are subject to the provisions of our Code of Conduct. We are expected to be sensitive to any situations that can adversely impact Argan's reputation and are expected to use good judgment and common sense in the way we conduct business.

The Code of Conduct is designed to help you understand what is meant by good judgment and ethical behavior. These policies are part of our corporate governance obligations. All employees must comply with these policies and there upon act in a reputable manner.

The Code of Conduct is intended to supplement other policies and procedures of the Company, and is not considered an employment contract. It does however, set forth expectations of behaviors of Argan employees in certain situations. Employees who violate the spirit of the Code of Conduct are subject to disciplinary action up to and including termination of employment.

Questions about our Code of Conduct should be directed to your immediate supervisor, manager, Vice President of Finance, the Argan Corporate Headquarters or the Hot Line number listed at the end of this Code of Conduct.

The Argan employee personal responsibility

Every Argan employee has a personal responsibility to embody and model behavior that complies with these guidelines and to:

- Learn the details of all policies that affect your job. While you are not expected to know all policies of the Company, every employee is responsible for following this Code of Conduct and for having a detailed understanding of all policies that apply to the job.
- Seek assistance from appropriate management when you have a question about the application of a policy.
- Raise issues and concerns with your supervisor or manager. If the issue is not resolved, raise it with the Vice President of Finance. If it is still not resolved call the Hot Line.
- You may raise your concerns verbally or in writing. We will address your concern promptly and treat it with the appropriate level of confidentiality.

The leaders at Argan are expected to build and maintain a culture of compliance by:

- Leading by example, using their own behavior as a model for all employees.
 - Making sure that employees understand that following the Code of Conduct is always paramount to other business or financial results.
 - Encouraging employees to raise ethical questions and concerns.
 - Providing access to education, training, and legal resources to ensure that employees, affiliates, and where appropriate, third parties understand the requirements of Argan policies and applicable laws.
 - Implementing appropriate control measures in business process, to detect heightened compliance risks and/or violations.
 - Taking prompt corrective action to fix any identified weaknesses in compliance measures.
-

Everyone has a duty to be vigilant for circumstances that may indicate illegal or unethical behavior and to act appropriately in a timely manner to prevent improper conduct.

Working within the Argan community

Anti-Discrimination and Anti-Harassment

Argan strives to build and maintain a productive, motivated workforce by treating all employees fairly and equitably. We provide equal employment, development and advancement opportunities and do not discriminate on the basis of race, color, religion, national origin, ancestry, age, disability or handicap, use of a guide or support animal, pregnancy, sex, marital status, sexual orientation, gender identity or expression (including transgender status), veteran status, genetic information or any other legally protected category. Every employee should be fair and respectful in his or her dealings with fellow employees.

Argan will not tolerate harassment of its employees by anyone, including managers, co-workers, contractors, vendors or customers.

Diversity and Equal Opportunity

Argan recognizes that diversity brings benefits to the Company -- ways of thinking and approaches to decision making that can make us more successful. We value the differences among individuals and encourage diversity within our workforce. Each Argan manager shall ensure that all applicants and employees are afforded an equal opportunity in employment. We support and obey laws that prohibit discrimination everywhere we do business.

Reporting and Anti-Retaliation

Argan will not tolerate behavior that violates these policies. If you are subjected to any conduct that you believe violates these anti-discrimination or anti-harassment policies, or witness any such conduct, you must promptly report it to your direct supervisor, a member of the employee care/human resources department at your subsidiary or the Hot Line. No one will be subject to, and Argan prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reporting of incidents of harassment of any kind, pursuing any harassment claim or cooperating in related investigations. Any employee, regardless of position or title, whom the Company determines has subjected an individual to harassment or retaliation in violation of this policy, will be subject to discipline, up to and including termination of employment.

Respect for Human Rights

Argan recognizes that fundamental human rights are inherent to all human beings. We expect each employee and our vendors and suppliers to respect all such internationally recognized human rights. We oppose any form of forced, compulsory or child labor.

