ARGENTEX GROUP PLC
ANNUAL REPORT 2023
Year ended 31 December 2023

ARGENTEX

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Argentex Group PLC Annual Report

Argentex is a leading financial solutions group providing global payment and currency risk management solutions for businesses and financial institutions. Argentex is listed on AIM in London, with offices in the UK, the Netherlands, Dubai and Australia.

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Key Performance Indicators

Financial year ended 31 December 2023[2]

£49.9m

Revenue

0.75p

Total dividend per share

£8.1m

Operating profit

649

New clients traded

4.6p

EPS (Basic)[1]

1,938

Total clients traded

1 Note 13 to the Consolidated Financial Statements

2 For comparative figures (both the 12 and 9 months to 31 December 2022) please see table p127

A year of change

Nigel Railton
Non-Executive Chairman

We embarked upon a meaningful change at Argentex over the past year, due to the challenges faced by the business in 2023.

During the period, we recognised the need to transform our strategic thinking, which in turn meant changing our senior management team in order to take full advantage of what remains a significant global opportunity. The new management team has undertaken a full strategic review of the business, culminating in the development of a multi-year operational plan focused on driving profitable growth across the business and improved shareholder returns.

Trading conditions in 2023 were benign in comparison with 2022 due to the steadier macro-economic backdrop, resulting in reduced currency volatility and suppressed activity, particularly in the institutional sector. In light of the challenges faced by the business, we have embarked on a period of meaningful change with the aim of diversifying the product offering, improving customer economics, and driving operational and financial efficiencies.

Service provision continues to be dominated by banks in this segment and we are now seeing a much wider opportunity as clients recognise the advantages of addressing their FX, payments and alternative banking needs via an expert Fintech business specialising in the provision of these services.

The Board is therefore committed to diversifying the business in order to better serve our customers, build revenue visibility and, through scale and further efficiencies, deliver higher margin growth and increased market share. Going forward, our renewed ambition manifests in a need for greater executive accountability and better visibility of our route to creating shareholder value. Jim and his team share my passion for having a clear and coherent strategy including not just "who we want to be" but also "how we are going to get there".

"Going forward, our renewed ambition manifests in a need for greater executive accountability and better visibility of our route to creating shareholder value."

DIVIDEND

During the year ended 31 December 2023, we declared and paid an interim dividend of 0.75p per share. However, in light of the Company's financial performance and trading conditions during the second half of FY23, the Board have decided that no further dividends will be declared for FY23. Full particulars of the dividends are contained within the Financial Review on pages 36-39.

GOVERNANCE

We are committed to keeping our stakeholders informed and taking their views into consideration as we drive the business forward. We also acknowledge our responsibilities with regard to governance and sustainability and recognise the ongoing need for high standards in these matters.

In terms of Board changes during the period, I took over from Digby (Lord Jones of Birmingham) as Chairman in September after he announced his forthcoming retirement. The Board and I would like to thank him for supporting the business since it came to the market in 2019.

We also welcome Jim Ormonde and Tim Haldenby to the Board, and I look forward to working with them as we implement our new strategy. The Board continues to review the skills and experience required, to ensure that we can support the management team and provide robust advice and challenge for the future.

CONCLUSION

Notwithstanding the challenges faced by the business throughout 2023, the Board remains encouraged by the strong brand and reputation of the Group as the foundation for delivery against its future growth strategy. The recently completed strategic review undertaken by the new management team has created a clear roadmap to scale the business, reduce earnings volatility and expand our customer offering, whilst driving a more efficient operating model. Delivery against this plan will ensure a return to profitable growth and the restoration of shareholder value. I am therefore confident that the changes which we began to embrace in 2023 will allow Argentex to evolve at a much faster pace over the longer term and ensure we are able to build a strong and profitable future.

I should like to thank everyone at Argentex for their hard work and contribution in what has been a challenging year but one which allows us to face the future with optimism.

Nigel Railton
Non-Executive Chairman
01 May 2024

Group strategy at a glance

We are an evolving business with strong core fundamentals

- Argentex is a global payment and currency risk management specialist
- Established in 2012 and headquartered in London, Argentex listed on London's AIM market in mid-2019 and has since added operations in Amsterdam, Dubai and Australia

Our strategy in 2023

- Our strategy has been to transform Argentex from a single-product, single-office business into a multi-product, global business
- In 2022 FX markets were very active and volatile, whereas in 2023 they were much less so
- As 2023 progressed, with the lower levels of volatility and the consequent lower levels of client activity, it became apparent our revenue growth expectations were unlikely to be met
- 2023 revenues were flat year-on-year, and operating profit was lower due to higher costs
- As a result, a strategic review has been underway since the latter part of 2023 to reposition the business for growth, underpinned with greater operational resilience

Our strategy for 2024

- Use our strong brand and reputation in what remains a large addressable market
- Implement near-term measures to align costs more appropriately with revenues
- Continue to pursue product diversity in our efforts to expand and differentiate the service offering to our clients and increase our share of customer wallet
- Focus on customer segmentation and aligning service levels by customer tier
- Streamline our sales processes and align them to focus on customer lifetime value and long-term customer relationships
- Diversify our product suite including continued investment in Alternative Banking (virtual iBans) and other payment services
- Pursue our goal of geographic expansion, ensuring we leverage our existing locations and licences to ensure our footprint grows in an efficient manner with greater operational resilience

For more information, see Our purpose, business model and strategy on pages 20-23.

Our way of doing business

Having a blend of spot and forward contracts is important for an optimum mix of revenue generation and cash flow.

As global payment and currency risk management specialists, we offer bespoke services and, increasingly, new technology to engage with clients.

Full range of customised FX capabilities

- Spot Contracts
- Forward Contracts
- Structured Solutions
- Personalised hedging strategies

Delivered via multiple channels

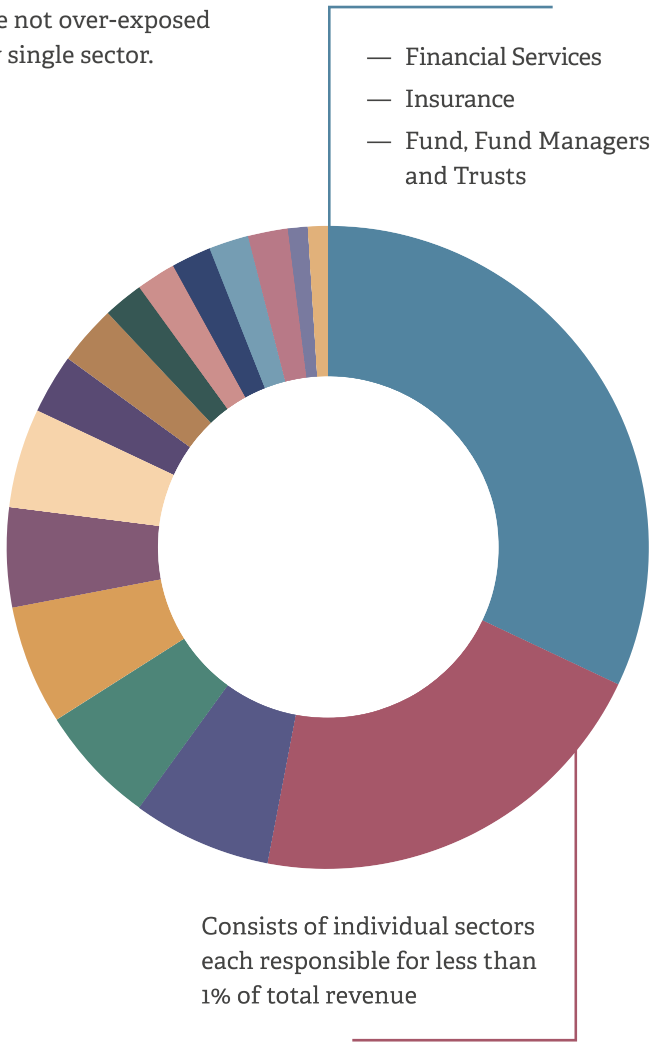
- Traditional voice broking
- Online Alternative Banking (virtual IBANS)

Providing value for our clients

- Flexibility
- Pricing
- Segregation of sales and dealing roles
- Dealers' experience
- Proactivity
- Forecasting accuracy
- Credibility

In a high quality and diverse client base

We are not over-exposed to any single sector.



- Financial Services (32%)
- Other Corporate (21%)
- Manufacturing & Machinery (7%)
- Film Production & Animation (6%)
- Electrical (6%)
- Food & Beverages (5%)
- IT, Technology & Software (5%)
- Media, PR, Events & Marketing (3%)
- Construction (3%)
- Medical & Pharmaceutical (2%)
- Fashion (2%)
- Consultancy & Recruitment (2%)
- Agriculture (2%)
- Motor, Vehicle, Aerospace, Shipping, Boating (2%)
- Private Client (1%)
- Real Estate (1%)

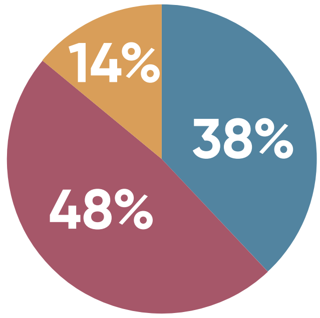
How we work

— Executing FX spot, forward and structured solutions contracts on behalf of our clients

— Having a blend of spot and forward contracts is important for an optimum mix of revenue generation and cash flow

— Diversifying our revenue mix, with clear signs that there is a significant appetite for our new products

Revenue



- Spot
- Forward
- Structured Solutions

Our People

— We are powered by our people

— We are committed to equality of opportunity for all of our employees

— Headcount grew over 40% in 2023 to 196 people

— For more information see page 24

Our Sustainability focus

— We are a small but growing service company in four offices

— We have a very limited negative environmental impact

— Despite this, we strive to minimise or mitigate any harm that we might do and actively seek to contribute positively

For more information see page 26.

Building resilience and scale

Jim Ormonde
Chief Executive Officer

OVERVIEW
After a robust performance in 2022, the Group made significant investments in people, technology and overseas expansion for anticipated growth in 2023 and beyond.

In 2022 FX markets were very active due to the impact of the UK's "mini budget" and other political/geopolitical factors, including the Conservative party leadership campaign and the war in Ukraine. However, as the year progressed it became apparent that 2023 would not see similar levels of volatility and that the institutional market in particular, which tends to track market trends closely, would deliver suppressed levels of trading due to the market's general "risk off" approach.

With lower levels of client activity, it was evident that revenue growth expectations for the year were unlikely to be met and that the planned increases in costs previously flagged to investors would simultaneously challenge overall profit levels.

Accordingly, in November 2023, we announced that we expected to report revenue and operating profit for the year ending 31 December 2023 at approximately the same levels as for the twelve months ended 31 December 2022. In January 2024, we confirmed that we expected revenues for the twelve months to 31 December 2023 to be approximately £49.8m and operating profit to be not less than £8.0m.

FINANCIAL AND OPERATIONAL PERFORMANCE
The Group's investment in people, technology and overseas expansion in 2023 meant that costs grew faster than revenues.

Revenue for the year ended 31 December 2023 was £49.9m (compared to £50.4m in the 12 months ended 31 December 2022 and £41.0m in the nine months ended 31 December 2022). Operating profit was £8.1m (compared to £11.3m in the twelve months ended 31 December 2022 and £8.1m in the nine months ended 31 December 2022).

It is disappointing that 2023 revenues were flat year-on-year and operating profit lower due to a higher cost base following the investment made in the earlier part of the year. We are committed to repositioning our business and overall client focus, including some near-term measures to align costs more appropriately with revenues.

> "A key area of focus is expanding into the broader payments and alternative banking markets; diversifying our product offering to increase our exposure to more visible, stable revenue streams."

PEOPLE

Our people are the most important strategic asset in our company. Having the right people in the right roles is fundamental to our success and we made a significant number of changes in 2023, particularly across the senior management team. We need to ensure we have the correct balance of people to support our clients' evolving needs as we move forward but we are also looking to improve quality, knowledge and expertise in every facet of the business.