Employee Health and Safety

Argan strives to provide each employee with a safe and healthy work environment. Each employee has a responsibility to maintain a safe and healthy workplace for all employees. Employees should report to their supervisor workplace accidents and injuries, as well as unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Weapons are not permitted and employees and others may not have or possess a weapon while in any Argan workplace or on any Argan property. Employees should report to work in condition to perform their duties. Drugs and alcohol can affect your ability to perform at your best and put you and others at risk. Argan strictly forbids the use of illegal drugs (or the abuse of legal drugs including marijuana) or alcohol in the workplace or while operating company equipment. Employees are also prohibited from working or reporting to work under the influence of alcohol or drugs. If you suspect drug or alcohol abuse in the workplace, you should report it to your manager, a member of the employee care/human resources department at your subsidiary or the Hot Line. Argan will not tolerate the unlawful use and possession of controlled substances on its premises. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited while in any Argan workplace or on any Argan property.

Respect for the Environment

Argan employees will respect the environment by complying with all applicable environmental laws in all jurisdictions in which we conduct business operations. Argan is committed to the protection of the environment by minimizing the environmental impact of our operations. Argan's employees should notify their supervisor or manager if hazardous materials come into contact with the environment or are improperly handled or discarded.

Working Within the Legal System

Compliance with Laws

Argan's policy is that all employees shall conduct business on behalf of the Company in full compliance with the laws of the jurisdictions in which we operate. There may be uncertainty with respect to the scope and application of certain of the laws in some jurisdictions. Compliance with our Code of Conduct requires us to satisfy the intent and purpose of the applicable laws, consistent with our policy of ethical and honest business conduct. Any employee who acquires knowledge of a violation of law, or who requires guidance on a matter of law, should consult with their supervisor or manager or Argan Corporate Headquarters.

We are subject to many laws and regulations that help to ensure fair business competition by prohibiting activities such as bribery, price fixing, or price discrimination and certain product purchase requirements. Argan employees should not, for example, enter into any agreements or arrangements with competitors or vendors that could illegally limit or restrict competition. In addition, the US Foreign Corrupt Practices Act, the UK Bribery Act of 2010 and similar anti-bribery and anti-corruption laws in other jurisdictions prohibit companies from making or directing improper payments to officials or others for the purpose of obtaining or retaining business. Argan's policy is that all employees shall conduct business on behalf of the Company only in full compliance with these anti-bribery laws.

Argan is committed to following all applicable wage and hour laws, and compensating employees correctly, for work performed. Argan has in place procedures to enable employees to record all of their hours worked, including overtime and time spent on Argan business away from the office or job site. Each employee must follow the applicable procedures in place in order to accurately record their hours. If you have any questions regarding these procedures you should speak with your supervisor or manager.

Contracting practices

When Argan is selling or buying products and services, or entering into other commitments, Argan must consider the rights and obligations of each party in appropriate written contracts. Properly written contracts document the use of Argan funds and assets, define the rights and obligations of Argan and other parties, establish protections against liability, and provide tools for handling disputes. If you are involved in negotiating with Argan customers, suppliers, other business partners or outside parties, you are required to understand basic principles of business transactions and to abide by Argan contracting policies and guidelines.

You may not commit Argan to undertake any performance, payment or other obligation unless you are authorized under the appropriate delegation of authority policies.

You may not enter into any agreement or engage in any activity that may violate applicable law. You may not enter into any transaction that facilitates improper revenue recognition, expense treatment or other accounting improprieties on the part of either Argan or the business partner.

Protecting Argan's Assets and Opportunities

Protecting and safeguarding Argan's assets, including tangible and intangible property, is critical to Argan's success. We have a duty to use those assets for legitimate business purposes only, to protect them from loss or unauthorized use and to keep them confidential as appropriate. In no event may Argan assets be used for unlawful or improper purposes. Every employee has a responsibility to protect the Company's assets. Theft, misuse and waste of assets have an impact on Argan's profitability. Theft, embezzlement or misappropriation of Argan property by any employee is prohibited. Argan equipment should not be used for non-Company business.