We are proud that our first employee engagement survey returned an overall score of 80% but there is much we can do to improve, and the new senior management team hold regular "open door" sessions, townhalls and other staff events to ensure a culture of success and involvement emanates throughout the business.

Additionally, we continue to directly support the Social Mobility Foundation and the Argentex Academy, putting inclusivity at the heart of everything we do and building strong relationships with superstars of the future no matter what their backgrounds may be.

CLIMATE CHANGE & SUSTAINABILITY

As a small but growing services company with a team of less than 200 in four offices, we have a very limited impact on the environment. Nonetheless, we strive to minimise or mitigate any harm that we might do and also actively seek to contribute positively.

STRATEGY 2024 & OUTLOOK

We have concluded a thorough review of the business with the aim of identifying future opportunities for driving profitable growth across the business. A key area of focus is expanding into the broader payments and alternative banking markets; diversifying our product offering to increase our exposure to more visible, stable revenue streams and reduce our reliance on more volatile FX markets. However, in the near term, as we focus on repositioning and restructuring the business for profitable growth, we expect FY24 revenues to be in the mid £40s million, with an EBITDA margin in the low single digits[1].

We have a strong brand and reputation in what remains a large and fragmented addressable market and we will continue to build on our key strengths and expand internationally to strengthen our position as a leader in the segment.

To enable the business to become a global financial solution expert it is necessary to have a scalable and efficient platform to facilitate accelerating growth, while delivering market leading products. To ensure that we maximise shareholder returns, and maximise investment value, we intend to undergo a period of consolidation where we will look for operational efficiencies while market conditions remain more muted. This will ensure costs are aligned with carefully considered growth expectations and an overall strategic focus underpinned by a detailed operational plan designed to minimise execution risk and fully embrace an exceptional market opportunity.

We are in the early stages of the move to diversify the business, ensuring we have the product scope and client portfolio to protect us against fluctuating market dynamics with

[1] The forecasts are the Board's estimates only, using internal assumptions which have not been independently verified or reported on and actual results may differ. The forecasts are not a representation of facts and should not be regarded as such by prospective investors. Rather, the forecasts are statements about the forward-looking expectations of the Board with respect to the revenue, revenue growth and EBITDA margin of the Group.

"We believe there is an enormous opportunity to go further than we had originally envisaged as a global financial solutions expert."

higher quality earnings and more predictable revenue streams. We must be less transactional as a business and more focused on expert account management and wider product provision. We must put our clients' needs at the very heart of all trading activities and we will seek to provide new customers with the exceptional rather than merely the expected as regards service and their client journey.

Our increased confidence in the market fundamentals underpins our new ambitious strategy, with a focus on three key areas in particular:

— **Operational and Financial efficiencies, including enhanced client retention:**
  We have a series of initiatives aimed at financial, operational and capital optimisation, seeking shrewder control of costs and also a thorough review of our licencing arrangements and their effect on our capital requirements. We will continue to let our clients' needs inform our strategic focus and seek to tailor our approach and solutions more carefully to the type of clients we serve. By automating processes, we also aim to offer our clients greater autonomy whilst freeing up our resources to concentrate on customers who require higher levels of support. We are also seeking to make our sales processes more sophisticated and deliver a laser focus on customer lifetime value with a view to keeping customers for longer via careful account management focused explicitly on their needs as a business rather than any preference to transact
— **Product diversification:**
  We are doubling down on our investment across a broader product set, especially around payments and Alternative Banking, as we seek more predictable revenue streams and diversify our market offering to bring higher quality earnings and a greater share of our customers' preferred service provision
— **Geographic expansion:**
  And finally, we continue to pursue our goal of geographic expansion, ensuring we leverage our existing locations and licences to ensure our footprint grows in an efficient manner alongside global banking partners who share our vision to capture and keep a more significant share of the Payments, Alternative Banking and FX market, particular on those territories where business customers are underserved and where technology presents new opportunities

We believe there is an enormous opportunity to go further than we had originally envisaged as a global financial solutions expert and to be part of the historic coalescence between Payments, Alternative Banking and FX. This will make our earnings more predictable, improve our margins, and make us less susceptible to market dynamics than a traditional agency business.

Jim Ormonde
Chief Executive Officer
01 May 2024

Market overview

"2024 will focus on disinflation fuelled rate cuts, suppressed but steady economic growth and the return of political turmoil, with some 40% of the world's population going to the ballot box."

Joe Tuckey
Argentex Lead Analyst

Both the geo-political macro-environment and FX volatility are traditionally important factors for Argentex. Our clients, products and geographies are diverse, so we're ideally positioned to capture opportunities even in challenging environments.

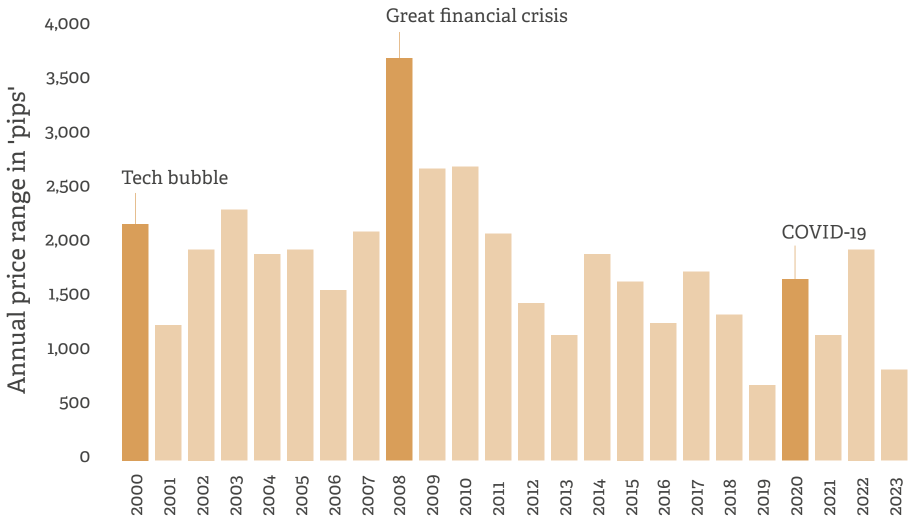
Volatile market conditions offer increased revenue opportunities. The heightened trading activity during volatile periods can result in higher transaction volumes, and the complexity and risk associated with volatile markets often drive the use of advanced risk management products and services. Argentex can provide these at a premium, diversifying our income streams and further enhancing profitability.

The calm after the storm

In 2022 FX markets were very active and volatile, whereas in 2023 they were much less so. Although there were flashpoints that temporarily increased volatility – the Q1 US mini banking crisis (collapse of Silicon Valley Bank), Chinese property problems (Evergrande), and geopolitical escalation in the Middle East – major FX pairs traded in a low volatility regime, with EUR/USD experiencing its second-lowest price range ever.

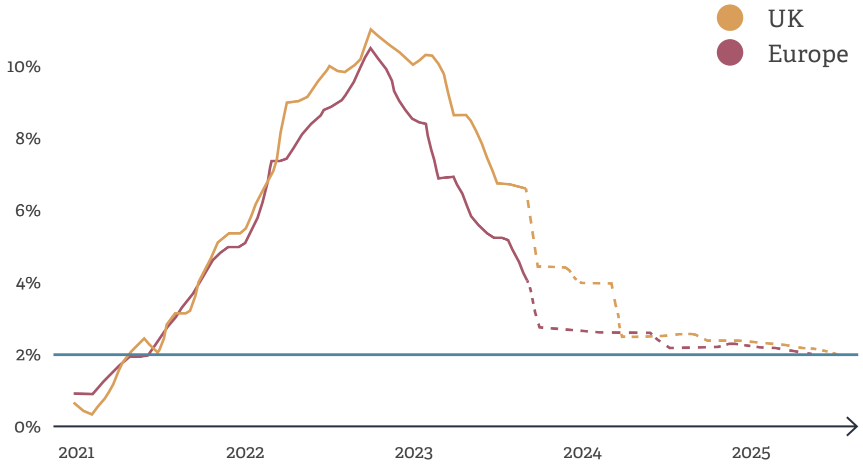
A year ago, we stated that 'if no new unforeseen events occur… we expect reduced volatility to unwind much of the USD dominance of last year'. Indeed, as disinflation eventually took hold, FX volatility reduced, and the dollar weakened. This year, the comparative timing and extent of rate cuts between major central banks will be paramount to FX markets. The US economy may finally slow, just as the UK, Europe and China find their footing. World growth is expected at between just 2% and 3%, whilst 2024 FX will absorb the ramifications of the biggest electoral year ever, with some 40% of the world's population going to the polls from the USA to Russia, India to South Africa and beyond.

Graph of FX volatility



Source: Trading View

Reaching the 2% target



Source: OECD forecasts as of Jan 2024

"The lag effect from all the rate increases may still not be fully felt, but a hard landing scenario now looks unlikely."

Joe Tuckey
Argentex Lead Analyst

The year ahead

DISINFLATION

We have seen sizeable drops in inflation through 2023, but the 'last mile' to get to the 2% target through 2024 and possibly into 2025 may prove difficult to achieve.

Central banks will cut rates in line with this disinflationary pattern. The differing timing and extent of the rate cuts between the various central banks will drive FX moves in 2024, although the trajectory for such cuts look broadly similar across the G10. Risks to the disinflation narrative would be a catalyst for higher oil prices, such as a geopolitical escalation in the Middle East. The major risk to current FX narratives will be if disinflation stalls and the central banks do not cut as much as markets expect. Expectations for the timing of rate cuts are already being pushed back significantly.

POLITICS

The UK general election is approaching, as is the presidential election in the US. Events such as these usually create some volatility, given the implications for new economic policies, tax, foreign direct investment, international relations and so on.

Labour's assertion that they would integrate closer to Europe is seen as a potential sterling positive, as is the fiscally responsible mantra promoted by Rachel Reeves following the learnings of the Liz Truss era. In the US, a potential return of Donald Trump could re-ignite volatility after the relative calm of Joe Biden's tenure. Trumpian themes remain: Tax cuts, tariffs on imports, a NATO exit, reducing financial support for overseas conflict, alongside somewhat erratic commentary on the dollar.

ECONOMIC GROWTH

Financial media speculate around 'hard landings', 'soft landings', or no recessions at all. The lag effect from all the rate increases may still not be fully felt, but a hard landing scenario now looks unlikely.

Germany stands out as a weak performer, China's post-COVID-19 rebound has been disappointing, whilst the US has scope to slow down after an impressive 2023. US employment data will be a key item to monitor. Wage growth and the services sector remain sources of 'sticky' inflation. The UK seems to have perennially low expectations for growth, which, as seen in H1 2023, means the bar is set low for an upside surprise. The UK is set to outperform France and Germany in 2024.

Will politics reignite FX volatility in 2024?

GBP

Much of sterling's strength in 2023 was sponsored by a more palatable government and fiscal responsibility, better-than-feared economic data (avoiding recession) and an underlying inflation rate staying stubbornly higher than many peers, thus causing the risk of higher rates/higher sterling.

A new calendar year does not lead to a fresh set of fundamentals. Many of last year's driving themes remain. Growth will stay steady but unspectacular, and there is a chance that the Bank of England cuts rates less than current market expectations. The potential of a Labour Government is on the horizon, but history shows that general elections don't have lasting impacts on sterling. The UK may confront the commentators and outperform, as it did in the first half of 2023, but not yet in a spectacular fashion. The Gilt market will remember the Truss premiership, so action may happen here if the market doesn't see election pledges as fiscally palatable or viable, leaving similar shocks a theoretical risk in the run-up to the election.