The obligation of employees to protect Argan's assets includes its proprietary information, such as trade secrets, patents, trademarks, business and marketing plans, engineering and manufacturing ideas and unpublished financial data. Unauthorized use or distribution of proprietary information is a violation of Argan policy. Argan also is subject to applicable data privacy laws that apply to data and personal financial information Argan may maintain regarding its customers or employees, including, for example, the EU General Data Protection Regulation and the US Health Insurance Portability and Accountability Act. Employees with access to such information are required to follow all applicable Argan policies and practices with respect to the processing, storage and use of such data.

Finance and Accounting Practices

It is a legal requirement that, as a public company, Argan adheres to strict accounting principles and standards of reporting. Financial information must be accurate and complete, and there must be internal controls and processes to comply with these accounting and financial reporting laws. These laws require the proper recording of, and accounting for, revenues and expenses. If an employee has responsibility or any involvement in these areas, they must understand and adhere to these rules. Also, these rules prohibit anyone from assisting others to engage in improper accounting practices or make false or misleading financial reports.

Violations of laws associated with accounting and financial reporting can result in fines, penalties, and even imprisonment, and can lead to loss of public faith in a company. If you become aware of any action related to accounting or financial reporting that you believe may be improper, you should immediately report it to your manager, the Vice President of Finance or by contacting the Hot Line.

Political Activities

Argan employees are encouraged to take an active interest in political and government activities and to support principles, issues, parties or candidates of their own choice. Such activity must remain separate and distinct from employment with Argan.

Argan policy goes beyond federal law, which prohibits the use of Company funds, assets, services or facilities on behalf of a federal political party or candidate except under limited circumstances. Our policy is that no Argan assets -- including monetary payments, employees' work time, use of Argan premises or equipment -- may be contributed to any political candidate, political action committee, party, or ballot measure without the written permission of the Chief Financial Officer of Argan. An Argan employee will not be compensated or reimbursed, in any form, for a political contribution that the person has made.

Preservation of Certain Records

For business, accounting and legal reasons our Company records must be properly managed. We create, retain and dispose of our business records and information assets, both written and electronic, as part of our normal course of business in compliance with applicable regulatory and legal requirements. Information defined as essential must be retained in a recoverable format for as long as it remains essential. Information that is no longer essential should be disposed of as soon as possible. For questions regarding what is essential information, contact the Vice President of Finance.

In no case may business records or documents involved in a pending or threatened litigation, government inquiry or under subpoena or other information request, be discarded or destroyed. In addition, you may never destroy, alter, or conceal, with an improper purpose, any record or otherwise impede any official proceeding, either personally, in conjunction with, or by attempting to influence, another person. You are required to cooperate fully with legal counsel retained in the course of a lawsuit, legal proceeding or investigation.

Confidential Information

Argan has developed and continues to develop and use commercially valuable confidential and/or proprietary technical and non-technical information. Confidential information includes a wide range of non-public information including but not limited to financial and cost data, business plans and strategies, operating reports, pricing information, marketing and sales data, business partner information, proprietary information, personnel records and organization charts. Appropriate security measures to protect confidential information from improper disclosure should be taken seriously by all employees.

Employees must maintain the confidentiality of such information. You may not, directly or indirectly, disclose, or use for the benefit of yourself or any other person, any of our confidential or proprietary information.

Media Inquiries

Federal law also restricts the manner in which Argan releases material information to the media, security analysts and stockholders. Argan has an obligation to accurately and completely convey all material facts when speaking publicly. In order to ensure that Argan complies with its obligations, employees receiving inquiries regarding material Company information or Argan's position on public issues should refer the request to the Corporate headquarters at Argan, Inc., One Church Street, Suite 201, Rockville, MD 20850 or call 301-315-0027.

Inside Information

Federal law prohibits insiders from trading securities while in possession of material non-public information. Argan's policy also prohibits such trading. Any employee who is aware of material non-public information related to Argan, or to firms which are suppliers or customers of Argan, may not buy or sell common stock of Argan or such other company. You may not disclose such information to any person outside Argan until it has been made public. You cannot "tip" others. Securities trading by your family members, household members or those with whom you have a close, personal relationship can, under some circumstances, result in legal liability to you.

Material information is any information that a reasonable investor would consider important in deciding whether to buy or sell common stock. This includes information about possible acquisitions or divestitures, earnings, new contracts or products, expansion plans and other important corporate developments that have not been publicly disclosed. You should refer to the Argan Insider Trading Policy if you have any questions concerning your buying or selling of Argan common stock.

Many senior-level Argan employees are subject to special rules on insider trading. Unless otherwise advised, these employees can only buy or sell Argan common stock during limited periods following the release of quarterly or annual earnings information. Such "window" periods are open two days after, the earliest of, any quarterly or annual reporting period press release or SEC filing, but 30 days before the close of a quarterly or annual reporting period. Refer to Argan's Insider Trading Policy for further information.

Avoiding Conflicts of Interest

Argan employees are expected to make business decisions based on the best interests of the Company and not based on personal relationships or benefits. Conflicts of interest can compromise employees' business ethics. A conflict of interest arises when an activity, investment, interest or association interferes with or appears to interfere with the independent exercise of an employee's judgment as it relates to Argan's interests. A conflict of interest arises if an employee works for or has an ownership interest in a competitor, customer or supplier.

Employees must disclose any situations that may involve conflicts of interest affecting them personally. Waivers of conflicts of interest involving employees require the approval of your manager and the Vice President of Finance. Waivers of conflicts of interest and related party transactions involving executive officers require the approval of the Board of Directors or the Audit Committee.

Business Gifts and Entertainment

Business entertainment and business gifts in a commercial setting are intended to create goodwill and improve working relationships. Such entertainment or gifts should not be used to gain an unfair advantage with suppliers or customers. Such gifts or entertainment should not be offered, given, provided or accepted by any Argan employee or family member of an Argan employee unless it (1) is not a cash or cash equivalent gift, (2) is consistent with customary business practices, (3) is not of significant value that would give the appearance of impropriety or that the gift or entertainment was intended in any way to influence a business relationship and (4) does not violate any laws or regulations. Each business unit may have other guidelines to put on business entertainment depending on practices appropriate for that business unit. If you have any questions concerning the appropriateness of gifts or entertainment, you should contact your manager or the Vice President of Finance.

Working with Suppliers and Customers

We must maintain the confidence, respect and trust of our customers, partners, suppliers and government organizations by conducting business responsibly. We must be committed to acting ethically, lawfully, truthfully and with integrity in all business dealings whether selling or buying or representing Argan in any other capacity.

Advertising, Marketing and Sales Practices

Generally, statements in advertising, promotional materials and product packaging must be fair, factual, complete, capable of being substantiated and may not deceive or mislead current or potential customers. Argan's marketing and sales practices reflect Argan's commitment to honest and fair dealings with its current or potential customers. You may not make false or misleading statements about products and services of ours or those of competitors in marketing or sales activities.

Purchasing Products

Argan also expects to receive fair and competitive prices and quality services from our suppliers. We select suppliers that are best able to meet our needs based on such factors as quality, value, best or lowest price, technical excellence, service reputation, ethical standards and production capacity.

Argan does not condone reciprocity with suppliers or customers. The materials we require are purchased solely on their merits, just as the products we sell are sold solely on their merits. Personal or family relationships should not influence purchasing or sales decisions.

Dealings with Competitors

Argan believes that a competitive economy is essential to the public interest, to the interests of the business community in general, and to Argan specifically. Argan's policy is to comply with the laws of competition in all jurisdictions in which we operate.