USD

The dollar suffered for much of last year as US inflation came down quickly, setting the stage for the Federal Reserve to pause rate hikes first. Through much of the inflationary cycle, the Federal Reserve were too little too late with rate hikes and were behind the curve. They may not want to make the same mistake when loosening policy. The summer strength seen in the dollar was a result of very resilient US data, despite all the rate hikes. Growth remained robust. This is changing. The 'lag effect' of policy tightening is now having an effect, and a softer period for the US lies ahead, alongside a likely period of rising unemployment. Markets are pricing over 1.25% of cuts this year, likely to be via a series 0.25% increments. The broad expectations lie in a weaker dollar, but we must be cognisant of the dollar's appeal as a safe haven (if war escalates), heavily dovish market expectations (which may not fully materialise), and the presidential election, which may bring about more protectionist policy and political volatility.

EUR

There are reasons to be concerned about the euro: poor German economic performance, social unrest, a dovish central bank and decreased demand for exports from certain regions, and yet it seems that last summer's slide sought to have priced much of this in. The euro is still at historically low levels, and has the capacity to edge higher, as steady growth, a potential upturn in China, no major elections and non-extreme speculative positioning all allow for gains to be made. We stay neutral in our view and must allow the inbound data to shape market moves.

For more information on our business model and strategy, see pages 20-23 and for the associated principal and emerging risks and uncertainties, see pages 30-34.

Our purpose, business model and strategy

Our purpose

Our purpose is to provide a credible alternative to traditional banks, offering bespoke global payment and currency risk management services, for businesses, financial institutions and private customers.

Our business model

WHAT WE DO

- We are a service-led currency management, payment and multi-currency account provider
- We provide currency management, FX execution and hedging through spot, forward and structured solutions
- We also provide alternative transaction banking, with digital solutions including multi-currency accounts (vIBANs) and global payments

HOW WE CREATE VALUE

Argentex executes FX spot, forward and structured solutions contracts on behalf of our clients. Our long-term value creation is based on revenue from FX spread, payments, and account fees. Revenue from FX structured solutions is realised as cash immediately in the form of premium.

- Revenue from spot trades is realised within two business days
- Forwards attract higher spreads than spot trades due to factors such as increased client credit risk, but the payoff to higher revenue is having to wait until the contract is settled to realise the cash

HOW WE ARE DEVELOPING

Offices	UK	EUROPE	AUSTRALIA	DUBAI
Market	CORPORATE | INSTITUTIONAL			

Product	CURRENCY MANAGEMENT	ALTERNATIVE TRANSACTION BANKING
	EXECUTION	MULTI-CURRENCY ACCOUNTS (vIBANS)
	HEDGING	GLOBAL PAYMENTS
	SPOT CONTRACTS	DIGITAL PLATFORM
	FORWARD CONTRACTS	TRANSACTION REPORTING
	STRUCTURED SOLUTIONS CONTRACTS	API

Argentex Group 2020 Argentex Group 2023

- A blend of spot and forward contracts is therefore important for an optimum mix of revenue generation and cash flow
- Since inception, this has led to a mix of approximately two thirds spot and one third forward contracts by volume, which, due to the wider spreads achieved in forward contracts, translates into a revenue split of 45% spot/55% forwards by product
- The introduction of our structured solutions offering now accounts for 14% of our revenue (FY2022: 10%)
- We are increasingly diversifying our revenue mix

CLIENT DIVERSITY

- The diversity of our client base means we are not overly exposed to any single sector. Our corporate clients come from multiple industries such as manufacturing, food & beverage and electrical, as well as institutional clients from private equity and insurance to family offices
- This not only reduces risk but also makes the Group agnostic of market direction, allowing the Group to generate revenue in a broad set of market conditions

ESTABLISHED MARKET POSITION

- We have a strong growth record since inception
- We are the only listed UK Non-Bank Financial Institution (NBFI) regulated to hold client money with both Electronic Money Institution (EMI) and investment licences
- We hold a Tier 1 regulatory licence to expand into the $60bn European market
- Our positive long-term prospects are driven by our clients' requirement to trade for commercial reasons, irrespective of market environment

SIGNIFICANT ADDRESSABLE MARKET WITH INCREASING MARKET SHARE

- We are focused on a $160bn global total addressable market, with our operations in UK, EMEA and Australia
- We have a regular dialogue with our clients so we can understand and respond to their needs along with those of our wider addressable market. This helps focus our reinvestment and allocation of resources to improve existing and develop new services

“Our purpose is to provide a credible alternative to traditional banks, offering bespoke global payment and currency risk management services, for businesses, financial institutions and private customers.”

Jim Ormonde
Chief Executive Officer

Our strategy in 2023

Our strategy has been to transform Argentex from a single-product, single-office business into a multi-product, global business. We focused our investments throughout 2023 across the key areas of people, technology & product and international expansion, to drive transformation.

INTERNATIONAL EXPANSION

Whilst seeking to transform Argentex from a single-office business into a global business, we maintain a measured and client-led approach to our international expansion and are actively seeking long-term growth opportunities in new regions.

The Netherlands office continued to deliver a meaningful contribution to Group revenue and has grown to 29 professionals in the last year. Efforts throughout the year have been focused on developing the operational efficiency of the Netherlands office, ensuring their local capabilities can match that of London headquarters and provide a stable, scalable model for future European expansion.

PRODUCT AND TECHNOLOGY

We continually seek to optimise our client's experience and journey, transforming our products innovatively to meet clients' evolving needs whilst increasing wallet share, creating new revenue opportunities and improving operational efficiency and risk controls.

Technology remained an important factor of the growth strategy in 2023, with the varying needs of our clients acting as the key driver for how we develop our technology and product offering, alongside the additional requirements needed to expand our international footprint.

PEOPLE

Our investment in people continued throughout the year, increasing total headcount by over 40% to over 190 staff members. We strengthened our teams across our geographies and throughout our divisions, particularly in our technology, finance, compliance and risk management, as well as in our critical sales and dealing teams. In doing so we have resourced the business to maintain and further its high governance benchmark and ensure we are enabled to scale efficiently with a balanced approach to risk management.

OUTCOME

As 2023 progressed, it became apparent that our revenue growth expectations were unlikely to be met. As such, given the significant cost expansion throughout 2023, we recognise the need to ensure our strategic investments are aligned with our expectations for growth and return on those investments. As a result, a strategic review has been underway since the latter part of 2023 to ensure we refine our focus and ensure enhanced execution of our ambitions.

Our strategy in 2024

Whilst we are in the process of concluding a thorough review of the business strategy, we understand that our focus in 2024 is to build on what we know are the key strengths of our business. We believe we have a strong brand and reputation in what remains a large addressable market.

FINANCIAL AND OPERATIONAL EFFICIENCIES

The initial focus of 2024, in light of the financial and operational performance, will be in addressing and improving efficiencies within the business. Firstly, this will consist of reassessing our cost base, which grew significantly in 2023 due to headcount expansion of over 40%. We acknowledge that the Group had invested for growth in 2023, but did not expand revenues in line with this investment, as a result of challenging market conditions. This will necessitate a tight control of costs, alongside strategic initiatives focused on improving operational efficiencies throughout the company, to ensure they are aligned with our expectations for growth and revenue.

PRODUCT DIVERSITY AND ALTERNATIVE BANKING

In reviewing the performance of revenue growth in 2023 against the volatility and trading patterns of the year compared to 2022, it is clear that our core product offering is dependent on market volatility and, as we continue to scale, we must seek to diversify our product offering in an effort to reduce some of this reliance.

Whilst investment in structured solutions and online trading capability did support initial growth, the continued underlying influence of these products on the FX markets has limited their contribution in a period of lower-level volatility. This assessment has confirmed and refined our strategy on client-led product diversification, and we are in the early stages of building a significant payments and Alternative Banking business in order to diminish our reliance on the less predictable FX revenues associated with market volatility.

As part of the diversification of the product portfolio, we will ensure the products we invest in also provide greater resilience of earnings to the business, increasing our forward-looking visibility of earnings.

CUSTOMER SEGMENTATION AND CUSTOMER LIFETIME VALUE

Additionally, we are concentrating efforts to ensure our existing and future sales processes are more effective and sophisticated. This will include introducing customer segmentation that will allow for a more tiered approach to client service levels. We will seek to align our approach and solution offering to the type of client we are serving.

By automating processes, we aim to offer our clients greater self-service capability whilst freeing up our resources to concentrate on our customers who require higher levels of support and expertise from us.

We will also be evolving our selling model, transforming our approach toward consultative solution selling, as well as focusing on acquiring and retaining the right type of client that will generate volume and repeat business, mitigating against risk of churn. This will streamline our sales processes and align them more with customer lifetime value, whilst increasing our operational efficiency.

INTERNATIONAL EXPANSION

Finally, we are focused on ensuring the ongoing expansion of our geographic reach is done in the most efficient manner, from both a cost and also a regulatory perspective. 2023 saw the Group continuing with its licence application processes in Australia and the successful initiation of our presence in Dubai, we expect to be granted licences in both of these locations in 2024, and the strategy for the next three years will see the Group focus on leveraging our existing presence in the Netherlands to grow our European footprint.

Our resources and relationships

This section discusses the resources and relationships needed to make our business model work and to deliver our strategy. Argentex is powered by our people and we want to respect and enable everyone to thrive and feel valued in order to make a significant difference to our company. We also place great emphasis on the Environment and outline our Sustainability approach below.

People

Our total headcount increased c40% year-on-year in 2023, up from 137 to 196.

Argentex is committed to equality of opportunity for all of our employees. We believe that a focus on diversity, inclusion and belonging enhances employee satisfaction, boosts our business performance and supports our carefully calibrated and balanced approach to risk. We are proud of the entrepreneurial and supportive culture we have created, and to which every Argentex employee contributes.

We record and monitor the diversity and social economic information of all our employees to recognise and support the different groups which make up our workforce, which represents 14 different ethnicity groups and seven different religious beliefs.

	Male	Female	Percentage Female
Board	6	0	0.0%
Senior Executives[1]	19	10	34.5%
Employees	157	39	19.9%

[1] Excludes Board members

Age Group[2]	Number	Percentage
Under 30	90	48%
30 to 40	55	30%
40 to 50	27	15%
50 plus	14	7%

[2] Excludes Board & LLP members

Our values and culture

In 2022, the Argentex Culture Committee was formed as a forum where ideas could be shared and actions taken to maintain a positive, inclusive and thriving working environment. Throughout 2023, a variety of additional cultural initiatives were formed within department teams and with the Women Supporting Women in Argentex programme, to reach a greater cross section of employees within the business and increase lines of communication.

These forums have encouraged greater diversity of thought which is particularly important for our Culture of Belonging as our business scales and increases its global footprint.

Further to these groups, we promote staff engagement through anonymous feedback boxes and, in September 2023 we ran our first companywide Employee Survey which returned an overall engagement score of 80%.

The approach taken by the Board is intended to deliver performance and growth whilst maintaining high standards of business conduct. Central to our focus on these matters is the development of a set of values underpinning our desired culture. This sets out the essential behaviours, skills and knowledge needed to be effective at Argentex, based on our fundamentals of Integrity, Quality, Passion, Agility and Dedication.

INTEGRITY
Treating our clients fairly is not just an FCA requirement, it is our core business principle – one that consistently drives all our daily interactions and shapes all that we do as a business.

QUALITY
We are proud to provide superior products and outstanding service which when combined ensures excellence with every exchange.

PASSION
Our people are passionate about providing the quality of service we demand from ourselves as a business. We are passionate about our people, enabling them through collaborative working, wellness programmes and continuous personal development.

AGILITY
We pride ourselves on being fresh and innovative, we are proactive and seek opportunities to develop and adapt.

DEDICATION
We go above and beyond for our clients, we are focused and determined – we go the extra mile.

We encourage our workforce to be entrepreneurial and creative as well as fostering a transparent culture with excellent lines of communication. We also have a robust code of conduct which our employees are expected to adhere to without exception.

The Board reviews the results of the employee engagement surveys and uses this as the principal means of assessing the culture across the Group. Questionnaires are completed by our employees on an anonymous basis and the process is facilitated by an external provider.

The Board also gains valuable insight and feedback from the Senior Leadership Team and the Culture Committee in respect of the culture and behaviour across the Group and the internal audit function also considers culture as part of its reviews.

The Argentex Academy in partnership with the Social Mobility Foundation

We are well positioned to support a change in the narrative that the financial services industry is notoriously inaccessible to those from lower socioeconomic backgrounds.

We do this by encouraging and supporting talented and ambitious students from diverse backgrounds to choose a career at Argentex.

2023 marked the second year of our Argentex Academy, where we have partnered with the Social Mobility Foundation, whose aim is to make practical improvements in social mobility for young people from low-income backgrounds. Their Aspiring Professionals Programme welcomes over 2000 high achieving young people from low-income backgrounds across the UK in accessing top universities and competitive professions, believing 'success should be determined by ability, not where you were born, went to school or the occupation of your parents or guardians.'

We once again welcomed five students to our head office in Argyll Street for the four-week, paid programme in July. The students worked across all sectors of the business, gaining a thorough insight into the industry and our organisation. On completion, they were offered mentoring and registered internally with our HR department to keep them informed on our open vacancies as they become available for permanent work.

Students are also added to our Argentex Academy Alumni and will be given opportunities to return to network with one another, with the business and to act as Academy champions for future Academy intakes.

Following the end of the 2023 Academy one of the Interns who had finished his studies successfully secured a place on our Graduate Sales Accelerator Programme.

Sustainability

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

As a small but growing service company with a team of less than 200 in four offices, we have a very limited negative impact. Despite this, we strive to minimise or mitigate any harm that we might do and actively seek to contribute positively.

We are pleased to see a reduction in our carbon footprint in our latest Planet Mark certification. These figures were based on our emissions per turnover intensity metric and on our London office only.

Total per £m tCO_2e FY21/22	0.29
Total per £m tCO_2e FY22/23	0.27[1]

For the period of 12 months to March 2023

			01/04/22 to 31/03/23			01/04/21 to 31/03/22	
Scope	**Detail**	**Unit**	**Amount**	**tCO_2e**	**tCO_2e Normalised**	**Amount**	**tCO_2e**
Scope 1[2]	Natural Gas	m^3	3,833.9	7.7	0.0	0.0	0.0
Scope 2	Electricity (location based)	kW h	162,591.1	31.4	31.4	154,649.4	32.8
Scope 3	Transmission & Distribution losses	kW h	162,591.1	2.9	2.9	154,649.4	2.9
	Procurement (paper)	t	0.1	0.1	0.1	0.1	0.1
	Travel	km	256,073.3	27.9	27.9	14,758.2	1.5
	Waste	t	8.5	0.2	0.2	4.1	0.1
	Water Supply/Treatment	m^3	563.2	0.1	0.1	639.0	0.1
Intensity metric	for year-on-year, per employee:			**0.7**			**0.5**

[1] Normalised figure excluding natural gas consumption reported for the first time in FY22/23. tCO_2e with gas consumption was 0.31

[2] Year-on-year comparison has been normalised to exclude gas consumption which has been reported for the first time in FY22/23

* All rows and tables are rounded to one decimal place. This may lead to slight discrepancies in totals within the report

During 2023 we took on an additional floorspace in our offices on Argyll Steet in London and moved to new offices in Amsterdam, as part of these moves and office fit outs we considered the environmental impact of our decisions and made pro-active choices to minimise our impact.

EARTHLY TREES FOR TRADES

We partnered with Earthly again in 2023. Earthly is a platform showcasing high-integrity nature-based solutions that remove carbon, restore biodiversity and support frontline communities.

Through TIST's agreement policy, farmers planting trees pledge to keep them in the ground for at least 30 years. Since their beginning in early 2000s, TIST has planted 19 million trees globally. This brings innumerable biodiversity benefits, especially around increased pollinator population, improving soil health, and purifying air quality. Farmers are free to choose the tree species, which prevents the creation of monoculture plantations and improves regional plant biodiversity.

In April 2022 we launched our 'Trees for Trades' initiative and, for every trade made, Argentex purchased a tree on behalf of its clients via Earthly to be planted in support of the TIST Farmers Agroforestry Tree planting initiative in Kenya.

In 2023 our 'Trades for Trees' initiative committed to 69,426 trees being planted – and this has contributed to 2,611.8 tCO_2e being sequestered.

For FY2023, we off-set our carbon footprint of 70.4 tCO_2e as calculated by Planet Mark, via Earthly in support of Ethio Trees. This project is located in the Tembien Highlands in the Tigray region of Ethiopia. The dryland ecosystems in the Ethiopian highlands are vulnerable to degradation because of their high livestock densities and steep slopes. In addition, climate change and the loss of forest cover bring increased risk of drought, leading to further deforestation and land degradation.

The project is tackling these issues through a combination of grazing exclusion and planting indigenous trees within the exclosures. This sequesters a significant amount of carbon within the exclosures and also provides many ecosystems and social benefits. **https://earthly.org/projects/tist-agroforesty-farmers-kenya**

Our principal risks and uncertainties

"A strong risk management framework is essential to our successful growth."

David Winney
Chief Compliance and Risk Officer

REFLECTING ON 2023

During the year, the business enhanced its product offering along with its systems and controls, whilst also increasing its global footprint. The Risk Management framework in support of the strategy has evolved to meet the global demands of a business that is developing its operational capabilities.

This year we continued to develop our risk management controls to ensure we are equipped to support the development of our business in a safe and compliant manner across multiple jurisdictions:

— Strengthening our regulatory capital controls, ensuring we're proactively enhancing our capital position to enable business growth across the business lines in support of our growth strategy
— Accelerating our liquidity management responses and bringing more robust responses to the business that deliver high quality liquidity solutions when stressing the economic environment
— Building out our regulatory horizon scanning capabilities so that we stay ahead of the changing regulatory landscape
— Innovating to remain agile to changing demands, whilst enforcing a strong governance and control framework
— Developing the Operational Risk Management framework including Operational Resilience and Third-Party Risk Management whilst ensuring we remain aligned to our ESG strategy

HEADWINDS IN 2024

Moving into 2024, we recognise that there will be a number of headwinds that have required us to assess our principal risks in line with our strategy and the wider macro environment.

Headline inflation during the prior year brought pressure for many businesses and individuals. The cost-of-living challenges were felt across the jurisdictions in which we operate and, with inflation remaining stubbornly above target in many economies, along with higher interest rates, we are cognisant of the heightened threats of credit, cyber, and fraud risks within the business.

For more information on our risk management and internal control processes, see pages 65-67.

Strategic Risk

DESCRIPTION and potential impact:
If we are not able to carry out our strategy and achieve our objectives and growth plans.

↑ INCREASE IN RESIDUAL RISK

The business has seen some attrition in its senior leadership as part of its overall Board-led strategic focus, inevitably creating some short-term impacts. Clear strategic mitigation of this risk is being achieved by the refinement of key goals complemented by strong execution planning.

MITIGATION
The Board articulates our strategy and the senior leadership teams ensure it is communicated to the wider business and that we operate within the defined risk appetite.

The Board and its Managing Executives in the business work closely to determine strategy and our execution of it is fully aligned.

The firm has focused on refining its strategy throughout 2023 with a view to detailed operational planning and execution focus in 2024. Embedding new senior leaders in the organisation is already making a positive impact in this respect.

Credit

DESCRIPTION and potential impact:
If the Group is unable to realise the cash value of its assets. The Group is exposed to credit risk if an institutional counterparty or a client fails to settle a contract at maturity or fails to deliver on margin calls when required. The Group is therefore exposed to the fair value movements of the contract from the day the trade was booked, or since the date of the last margin call.

↑ INCREASE IN RESIDUAL RISK

Given the ongoing geopolitical issues along with the ongoing cost-of-living crisis and rising interest rates, we recognise an increase in our credit risk profile. The Group closely monitors its portfolio credit risks and will undertake deep dive reviews of single names exposure on a case-by-case basis. To date, and due in part to our close monitoring, the Group has not experienced a materially negative credit risk exposure.

MITIGATION
The Group has a credit policy in place to mitigate any potential losses arising from a client failing to settle; in particular:

- Assessment of the creditworthiness of clients, with each client being provided a credit assessment based on their specific circumstances
- Where a hedging facility has been extended, maximum exposure limits are applied before a margin call is made
- Timely collection of margin calls or early settlement of client contracts to reduce or eliminate credit exposures
- Scenario analyses on the portfolio's top exposures are developed to keep potential exposures under close review
- Dispute risks are managed through clear articulation of credit facility terms

Argentex utilise regulated international banks with sound capital resources and monitors their creditworthiness on an ongoing basis. A degree of concentration is necessary for the Group to command strong pricing and settlement terms; however, the Group continues to review the composition of its institutional counterparty base to ensure that there is sufficient redundancy in its liquidity offering.

Capital

DESCRIPTION and potential impact:
If we have insufficient capital to support our business activities and to meet our regulatory capital requirements.

↔ NO CHANGE IN RESIDUAL RISK

The Group continues to be well capitalised and the decision to retain earnings in each entity offsets the new jurisdictions being entered that require capital. This balanced approach supports the decision to keep the residual risk unchanged.

MITIGATION
Reporting, compliance and analysis of the capital required under the UK Investment Firm Prudential Regime and EU Investment Firm Directive/Investment Firm Regulations. Retained earnings building the capital bases of the regulated entities of the Group.

Liquidity

DESCRIPTION and potential impact:
If the Group has insufficient cash resources to meets its obligations or can only do so at an unsustainable cost. Our liquidity risks are primarily driven by:

- a sudden sharp movement in exchange rates when a currency is net long/short

— an over-extension of hedging facilities. If the Group were unable to meet its financial obligations when due, this would have a material adverse effect on its business, results of operations, financial condition, and prospects

↑ **INCREASE IN RESIDUAL RISK**

There were periods of increased volatility during the last year that we believe also form part of the headwinds noted for 2024 and therefore we expect further pressure to be presented on our liquidity position as we execute our strategy.

MITIGATION

The Group's primary intra-day liquidity requirements are driven by margin balance requirements with institutional counterparties. This margin position is monitored intra-day and is managed on an aggregated net basis.

To mitigate margin calls from institutional counterparties, our terms facilitate client margin calls. Regular stress testing is performed to ensure the Group has sufficient collateral pledged to cover its current and potential obligations in the event of a significant market movement.

Liquidity for client settlement is provided in a "safe settlement" environment; Argentex never remits funds to the client prior to receiving cleared funds in the sell currency.

A balanced portfolio across institutional counterparties has supported the dilution of margin calls.

We have actively increased our institutional counterparty pool to reduce concentration risks.

Regulatory, compliance and conduct

DESCRIPTION and potential impact:

The current and prospective risk to earnings or capital arising from violations of, or non-observance of, laws, rules and regulations applicable to the Group. Conduct risk stems from creating detriment to a customer, counterparty, or market arising from inappropriate conduct in the execution of business activities.

Argentex LLP is authorised and regulated by the FCA as (i) an electronic money institution under the Electronic Money Regulations 2011 and (ii) for the provision of investment services (as an IFPRU Limited Licence Firm). Furthermore, the Group must abide by the AIM rules and other significant legislation including the Companies Act 2006 and GDPR. Consequences of failure to meet regulatory requirements include penalties and withdrawal of permissions, and the dynamic and evolving nature of financial and other regulations could lead to significant expenditure in order to remain compliant with the evolving regulatory environment.

↔ **NO CHANGE IN RESIDUAL RISK**

The Group has continued to develop its compliance teams as our global strategy takes shape. In addition, it has completed a wholesale rebuild of its Group Risk function during 2023, not only in the UK, but also in its new jurisdictions, and leverages its external advisory panel to stay ahead of regulatory change, therefore there has been no change to the residual risk this period.

MITIGATION

Argentex is committed to upholding the FCA's principles for business. The Group has a governance structure in place that allows for the identification, control, and mitigation of material risks resulting from the operations of the Group.

The Group continues to invest internally in compliance resources and engages with RegTech providers to leverage the rapidly growing solutions which assist with risk monitoring and mitigation.