All employees must carry out the policy of Argan to compete vigorously and legally in all areas of its business operations. No employee of Argan has authority to engage in any conduct inconsistent with the laws of competition or to authorize, direct or condone such conduct by any other person. For example, Argan employees shall not:

- Agree on or even discuss with competitors any matter involved in competition between Argan and the competitor (such as sales price, credit terms, marketing strategies, market shares or sales policies) except in those instances where there is a bona fide purchase from or sale to a competitor or bona fide credit checks for commercially reasonable purposes.
- Agree with a competitor to restrict competition by fixing prices, allocating customers or territories or any other means.
- Agree with a supplier or customer on the minimum price at which a product will be resold.
- Sell a product below cost with the intent to harm a competitor.

Violations and Waivers

The Board of Directors or Audit Committee shall determine, or designate appropriate persons to determine, remedial actions to be taken in the event of a violation of the Code of Conduct. Such actions shall be reasonably designed to deter wrongdoing and promote accountability for adherence to the Code of Conduct. The Board of Directors or Audit Committee has full and discretionary authority to approve any amendment to or waiver from this Code of Conduct; any such amendment or waiver shall be promptly disclosed as required by applicable law or regulation.

Administration

The overall administration of our Code of Conduct rests with the Argan Corporate Headquarters in Rockville, MD. Argan will not tolerate any threats or acts of retaliation against an employee for any report made in good faith. Employees' reports of Code of Conduct violations will be kept confidential to the extent permitted by law and our ability to address specific concerns. Anonymous reports should supply detailed information to allow us to investigate and address the concern. In some instances, employees' names will be needed for us to properly investigate the matter. Some investigations may not allow for complete anonymity.

Acknowledgement

We ask that employees annually acknowledge their commitment to the Code of Conduct. Your signature acknowledges that you have read and understand the Code of Conduct.

Training

You may be required to take a training course covering the Code of Conduct and may be required to take refresher courses from time to time.

Non-retaliation

Under no circumstances will you be subject to any disciplinary or retaliatory action for reporting a possible violation of the Code of Conduct or applicable law or for cooperating in any investigation of a possible violation. However, knowingly false or malicious reports will not be tolerated and anyone filing such reports will be subject to appropriate disciplinary action.

Waivers

Any waiver of this Code of Conduct for directors or executive officers may be made only by the Audit Committee or the Board of Directors. Requests for waivers from other employees should be addressed to your manager and the Vice President of Finance.

Investigations

Supervisors and managers should be accessible to employees who wish to report any unlawful or unethical conduct that violates this Code of Conduct. Any person receiving an employee report of a violation of this Code of Conduct should notify the Vice President of Finance or the Argan Corporate Headquarters, of the report. Argan will investigate all such employee reports. You are responsible for providing truthful information and cooperating fully in any investigation.

In connection with any investigation, employees must not (1) interfere with the investigation, such as by providing false, misleading or incomplete information, concealing information or encouraging others not to contribute to an investigation or (2) destroy or alter any information relevant to the investigation.

Remediation

Violation of our Code of Conduct is a serious matter and may in some circumstances subject Argan or the employee involved to civil liability or even criminal prosecution. Employees who violate our Code of Conduct may be disciplined. Disciplinary action will be determined by the applicable business unit management, the Vice President of Finance, the Argan Corporate Headquarters and/or the Audit Committee, based on the circumstances involved. Disciplinary action can include severe consequences, such as termination of employment, suspension from employment without pay, demotion, transfer, withholding of promotion and requiring reimbursement of damages caused.

Questions about our Code of Conduct should be directed to your immediate supervisor, manager, Vice President of Finance, the Argan Corporate Headquarters or the Hot Line.

Argan Corporate Headquarters:

Argan, Inc.

One Church Street

Suite 201

Rockville, MD, 20850

(301) 315-0027

governance@arganinc.com

Hot Line phone number:

1-800-826-6762



Argan, Inc. Reports Third Quarter Results

December 9, 2020 – ROCKVILLE, MD – **Argan, Inc.** (NYSE: AGX) ("Argan" or the "Company") today announced financial results for its third quarter ended October 31, 2020. For additional information, please read the Company's Quarterly Report on Form 10-Q, which the Company intends to file today with the U.S. Securities and Exchange Commission (the "SEC"). The Quarterly Report can be retrieved from the SEC's website at www.sec.gov or from the Company's website at www.arganinc.com.