The Group utilises external compliance auditors to review its safeguarding, CASS and AML processes and procedures and provide recommendations on enhancements to the existing compliance environment.

The governance structure within the Group supports the escalation and reporting of key regulatory risks within the business as and when they arise.

The Group has an online mandatory training programme to ensure all members of the firm keep up to date with the latest developments.

Technology

DESCRIPTION and potential impact:

If the in-house or third-party systems fail this would impact our own earnings and funds. Failure of either the system or its hosting environment would also be likely to be detrimental to both the Group and its clients.

↔ **NO CHANGE IN RESIDUAL RISK**

Significant work over the past year has supported maintaining the status of our residual risks. There have been considerable successes in reducing our legacy infrastructure, deploying market leading platforms and building resilience. Further work in this regard will continue through 2024.

MITIGATION
The Group maintains business continuity and operational resilience arrangements which are periodically tested and enhanced.
Group policies, processes, training, infrastructure, governance, and tools to ensure the business can recover from a range of business interruption scenarios are in place.

The Business Continuity Policy provides guidelines for developing, maintaining, and exercising Argentex's Business Continuity Management (BCM) and IT Disaster Recovery (DR).

Dependency on in-house servers has been mitigated through the cloud services adopted during the prior year.

Improvements in our change-management framework has reduced delivery risks of key IT enhancements.

Business Impact Assessments are embedded into the business functions and rehearsals of business disruptions are worked through.

Cyber

DESCRIPTION and potential impact:
his is a continual pervasive threat which we define as the risk of losses arising from being targeted by hackers resulting in significant disruption to our operations and ability to service customers.

↑ INCREASE IN RESIDUAL RISK

The pervasive threat of cybercrime remains a high risk and the Group remains vigilant to its threat to both the firm and its clients. The macro-economic environment leads to a higher concern level and attempts to infiltrate our business or that of our clients using our services remain an area of concern. Whilst we remain confident in the focused investment placed to combat Cyber threats, we remain extremely vigilant to the threat level.

MITIGATION
The Group maintains robust levels of insurance to cover losses in such scenarios should they materialise, meaning financial impact of the event should be restricted to costs for support and remedial works if needed.

The Group maintains and continues to enhance its information security management framework which is systemically tested against evolving threat vectors.

Employee training on security, and fraud-related matters like phishing and ransomware, continues to evolve and forms part of an ongoing programme of training.

All our systems are patched, secured and penetration/ vulnerability tested regularly to ensure they are secure and robust to maintain confidentiality, integrity and availability of our services and business assets.

An ongoing plan has been deployed to monitor the web and dark web for any threats and have appropriate incident management and expertise in place to react to any threat should it emerge.

Operational

DESCRIPTION and potential impact:
This is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external causes. These failures can be deliberate, accidental, or natural.

↔ NO CHANGE IN RESIDUAL RISK

Projects have been rationalised and a reassessment conducted to replan deliverables in a business wide holistic way. The development of our second line function, through our investment in people strategy, has started to yield positive outcomes for the governance of group activity.

MITIGATION
The Group conducts a Risk & Control Self-Assessment to capture control points that require additional development.

The Group has developed appropriate insurance undertakings to minimise disruption from operational events. Roles and responsibilities across the Group are clearly articulated to ensure adequate controls are in place to reduce operational risks in the business.

The Group has aggressively been developing its oversight forum, bringing together third-party risk management, operational resilience, business continuity and operational events.

Deep dive reviews on external events are conducted through an internal lens to drive continuous improvement.

Execution risk of our programme change has been reduced with the strategic additions of our Programme Change team.

Geopolitical

DESCRIPTION and potential impact:
If an increase in political instability, and by extension a deterioration in the business and economic environment, unfolds this could adversely affect the financial condition and prospects of our business. Together with the escalating threat from the Middle East, the ongoing impact from the war in Ukraine, the long tail of a cost-of-living crisis and stubborn core inflation are all contributing factors to macroeconomic uncertainty.

↑ INCREASE IN RESIDUAL RISK

A key part of the Group's strategy is tied to the expansion of its global footprint. There are growth opportunities in regions that are recently of higher concern which the group closely monitor. Instability in Eastern Europe and the Middle East may pose a threat to the growth and development of the business and will therefore be kept under particularly close review.

MITIGATION
The Group's primary responsibility is the safety and welfare of its staff and has developed its business continuity programme and responses as external threats evolve.

The Group has robust policies and procedures that facilitate remote working and a safe return to work. The Group's systems and capabilities, cloud-based infrastructure and its reactive agility to crises, provide assurance that we can minimise disruption to clients.

Ongoing threat assessments, provided by external experts in the field of geopolitical risk in the regions where we deploy our human and financial capital, are discussed at the relevant governance meetings.

Reputational

DESCRIPTION and potential impact:
If an unforeseen event materialises, leading to clients and or regulators questioning our integrity. This could materialise in a significant negative impact to our revenue, be cause for a regulatory sanction, potential threat of litigation, negative publicity, and damage the Argentex brand.

↔ NO CHANGE IN RESIDUAL RISK

There have been positive indicators throughout the year that have given comfort to our view for reputational risk. Our values and risk culture are driving those positive indicators, and we anticipate further maturity of our risk framework that will lead to reduced residual risks over the coming period.

MITIGATION
The risk management framework promotes policies, procedures and controls that aim to prevent major incidents from occurring or ensure the right escalation processes are in place to effectively mitigate the risk when these incidents do occur.

The Group has invested in fostering and embedding a sound and healthy risk culture.

Our values are defined to enhance our reputational standing and deliver long-term, high-quality customer journey experiences.

Performance period at a glance

Guy Rudolph
Interim Chief Financial Officer

Continued investment to support future growth, during challenging trading conditions.

OVERVIEW

As previously communicated, we made the decision in 2022 to change our year end to 31 December, in line with the Group's transition to a global financial solutions provider. Our report throughout is reflective of the 12-month accounting period to 31 December 2023, whilst the statutory comparative is nine months to 31 December 2022. Where appropriate, we refer to performance for the 12 months to 31 December 2022, for information purposes only, to aid comparability. 9 month comparative figures are presented on page 127.

In the year to 31 December 2023, Argentex continued to pursue its investment programme across the three areas of people, technology and international expansion. The business experienced challenging market conditions across its core foreign exchange broking business in the UK as lower levels of foreign exchange volatility, particularly in Sterling versus the US Dollar, led to lower levels of demand. This re-emphasises the importance of diversifying our business model to strengthen its long-term resilience and highlights the Group's need to deliver for all stakeholders against any economic backdrop. Given current market conditions and trading performance the Board will not be declaring a final dividend for the year ended 31 December 2023. In September 2023, the Board declared an interim dividend of 0.75p per share for the year ended 31 December 2023.

FINANCIAL PERFORMANCE

Argentex generated revenues of £49.9m in the year to 31 December 2023, broadly in line with the comparable 12-month period in the prior year. Revenues generated in the year were underpinned by an increase in the number of corporate clients trading, in addition to incremental contributions from an enhanced product mix, such as structured solutions and revenues from our online platform.

1,938 clients traded with Argentex in the year compared to 1,750 clients who traded for 12 months to 31 December 2022. Of the corporate clients trading, 649 were new in the period (12m FY22*: 546). Prior to FY22, our revenue mix has been a 50:50 split from spot and forward trades; however, since the inception of our Structured Solutions division in FY22, 14% of revenue was generated through this new division

* 12m FY22 refers to the 12 months ended 31 December 2022

in the year to 31 December 2023. Not only has the product mix diversified, but we have also seen an increase in clients using our new online platform, with 496 clients who traded online with Argentex for the year compared to 374 clients trading in 12m FY22*.

The Group continued its stated strategic investment programme in FY23 resulting in an operating profit of £8.1m or 16% margin (12 months to 31 December 2022: £11.3m, 22% margin). The decline in operating margins compared to 12m FY22* reflects the combination of the investment programme across all three dimensions of Argentex's growth strategy and more challenging market conditions, particularly in the second half of FY23, which resulted in lower-than-expected Group revenues for the year. The Group's robust approach to risk remains unchanged and this has been reflected in the extremely low number of instances of client default.

PEOPLE

In the year to 31 December 2023 the number of employees (including Directors and LLP members) grew to 196 (12m FY22*: 137). Front office/back-office split has shifted moderately versus prior periods to 51%:49%. This reflects the investment in the support functions as the business matures and continues its balanced approach to risk. A total of 59 people were hired into new roles created in the period, 42 in the UK and 17 overseas.

TECHNOLOGY

Total investment in technology in the year was £1.8m (9 months to December 2022: £1.4m). This investment spend is treated as a capital investment and amortised over a three-year period in line with accounting policy.

OVERSEAS EXPANSION

International expansion continued within the Netherlands and Australia. During the year a new entity and office was set up in Dubai. It is expected that both Australia and Dubai will receive licences to operate during 2024. Revenues generated in the Netherlands for the year totalled £3.9m (9 months to December 2022: £1.6m). The Netherlands will be the central hub for our European operations and the licences granted in the Netherlands will allow the Group to open branches in the EU countries in the coming years.

FINANCIAL POSITION

The Group views its ability to generate cash from its trading portfolio as a key indicator of performance within an agreed risk appetite framework. As at 31 December 2023, Argentex has net cash of £18.3m, an increase of £2.1m on the prior period. Total cash and cash equivalents include client balances pertaining to collection of any collateral and variation margin in addition to routine operating cash balances. Further, cash and cash equivalents does not include collateral placed with financial counterparties. Collateral placed with financial counterparties of £5.7m (FY22*: £10.0m) is recorded in other assets in the Statement of Financial Position.

	31 Dec 2023 £m	31 Dec 2022 £m
Cash and Collateral		
Cash at bank	33.0	29.0
Less: amounts payable to clients	(14.7)	(12.8)
Net cash	**18.3**	**16.2**
Collateral held at institutional counterparties (other assets)	5.7	10.0

Before movements in client balances held as shown in the consolidated financial statements note 19, the Group generated £11.7m in cash.

A £1.9m increase in client balances held, when added to cash generated results in a net cash inflow inclusive of client balance movements of £13.6m. Of the £11.7m in cash generated, £1.8m was used to invest in technology and a further £3.4m was returned to shareholders in the form of a dividend (being £2.5m FY22 final dividend and £0.9m FY23 Interim dividend).

Cash generation from the Group's revenues is a function of:

— the composition of revenues (spot, forward, option and swap revenues)
— the average duration of the FX forwards in the portfolio

In the period, Argentex has generated revenues in a ratio of approximately 45%:55% between spot and forward contracts outside of options and swap revenues. While spot FX contracts attract a smaller revenue spread, the inherent risk profile is much reduced, and cash is generated almost immediately. As such, having this proportion of revenues generated by spot trades with a minimal working capital cycle creates a strong positive immediate cash flow for the business.

Excluding swap revenue, 82% of revenue converts to cash within 3 months, which is consistent with prior years as follows:

CASH CONVERSION

	12 months to 31 Dec 2023 £m	9 mths to 31 Dec 2022 £m	12 mths to 31 Mar 2022 £m	12 mths to 31 Mar 2021 £m
Revenues	49.9	41.0	34.5	28.1
Revenues (swap adjusted S/A) **(A)**	43.6	37.7	31.5	27.2
Less				
Revenues settling beyond 3 months S/A	(7.7)	(7.1)	(4.6)	(3.1)
Net short-term cash generation **(B)**	35.9	30.6	26.9	24.1
Short term cash return **(B/A)**	82%	81%	85%	88%

“1,938 clients traded with Argentex in the year compared to 1,750 clients who traded for 12 months to 31 December 2022.”

Guy Rudolph
Interim Chief Financial Officer

Derivative financial assets were £48.7m with current element being £38.9m (80% of total derivative financial assets). Derivative financial liabilities were £29.4m with the current element being £23.6m (80% of total derivative financial liabilities).

The Group diversifies liquidity requirements across five liquidity providers, the largest providing 65% of liquidity required (62% at 31 December 2022).