Summary Information (dollars in thousands, except per share data)

	October 31,		Change
	2020	2019	
For the Quarter Ended:			
Revenues	\$ 127,331	\$ 58,406	\$ 68,925
Gross profit	20,343	5,992	14,351
Gross margin %	16.0 %	10.3 %	5.7 %
Net income (loss) attributable to the stockholders of the Company	\$ 9,454	\$ (6,855)	\$ 16,309
Diluted per share	0.60	(0.44)	1.04
Cash dividends per share	0.25	0.25	—
	October 31,	January 31,	Change
	2020	2020	
As of:			
Cash, cash equivalents and short-term investments	\$ 443,230	\$ 327,862	\$ 115,368
Net liquidity ⁽¹⁾	277,790	277,721	69
RUPO ⁽²⁾	604,660	781,400	(176,740)

⁽¹⁾ Net liquidity, or working capital, is defined as total current assets less total current liabilities.

⁽²⁾ The amount of remaining unsatisfied performance obligations ("RUPO") represents the unrecognized amount of transaction price for active contracts with customers.

Consolidated revenues for the quarter ended October 31, 2020 were \$127.3 million, which represented an increase of \$68.9 million, or 118%, from consolidated revenues of \$58.4 million reported for the three months ended October 31, 2019. The increase was primarily due to increasing revenues at Gemma Power Systems ("GPS") associated with the construction of the Guernsey Power Station, which did not commence until the third quarter last year.

During October 2020, Atlantic Projects Company ("APC") and its customer agreed to additional contractual changes that effectively completed the fixed price TeesREP subcontract and that establishes a time-and-materials contractual arrangement covering any additional works requested by APC's customer until the overall completion of the power plant construction. The effects of the contract changes and amounts earned on the performance of related construction activity resulted in consolidated gross profit for the third quarter in the amount of \$2.8 million on the project. As APC completes this three and a half

year project in the coming months, the expected final amount of the TeesREP fixed-price subcontract loss is \$29.5 million.

Even with increased revenues, we believe that all of our businesses were adversely impacted during the three months ended October 31, 2020, to some degree, by continuing difficulties presented by the COVID-19 outbreaks. These difficulties include delayed project starts and awards, restrictive and reduced work environments, additional health and safety costs, and complying with various government lockdowns and restrictions.

Consolidated gross profit for the three months ended October 31, 2020 was \$20.3 million, or 16.0% of the corresponding consolidated revenues, which reflected the favorable impacts of the higher consolidated revenues and the adjustments recorded in connection with the negotiation of the latest change to the TeesREP subcontract.

Selling, general and administrative expenses for the three months ended October 31, 2020 and 2019 were \$9.4 million and \$12.1 million, respectively. The decline was due primarily to the increased utilization of staff by GPS on the Guernsey Power Station and reductions in the costs of travel reflecting COVID-19 restrictions. Due in part to the extremely low rates of return on amounts invested in cash equivalents during the current year, other income declined to \$0.2 million for the three months ended October 31, 2020 from \$3.6 million for the comparable quarter of the prior year despite the increase in the amount of invested funds between years. In addition, other income for the three months ended October 31, 2019 included a pre-tax gain of \$2.2 million which was recorded by the consolidated variable interest entity in connection with the grant of a utility easement at the planned site of a new gas-fired power plant. This gain was also reflected in the amount of net income attributable to non-controlling interests for the three months ended October 31, 2019.

With results reflecting primarily the factors identified above, the consolidated net income attributable to Argan's stockholders was \$9.5 million, or \$0.60 per diluted share, for the three months ended October 31, 2020. The Company paid its regular quarterly cash dividend of \$0.25 per share to its shareholders on October 30, 2020.

As of October 31, 2020, cash, cash equivalents and short-term investments totaled \$443 million and net liquidity was \$278 million; furthermore, the Company had no debt. The Company's consolidated amount of RUPO, which represents an accounting value for active work, was approximately \$0.6 billion as of October 31, 2020.

The aggregate amount of the rated power represented by the natural gas-fired power plants for which GPS has signed EPC contracts, including the Guernsey Power Station and certain plants that will have the ability to burn natural gas mixed with green hydrogen as fuel, is approximately 6.4 gigawatts with an aggregate contract value of approximately \$3.0 billion. For those contracts not already included in project backlog, the Company anticipates adding them closer to their respective expected start dates when the projects complete key development milestones and obtain financing commitments. For all projects, the start date for construction is primarily controlled by the project owners.

Management Comment

Commenting on Argan's results, Rainer Bosselmann, Chairman and Chief Executive Officer, stated, "We are pleased with the continued improvement in our financial results and strong performance of our employees during this COVID-19 pandemic. GPS continues to increase activities and execute on the Guernsey project which is the largest in our history. Our other subsidiaries have generally increased the

number of revenue opportunities and we believe these positive trends will continue. While certain EPC project development timelines have proven to be longer than originally anticipated and it is possible that some of these projects ultimately will not be built, we have approximately \$3.0 billion in signed EPC contracts for power plant projects. Even though many factors are out of our control, we are optimistic that we will receive the construction go ahead on several of these projects and others over the next twelve months. We look forward to increasing revenues and financial performance next year and extend our sincere wishes to all for safety during these challenging times.”

About Argan, Inc.

Argan’s primary business is providing a full range of services to the power industry, including the renewable energy sector. Argan’s service offerings focus on the engineering, procurement and construction of natural gas-fired power plants, along with related commissioning, operations management, maintenance, project development and consulting services, through its Gemma Power Systems and Atlantic Projects Company operations. Argan also owns The Roberts Company, which is a fully integrated fabrication, construction and industrial plant services company, and SMC Infrastructure Solutions, which provides telecommunications infrastructure services.

Certain matters discussed in this press release may constitute forward-looking statements within the meaning of the federal securities laws and the Company’s future financial performance is subject to risks and uncertainties including but not limited to APC’s ability to complete its loss subcontract without additional unfavorable effects, the successful addition of new contracts to project backlog, the receipt of corresponding notices to proceed with contract activities, the Company’s ability to successfully complete the projects that it obtains, and the Company’s success in minimizing the adverse impacts of the COVID-19 pandemic on the Company’s businesses. The Company has several signed EPC contracts that have not started and may not start as forecasted due to market and other circumstances beyond its control. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to the number of factors described from time to time in the Company’s SEC filings. In addition, reference is hereby made to the cautionary statements made by the Company with respect to risk factors set forth in its most recent reports on Form 10-K, Forms 10-Q and other SEC filings.

Company Contact:

Rainer Bosselmann
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ARGAN, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2020	2019	2020	2019
REVENUES	\$ 127,331	\$ 58,406	\$ 274,971	\$ 171,009
Cost of revenues	106,988	52,414	234,989	183,078
GROSS PROFIT (LOSS)	20,343	5,992	39,982	(12,069)
Selling, general and administrative expenses	9,398	12,135	28,827	31,761
Impairment loss	—	—	—	2,072
INCOME (LOSS) FROM OPERATIONS	10,945	(6,143)	11,155	(45,902)
Other income, net	175	3,578	1,714	7,472
INCOME (LOSS) BEFORE INCOME TAXES	11,120	(2,565)	12,869	(38,430)
Income tax (expense) benefit	(1,666)	(1,996)	1,391	4,936
NET INCOME (LOSS)	9,454	(4,561)	14,260	(33,494)
Net income (loss) attributable to non-controlling interests	—	2,294	(40)	2,007
NET INCOME (LOSS) ATTRIBUTABLE TO THE STOCKHOLDERS OF ARGAN, INC.	9,454	(6,855)	14,300	(35,501)
Foreign currency translation adjustments	(321)	235	(650)	(825)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO THE STOCKHOLDERS OF ARGAN, INC.	\$ 9,133	\$ (6,620)	\$ 13,650	\$ (36,326)
NET INCOME (LOSS) PER SHARE ATTRIBUTABLE TO THE STOCKHOLDERS OF ARGAN, INC.				
Basic	\$ 0.60	\$ (0.44)	\$ 0.91	\$ (2.27)
Diluted	\$ 0.60	\$ (0.44)	\$ 0.91	\$ (2.27)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
Basic	15,680	15,633	15,659	15,617
Diluted	15,833	15,633	15,795	15,617
CASH DIVIDENDS PER SHARE	\$ 0.25	\$ 0.25	\$ 1.75	\$ 0.75