PORTFOLIO COMPOSITION

Argentex's client base continues to grow with an increase in corporate clients traded in the year to 1,938 (12m FY22*: 1,750), and 649 of these corporate clients traded representing new business. Even when taking growth into account however the composition of our client portfolio remains consistent year-over-year in that it consists of similar businesses with exposures in the major currencies of Sterling, Euro and US dollar. In line with prior year, as at the year-end 76% of the Group's portfolio was comprised of trades in those currencies and hence the Group's exposure to exotic currencies or currencies with higher volatility and less liquidity remains limited. Further, client concentration has been maintained with 36% of revenue represented by the top twenty customers (12m FY22*: 36%).

Argentex has put in place a low-risk approach to managing collateral requirements with institutional counterparties to mitigate significant volatility risk which, when coupled with a selective and robust client acceptance process, has ensured that Argentex has continued to avoid any material issues over settlement.

In addition, as a result of a conservative approach to risk, Argentex continues to enjoy an immaterial occurrence of bad debt.

DIVIDEND

Given the financial results achieved in FY23 and in light of current trading performance, the Board has decided that Argentex will not declare a final dividend for the year ended 31 December 2023.

Guy Rudolph
Interim Chief Financial Officer
01 May 2024

Section 172(1) Statement

Our key stakeholders and factors

To ensure we operate to the benefit of all our members and stakeholders.

- Our workforce
- Our business relationships
- The community and our environment
- Our shareholders
- Long-term results
- Our reputation

The purpose of the Strategic Report is to inform members of the Company and help them assess how the directors have performed their duty under section 172. This section 172(1) statement incorporates information from other areas of the Annual Report to avoid unnecessary duplication.

The Directors have had regard for the matters set out in section 172(1) (a)-(f) of the Companies Act 2006 when performing the duty as set out in section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also considering the broad range of stakeholders who interact with and are impacted by our business. The table below indicates the location of relevant information that demonstrates how we act in accordance with the requirements of s.172(1).

It is acknowledged that it is not possible for all of the Board's decisions to result in a positive outcome for every stakeholder group. When making decisions, the Board considers the Company's purpose, vision and values, together with its strategic priorities and takes account of its role as a responsible corporate citizen. The aim of this is to ensure that decisions are robust and sustainable.

Examples of matters discussed in the year by the Board and their impact on, amongst others, employees, customers and shareholders are included in the table below and discussed throughout the Strategic Report and in the Governance section on pages 42-85.

The following table identifies where, in the Annual Report, information on the issues, factors and stakeholders the Board has considered in respect of Section 172(1) can be found.

This Strategic Report has been approved and signed on behalf of the Board.

Jim Ormonde
Chief Executive Officer
01 May 2024

Our key stakeholders

	The board has had regard to the following matters:	Example:	More information
Our workforce	The interests of our employees	— Direct feedback through our employee engagement survey Culture Amp which helped us identify key areas of improvement. The Interim CEO implemented an open-door policy to encourage communication which was one of the areas of improvement under the survey — Implementation of Argentex Hero Awards which recognise the contributions staff make to Argentex following feedback from the Employee Survey	Strategic Report 10 20 24 Governance 45 46 72
Our business relationships	The importance of developing the Group's business relationships with suppliers, customers and others	— Client surveys were sent out to customers with results shared with the Executive Team. Results have informed the strategic planning, and the Board reviewed the Company's service proposition to ensure it is aligned with customer needs — The Board received an update on pipeline management and areas in which the company could improve its service offering to reduce client attrition and have factored this into their strategic planning	Strategic Report 10 14 20 24 30 Governance 46 72
The community and our environment	The impact of the Group's operations on the community and the environment	— The Board noted the requirement for an enhanced sustainability strategy and to begin its journey to a commitment to Net Zero. The Group engaged consultants to develop an ESG strategic plan which will be embedded into decision making, and enable the identification of key areas of improvement	Strategic Report 24 Governance 46 72
Our shareholders	The need to act fairly as between members of the Company	— Regular calls and meetings were held between shareholders and the Executive Directors and the Chair held several meetings and calls with major shareholders to discuss governance matters. These have informed the activities and developments during the year	Strategic Report 04 24 Governance 46 72

Our key factors

	The board has had regard to the following matters:	Example:	More information
Long-term results	The likely consequences of any decision in the long-term	— The Board initiated an in-depth strategic review to determine how best to enhance the customer experience to strengthen our competitive advantage and brand differentiation, creating distinction in the market to promote the long-term success of the Company	Strategic Report 04 10 14 20 24 30 Governance 45 54 58 62 68
Our reputation	Our desire to maintain our reputation for high standards of business conduct	— Approval and implementation of a compliance monitoring programme to monitor adherence to the Group's business standards and compliance with local regulatory compliance requirements — The Board recognises the need to maintain strong relationships with regulators and a strong compliance culture. Feedback from local and foreign regulators is presented, monitored and incorporated by the Board	Strategic Report 04 10 20 24 30 Governance 45 46 62 68

Corporate governance statement

Nigel Railton
Non-Executive Chairman

Dear Shareholder,

I am pleased to present the Corporate Governance statement for the year ended 31 December 2023 which shows how we adopt and apply the principles of the Quoted Companies Alliance's Corporate Governance Code.

Board composition and succession planning has been an important aspect for the Board this year. I took over as Chairman from Digby Jones in September. Jim Ormonde has taken over as Interim Chief Executive Officer and member of the Board, Tim Haldenby has joined the Board as an independent non-executive director and Chair of the Audit and Risk Committee, taking over this role from me. Jonathan Gray has become the Senior Independent Director, taking over from me and Henry Beckwith has stepped down from two Committee memberships, in line with governance good practice, as he is not deemed to be independent. In addition, Guy Rudolph has joined the Executive Team as interim Chief Financial Officer.

We are continuing our succession planning process in the light of our strategic review and expect to fill any gaps in the Board's skills and experience as they become apparent. Whilst we fully acknowledge the need for diversity on the Board, it is essential that we get the people with the key attributes we require in place at pace – if we can do that whilst increasing the diversity of the Board, so much the better. This planning process is to be supported by a robust programme of Board evaluation.

The strategic review has also been receiving a lot of attention, to ensure that Argentex is focused on the long term as a growth company. We expect to engage with our stakeholders about this over the coming months and there is more information about this review in the Strategic Report.

Other Board Activities during 2023 included:

- Considered and recommended the interim dividend for 2023
- Considered geographical markets and approved the Company's global expansion in the UAE region
- Debated the Group's principal risks and the Board's approach to setting risk appetite which included the approval of an enterprise risk framework, risk register and risk appetite statement
- Reviewed, and updated the terms of reference for the Audit and Risk Committee and Nominations Committee
- Monitored financial performance against budgets and forecasts and discussed any deviations from expectations at each scheduled meeting
- Reviewed and approved the Company's trading updates, full and half-year results and the Annual Report and Accounts
- Reviewed performance updates relating to technology infrastructure, technical capabilities, cyber and data privacy
- Received updates and recommendations from the Committee Chairs following each Committee meeting
- Received briefings from the Company's brokers and training from the Company's lawyers
- Received feedback and insights from myself as Chairman gathered from meetings with the Company's top shareholders

I am passionate about creating the right strategy, delivered by the right executive team and supported by the right Board with sound corporate governance, in order to deliver value for our stakeholders.

Nigel Railton
Non-Executive Chairman
01 May 2024

The QCA Corporate Governance Code

1. **Establish a strategy and business model which promotes long-term value for shareholders.**
   11-12 20-23 45

2. **Seek to understand and meet shareholder needs and expectations.**
   04-05 40-41 46-47

3. **Take into account wider stakeholder and social responsibilities and their implications for long-term success.**
   10-12 24-28 40-41 46-47

4. **Embed effective risk management, considering both opportunities and threats throughout the organisation.**
   30-34 65-67 69-71

5. **Maintain the Board as a well-functioning balanced team led by the Chair.**
   48-49 50-52 54-56

6. **Ensure that between them the Directors have the necessary up to date experience, skills and capabilities.**
   50-52 62-64

7. **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.**
   47 48-49 58-61

8. **Promote a corporate culture that is based on ethical values and behaviours.**
   25 45 55 58-61 65 67

9. **Maintain governance structure and processes that are fit for purpose and support good-decision making by the Board.**
   62-67

10. **Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**
   24-28 40-41 42-71

Vision, strategy and culture

Vision

The Board has undertaken a strategic review to gain a detailed understanding of the Argentex value proposition, to develop the leadership team's vision for the business and to identify opportunities for growth that are open to the business underpinned by market research.

More information on this is provided in the Chairman's and CEO's Statements on pages 04-05 and 10-12.

Business model and strategy

Given the breadth of opportunities available to Argentex, the Board has undertaken an extensive review to allow for careful consideration and assessment of which options the business should pursue to drive shareholder value.

The review has allowed the Board and Management to agree the prioritisation of opportunities and reach a consensus on the implications for a growth strategy. The Company now has clearly defined key strategic priorities and a strong understanding of the enablers required to achieve them. This will inform the three-to-five-year strategic development roadmap, that will be underpinned by a financial plan.

The Board are confident that the strategic plan is clear and looks to make the most of the opportunities and resources available. Management have worked to determine how best to execute the growth strategy and have identified the investments and enablers required to realise these opportunities.

More information on this is provided in the Strategic Report on pages 04-41.

As a Board, we will closely monitor Management's execution of the strategy once decided and continue to provide support and challenge on the strategic direction of the Company.

Culture and values

The Board acknowledges that, in addition to setting the Group's purpose, strategy and values, it is accountable to shareholders for ensuring that the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours.

The Board has embedded a new leadership team committed to establishing a culture of operational excellence and focussing on our strengths to ensure we can continue to offer an exciting proposition to clients while also generating shareholder returns.

Whilst the Board remains opportunity-driven, it recognises the importance of creating a culture of risk awareness to enable us to continue to deliver sustainable growth. Having now completed the strategic review the Board will undertake a corporate culture refresh to ensure that the Company's objectives and promotion of healthy behaviours are aligned and implemented at all levels of the organisation.

More information on this is provided in Resources and Relationships on pages 24-28.

Stakeholder engagement

Our Section 172(1) Statement on pages 40-41 details how the views of our employees, shareholders and other stakeholders have been taken into account in the Board's decision making during the period

Shareholder communications

The Board is committed to maintaining engagement with the Company's shareholders. The principal methods of communication with private investors have been the Annual Report and Financial Statements, the Interim Report, the AGM and the Group's website (www.argentex.com).

The Company is now taking steps to ensure that the full-year and other public announcements are as meaningful, understandable and transparent as possible through the development of an enhanced investor relations function.

All Directors will normally attend each AGM and shareholders are given the opportunity to ask questions.

The most recent AGM was held on 21 June 2023. The Chair and all other Directors attended the AGM and were available to answer shareholder questions. Shareholders were also given the opportunity to pose questions to the Directors ahead of the meeting via email. Shareholders voted on each resolution by way of a poll and the results of voting were published on our website www.argentex.com/investor-relations.

The Board noted the feedback received from shareholders with regard to the membership of Henry Beckwith (a Non-Executive Director who is deemed not to be independent) on the Remuneration and Audit & Risk Committees. Following the recommendation of the Nominations Committee, Henry Beckwith ceased to be a member of the Remuneration Committee or the Audit and Risk Committee, but continues to attend in the capacity of an observer, with effect from 5 September 2023.

The Chairman and CEO of the Company have been in regular communication with major shareholders throughout the various management changes that took place in the latter half of the financial year.

In addition, the Chief Executive Officer and Interim Chief Financial Officer welcome dialogue with individual institutional shareholders to understand their views and feed these back to the Board.

Other stakeholders

Other key stakeholders aside from shareholders are the Group's staff, its clients and its key suppliers. Our Section 172(1) Statement on pages 40-41 details how the views of our employees, shareholders and other stakeholders have been taken into account in the Board's decision making during the period.