ARGAN, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	October 31, 2020 (Unaudited)	January 31, 2020 ⁽¹⁾
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 353,213	\$ 167,363
Short-term investments	90,017	160,499
Accounts receivable, net	30,607	37,192
Contract assets	27,223	33,379
Other current assets	37,760	23,322
TOTAL CURRENT ASSETS	538,820	421,755
Property, plant and equipment, net	20,966	22,539
Goodwill	27,943	27,943
Other purchased intangible assets, net	4,324	5,001
Deferred taxes	—	7,894
Right-of-use and other assets	3,447	2,408
TOTAL ASSETS	\$ 595,500	\$ 487,540
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 48,836	\$ 35,442
Accrued expenses	51,650	35,907
Contract liabilities	160,544	72,685
TOTAL CURRENT LIABILITIES	261,030	144,034
Deferred taxes	472	—
Other noncurrent liabilities	3,334	2,476
TOTAL LIABILITIES	264,836	146,510
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$0.10 per share – 500,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value \$0.15 per share – 30,000,000 shares authorized; 15,693,202 and 15,638,202 shares issued at October 31 and January 31, 2020, respectively; 15,689,969 and 15,634,969 shares outstanding at October 31 and January 31, 2020, respectively	2,354	2,346
Additional paid-in capital	152,149	148,713
Retained earnings	176,186	189,306
Accumulated other comprehensive loss	(1,766)	(1,116)
TOTAL STOCKHOLDERS' EQUITY	328,923	339,249
Non-controlling interests	1,741	1,781
TOTAL EQUITY	330,664	341,030
TOTAL LIABILITIES AND EQUITY	\$ 595,500	\$ 487,540

(1) Amounts derived from audited consolidated financial statements.



**ARGAN, INC. DECLARES SPECIAL CASH DIVIDEND OF \$1.00 PER SHARE AND REGULAR
QUARTERLY DIVIDEND OF \$0.25 PER SHARE**

December 10, 2020—ROCKVILLE, MD—**Argan, Inc.** (NYSE: AGX) ("Argan") announced that today its Board of Directors declared a special cash dividend of \$1.00 per share of common stock in addition to the regular quarterly cash dividend in the amount of \$0.25 per share of common stock, for a total declared cash dividend of \$1.25 per share of common stock, payable December 29, 2020 to stockholders of record at the close of business on December 21, 2020.

Rainer Bosselmann, Argan's Chairman and Chief Executive Officer, said, "We are confident in the future of our business and these actions that the Board of Directors have taken return some of our accumulated earnings to the shareholders. Given our strong balance sheet with significant liquidity and no debt and the increased ramp-up of construction on the largest project in our history, we believe it is the right time to return some of that accumulated value to our patient and loyal stockholders during these challenging times."

About Argan, Inc.

Argan's primary business is providing a full range of services to the power industry, including the renewable energy sector. Argan's service offerings focus on the engineering, procurement and construction of natural gas-fired power plants, along with related commissioning, operations management, maintenance, project development and consulting services, through its Gemma Power Systems and Atlantic Projects Company operations. Argan also owns The Roberts Company, which is a fully integrated fabrication, construction and industrial plant services company, and SMC Infrastructure Solutions, which provides telecommunications infrastructure services.

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