The Board actively encourages and presents opportunities for our staff to give feedback, regardless of seniority or tenure, through regular team meetings and sustaining a flat organisation where the senior management team are present on the sales floor daily. The CEO and Executive Committee engage directly with staff through regular townhall meetings and maintain an open-door policy.

The Board also receives quarterly people updates from the HR Director, including on the progress of embedding the Group's culture and values, enhancing inclusion and diversity, expanding learning and development resources and the results and actions from previous engagement.

During the period, the Board received the results of the employee engagement survey, Culture Amp, which provided key insights into data concerning people together with trends and levels of engagement, as well as areas for improvement for the forthcoming year (for more information, see pages 41 and 55).

Balance, skills and evaluation

Board meetings

The Board met nine times during the reporting period and the Non-Executive Directors communicate directly with Executive Directors and Senior Management between formal meetings. Additional Board meetings were held in relation to urgent matters and projects as and when required.

The Board operates to an agreed schedule, covering key matters at regular intervals through the year. The agenda and papers for the Board are distributed in advance of each Board meeting.

The Board is committed to work in a dynamic, collaborative and constructive way with different points of view and knowledge being drawn upon to challenge and review the business of the Group.

The roles of the Chairman and Chief Executive Officer are distinct, with a clear division of responsibilities. The Chairman's role is to ensure good corporate governance. His responsibilities include leading the Board, ensuring the effectiveness of the Board in all aspects of its role, setting the Board agenda, ensuring that all Directors participate fully in their activities and decision making of the Board and ensuring communication with shareholders.

Time commitment

The Board is satisfied that all Non-Executive Directors have sufficient time to commit to their roles on the Board and in the Committees and to fulfil their obligations to the Company. Any changes to the time commitments and interests of the Directors are reported to and, where appropriate, agreed, by the rest of the Board. The Board is satisfied that the number of external appointments held by each Director is appropriate and none of the Directors are considered to be over-boarded.

Directors are expected to attend all Board meetings, and the meetings of Committee of which they are members.

The table below outlines the Board and Committee meetings held with attendance of each Board Member.

Board evaluation process

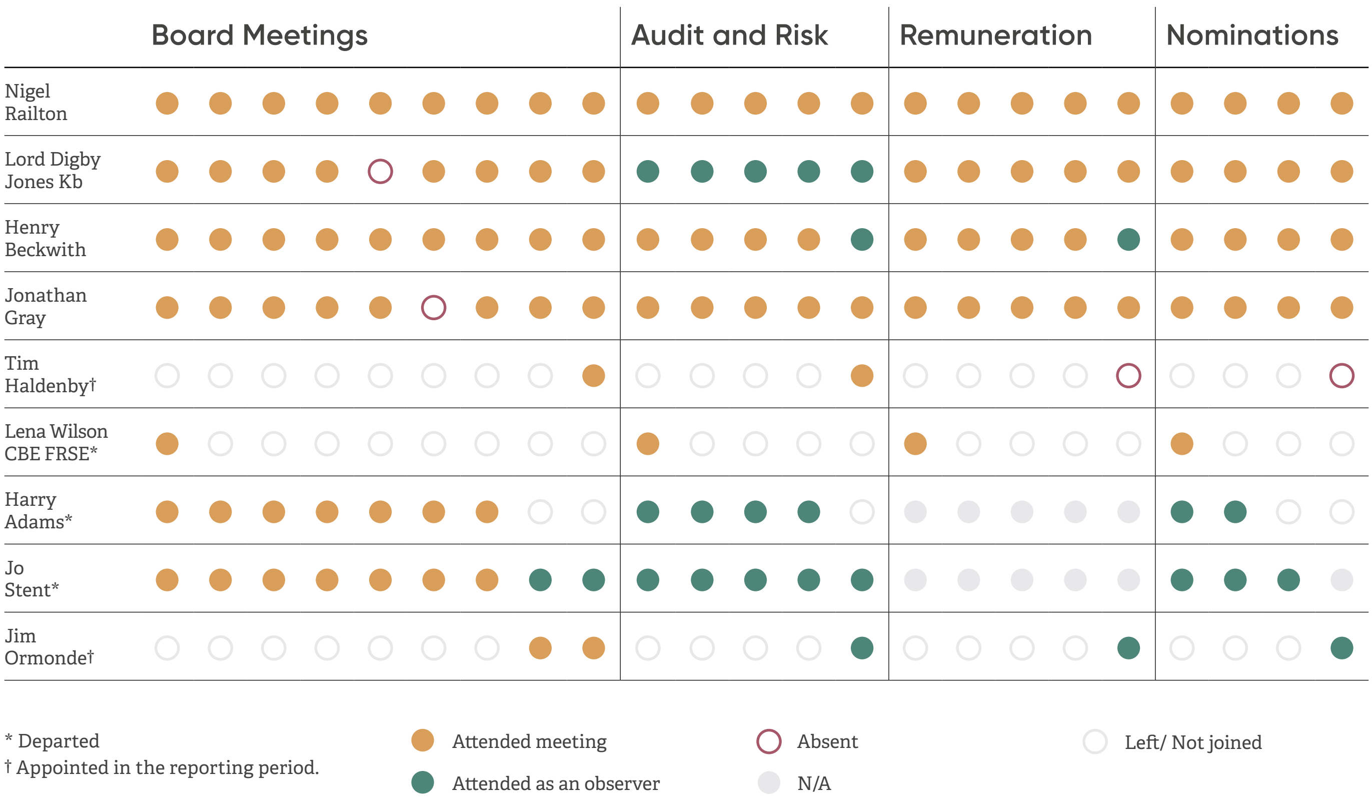
The Nominations Committee completed an internal Board evaluation prior to the year end, with a survey of 14 questions sent to all Board members for their completion anonymously. As a result of Board and Leadership changes, the survey was reduced, but the responses were still reviewed.

Strategy, process and plans for the future and the Board's collective judgement were felt to be very strong and Health & Safety and Sustainability was felt to be strong. Shareholder Engagement, Corporate Governance and succession planning were felt to be above average.

Respondents felt strongly that they had sufficient opportunity to contribute to the strategy and were kept abreast of significant issues between Board meetings. In addition, the Board was generally focused on key issues and had sufficient knowledge of the risks facing Argentex.

They also felt there was room to strengthen the processes for the identification of risks, finesse the balance of skills and experience on the Board and enhance the information derived from stakeholder engagement. These are the areas of focus for the next period.

The Board recognises that a formal evaluation of the Board, its Committees and individual performance is an important tool to identify opportunities for improvement and to enhance overall Board effectiveness on an ongoing basis. As a consequence, the Nominations Committee are looking to enhance the robustness of the Board effectiveness review and evaluation. A formal process will be carried out once the new directors and those with new responsibilities have settled into their roles.



Board of Directors

Nigel Railton
Non-Executive Chairman from 1 September 2023, appointed to the Board 19 June 2019, and Audit & Risk Chairman from 19 June 2019 to 14 November 2023

Nigel was previously CEO of Camelot UK, having held the position since April 2017. Nigel previously served as both CEO of Camelot's Global business and Group Finance, Strategy and Operations Director. Prior to Camelot, he also held senior finance positions at Black & Decker and Daewoo Cars Ltd.

Nigel has over 20 years' experience of positively contributing to boards and has chaired multiple committees, including in Ireland and South Africa. He has significant experience in developing teams and brings a strong transformational and operational track record in executive roles.

External appointments

— Trustee of the Social Mobility Foundation

Jim Ormonde
Chief Executive Officer, appointed to the Board 26 October 2023

Jim was appointed to the Board as Interim Chief Executive Officer in October 2023, and became Chief Executive Officer in April 2024. He has more than 30 years' entrepreneurial and leadership experience across the Fintech segment having been CEO of Cardsave, one of Europe's largest independent payments businesses, before serving on the board of Retail Merchant Services which was sold successfully to TCV Private Equity and then SaltPay. He has provided strategic advice to a wide range of companies including regulated, private and public companies of all sizes.

External appointments

— Non-Executive Chairman of Gusbourne PLC

Jonathan Gray

Senior Independent Non-Executive Director, with effect from 1 September 2023, appointed to the Board and Chairman of the Remuneration Committee from 7 June 2019

Jonathan has considerable financial services experience having worked as a corporate financier in the City of London since graduating from Oxford University in 1988. He was a Managing Director and headed the Smaller Companies Team at both UBS and HSBC where, over a period of 15 years he worked on a large number of both equity and debt fundraisings, as well as mergers and acquisitions, and well over 100 IPOs mainly on the London Stock Exchange. He has sat on a number of public and private company boards and is currently Chairman of Urban Logistics, the manager of a Mid-250 industrial property REIT as well as a board member of a Spanish property company. He is also an officer in the Army Reserve. Jonathan is Senior Independent Director and Chairman of the Remuneration Committee.

Lord Digby Jones Kb.

Independent Non-Executive Director, Non-Executive Chairman until 1 September 2023, appointed to the Board 7 June 2019. Chairman of the Nominations Committee from 1 March 2023

After three years in the Royal Navy, Lord Jones spent 20 years at Edge & Ellison, a major Birmingham-based corporate law firm, where he served as Senior Partner in the mid-1990's. He was appointed Director-General of the Confederation of British Industry in 2000. In 2007 he became Minister of State for UK Trade & Investment becoming a life peer but not joining the party of government. Thereafter he served as Chairman of International Advisory Boards of, or senior advisor to, major multi-national companies.

He has extensive experience in deal making, corporate finance, change management & export & investment markets around the World.

External appointments

— Non-Executive Chairman of Triumph Motorcycles Ltd & Metalfloor UK Ltd

— Non-Executive Director of Norman Piette Ltd

Henry Beckwith
Non-Executive Director, appointed to the Board 7 June 2019

Henry is a director of Pacific Investments Ltd, and leads their financial services and asset management division, taking an active role in both deal origination and management of the portfolio of companies. He is a member of both the Chartered Financial Analyst Institute and the Society of Technical Analysis.

Henry was a founding partner and Board member of Argentex when it was first backed by Pacific Investments in 2013 and as such has over 12 years in the foreign exchange industry.

External appointments

— Director of Pacific Investments, a diversified investment group with interests in Real Estate, Asset Management, Financial Services and Leisure

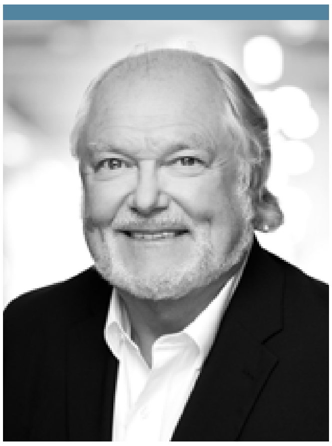
— Founding Partner of Pacific Asset Management, an asset manager with $6bn under management

— Non-Executive Director of Pacific Capital Partners Limited, an Alternative Investment Fund Management Company authorised and regulated by the FCA

Tim Haldenby
Independent Non-Executive Director, appointed to the Board 15 November 2023 and Audit & Risk Chairman from 15 November 2023

Tim qualified as a Chartered Management Accountant in 2001 and brings substantial experience in finance, strategy, operational performance management and data management. Tim gained this experience during a 23-year career at Camelot, the operator of the UK National Lottery and provider of lottery technology, consulting and operating services to international lotteries. In the past 10 years, Tim's roles have included Director of Strategy at Camelot Global (Camelot's international business), Chief of Staff and then Interim Chief Data Officer at Camelot UK Lotteries.

Nominations Committee Report



Lord Digby Jones Kb
Chairman of the Nominations Committee

As Chairman of the Nominations Committee, I am pleased to present the Nominations Committee report for the year ended 31 December 2023.

The Nominations Committee plays a vital role in ensuring that the Board and its committees have the right balance of skills and experience and also oversees the Board's development of succession planning to provide the Company and shareholders with continuity of talent at senior levels within the company. It is also responsible for oversight and application of the diversity policies of Argentex.

We identify and nominate members of the Board, recommending Directors to be appointed to each committee of the Board and also the chairs of each committee. This enables the Board and each committee to effectively discharge their duties and responsibilities in the pursuit of long-term value creation for the Company's stakeholders.

COMMITTEE COMPOSITION

The Nominations Committee is comprised of all of the Non-Executive Directors as shown on page 49 and is chaired by me, Digby Jones. The Nominations Committee met four times during the period.

KEY RESPONSIBILITIES OF THE COMMITTEE

The full terms of reference for the committee can be found on the Company's website at **www.argentex.com/investor-relations/corporate-governance**. The key focus of the committee during the period included:

- In the light of the considerable movement of positions on the Board, reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to the various changes
- Giving consideration to succession planning for Directors and other senior executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future

— Keeping under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation both to deliver on the strategy of Argentex and compete effectively in the marketplace

Diversity

The Board recognises that diversity, in the broadest sense, enables wider perspectives and offers up different and helpful insights, which encourages more effective discussions and better decision-making which is crucial for an effective Board. It also sets the tone for diversity, equality and inclusion throughout the business. Accordingly, the Committee looks to ensure that it approaches succession planning in a manner that establishes the importance of diversity in the broadest sense, not just gender or ethnicity, but also experience, skills, professional background and tenure.

COMPOSITION OF THE BOARD AND ITS COMMITTEES

There were several significant Board changes during the period.

Lena Wilson stepped down from the Board as a Non-Executive Director and Chair of the Committee on 28 February 2023, as reported in last year's Annual Report and Accounts.

I stepped down as Chairman of the Board on 1 September 2023 and became Nominations Committee Chairman and an Independent Non-Executive Director. As reported to the market in July 2023, I intend to retire from the Board in October 2025.

The Committee recommended and the Board appointed Nigel Railton as Chairman of the Board with effect from 1 September 2023 and to remain as interim Chairman of the Audit and Risk Committee (ARC) until an appropriate replacement could be found. The Committee considered that the appointment of Nigel as Chairman would provide the Group with continuity in leadership, leverage his existing knowledge of the Company's operations and culture, and enhance board cohesion. The Company will benefit from his ability to help the Executive in setting and executing the new strategy and oversee governance processes. Jonathan Gray stepped into the role of Senior Independent Director to replace Nigel and remains Chairman of the Remuneration Committee.

The demands of the roles of Chairman and Chairman of the ARC are such that there was an urgent need to find a replacement ARC Chairman to ensure that both roles functioned effectively. Following interviews with the Chairman and other Board members, the Nominations Committee recommended to the Board that Tim Haldenby be appointed to the Board as a non-executive director given Tim's extensive experience across finance, strategy and accounting. Tim is a member of The Chartered Institute of Management Accountants. The Committee believe that Tim's data expertise would also play a significant role in informing strategic decision making and risk management through enhanced oversight and efficiencies. Accordingly, the Committee further recommended that Tim become a member of the Nominations Committee, Remuneration Committee and Chairman of the ARC with effect from his joining date. The Board approved the recommendations and Tim was appointed to the Board as set out above with effect from 15 November.

Harry Adams stepped down as CEO and member of the Board with effect from 26 October 2023.

Jim Ormonde was appointed as interim CEO with effect from 26 October. Jim was known to the Board in his capacity as a consultant to Argentex and, following the implementation of the changes adopted from his comprehensive reviews, Jim was shown to be best suited to be an interim replacement throughout his comprehensive interviews with members of the Board and relevant stakeholders. Jim was made a member of the Board to ensure appropriate division of responsibilities between the Chairman and the CEO and thereby ensure effective leadership, accountability and governance within the organisation. The Committee are confident that Jim will develop and implement the new strategy to ensure continued growth of the business, a confidence born out by his appointment being made permanent on 01 May 2024.

Jo Stent resigned as CFO and member of the Board with effect from 8 November 2023. To facilitate an orderly handover and transition, Jo remained in post until such time that a suitable replacement was found. On behalf of the Board, I should like to thank Jo for her hard work throughout her time with us.

Post period end Guy Rudolph was appointed as interim CFO although he has not been appointed as an executive director of the Company.

The Committee considers all of the Non-Executive Directors, with the exception of Henry Beckwith, to be independent in accordance with UK corporate governance requirements and they continue to show commitment, make effective contributions and effectively challenge management. Their role has been particularly important given the major leadership changes that have taken place this year. They have not been found wanting and their frankness, clarity of decision implementation and representation of the shareholder base has been excellent.

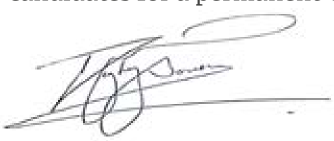
PRIORITIES FOR 2023/24

- Stability
- A sounding board and critical friend of the Executive Committee
- Implementing the strategy and the policies and assisting in every way the execution of the Executives' plans

Succession Planning

There have been numerous changes at both Board and Executive Committee level that now require a full refresh of Board, executive and senior leader succession planning. Accordingly, a key focus for the Committee during FY24 will be on the composition of the Board and Executive Committee and the succession pipeline for the Executive Committee and senior management roles, including a rigorous internal talent review, to ensure we have the right individuals to support the Group in delivering the strategy.

The Committee will also continue to assess the candidates for a permanent CFO.



Lord Digby Jones Kb

Chairman of the Nominations Committee

01 May 2024

Remuneration Committee Report

Jonathan Gray
Chairman of the Remuneration Committee

I am pleased to present the Remuneration Report for the 12-month period ending 31 December 2023. This summarises the work of the Remuneration Committee, the remuneration policy and the remuneration paid to the Directors for the period.

As an AIM-quoted company, the information provided is disclosed to fulfil the requirements of AIM Rule 19. By complying with AIM Rule 26, Argentex complies with the QCA Corporate Governance Code.

Although the Company is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Argentex is committed to achieving both high governance standards and a simple and effective remuneration structure.

Argentex was admitted to trading on AIM on 25 June 2019 and prior to this was a private business.

REMUNERATION COMMITTEE

The composition of the committee is shown on page 49 and is made up entirely of the Group's independent Non-Executive Directors. Henry Beckwith is no longer a member of the committee but attends in the capacity of an observer.

The Committee is responsible for determining and reviewing the Group's policy on executive remuneration and other benefits and terms of employment, including performance related bonuses and share options. The Committee also determines the operation of the share option and share incentive schemes established by the Group, and reviews senior management's proposals for remuneration policies affecting all staff.

The Committee continued to use independent remuneration consultants h2glenfern to provide information to assist the Committee in making decisions in respect of executive and Board remuneration. They were instructed to deliver detailed information on, and analysis of, the remuneration structures, levels and practices at a group of comparable UK-quoted companies.

After receiving this information, the Committee agreed as follows:

- The CEO would be awarded a pay rise of £25,000, effective from 1 July 2023
- The new Company Chairman would be paid fees of £150,000, effective from the date of his appointment, being 1 September 2023
- Lord Digby Jones would remain on his existing fee of £75,000
- Jonathan Gray would be paid a fee of £70,000 (an increase of £15,000) to reflect his new role of Senior Independent Director and continuance as chairman of the Committee effective from 1 September 2023

The Committee has met five times during the financial period and attendance is shown on page 49.

REMUNERATION POLICY

The Committee is conscious of the scale and importance of remuneration in a business of this type.

The Group's policy is to offer competitive remuneration with the aim of motivating and retaining high quality executives to support the achievement of the Group's financial and non-financial targets and to pay executives fairly.

The Committee considers the appropriate balance between fixed and variable remuneration as well as ensuring that the remuneration policy is aligned with the interests of shareholders.

Salaries, fees and benefits

Salaries and cash bonuses for Executive Directors are determined by the Remuneration Committee and are reviewed annually, considering individual and Group performance over the previous twelve months, external remuneration data from comparable companies and advice from the external consultant.

Following this year's review, the annual salary of the CEO was increased to £375,000 and the salary of the CFO remained unchanged during the period at £270,000.

The Executive Directors do not receive any pension or other benefits.

Fees for Non-Executive Directors are determined by the Board, having regard to fees paid to Non-Executive Directors in other UK quoted companies of a similar scale, the time commitment, and responsibilities of the role.

The Non- Executive Directors' fees are subject to the aggregate limit set out in the Company's Articles of Association.

The fee for the Company Chairman was increased to £150,000 per annum. Jonathan Gray's fee was raised to £70,000 as Senior Independent Director and Digby Jones' fee remained at £75,000. The other Non-Executive Directors remain at £55,000. See Salary table below for more details.

No options are held by the Non-Executive Directors. Individuals cannot vote on their own remuneration.

Annual bonus

The Company operates an annual discretionary bonus plan under which Executive Directors may receive a bonus based primarily on group financial and operational performance in the year.

Considering the financial performance of the Group in FY2023, no performance bonuses in relation to overall corporate performance have been proposed or paid to Executive Directors.

Long-term incentive plans

The Committee recognises the importance of ensuring that senior employees of the Company are effectively and appropriately incentivised. In order to further encourage long-term alignment of staff with the interests of shareholders and the strategic objectives of the Group, the Company operates a long-term incentive plan that creates alignment through share-based remuneration.

The Company introduced the Argentex Group Value Creation Plan ("VCP") in November 2022 under which awards were made to Executive Directors and senior staff members who are accountable for our product, growth and operational effectiveness.

The VCP was implemented by way of an issue of growth shares in a wholly-owned subsidiary of Argentex, whereby the growth shares were acquired by participants at the outset at market value. Following vesting, the growth shares will be acquired by Argentex in exchange for ordinary shares in Argentex or, at Argentex's option, cash.

A number of employees have not been awarded growth shares under the VCP and instead have retained their share options under the Company's original share option plan (CSOP). All participants under the VCP who had options under the CSOP have surrendered their options.

30% of the awards were granted to Argentex's three most senior executives, split 12% to each of the CEO and COO and 6% to the CFO. As at 31 December 2023 the senior executives who served during the year remained holders of growth shares under the VCP. Non-Executive Directors continue to be excluded from share-based rewards and any other incentives but are entitled to hold shares. At the date of writing all Non-Executive Directors apart from Tim Haldenby are shareholders.

SERVICE CONTRACTS

The current executive director previously had a rolling consultancy contract , with a mutual three month notice period up until his formal permanent appointment on 01 May 2024.

Non-Executive Directors are appointed under a letter of appointment with the Company. Subject to their re-election by shareholders, the initial term of appointment for each Non-Executive Director is three years. Non-Executive appointments are subject to notice of three months by either Company or individual. The Non-Executive Directors' fees are determined by the Board, subject to the aggregate limit set out in the Company's Articles of Association.

DIRECTORS' REMUNERATION

The tables below summarise the gross aggregate remuneration of the Directors who served during the year to 31 December 2023 compared to the 9-month period ended 31 December 2022.

31 December 2023	Basic salary/ Fees/ Fixed profit shares £	Performance related bonus in respect of **year** to 31 December 2023 £	Other amounts	2023 Total £
Executive Directors				
Harry Adams[1]	300,000	0	—	300,000
Jo Stent[2]	270,000	0	—	270,000
Jim Ormonde[3]	69,166	0		69,166
Non-Executive Directors				
Lord Digby Jones	75,000	—	—	75,000
Henry Beckwith	55,000	—	—	55,000
Jonathan Gray[4]	60,000	—	—	60,000
Nigel Railton[5]	86,667	—	—	86,667
Dr Lena Wilson[6]	13,750	—	—	13,750
Tim Haldenby[7]	7,122	—	—	7,122

[1] Harry Adams basic salary was increased from £350,000 to £375,000 with effect from 1 July 2023. Harry Adams then stepped down as a Director on 26 October 2023. Reported numbers cover the amounts paid pro rata up to and including this date.

[2] Jo Stent resigned as a Director on 8 November 2023 and has received her basic salary due up until 31 December 2023.

[3] Jim Ormonde was appointed as Interim CEO with effect from 26 October 2023 with an annual consultant fee of £375,000. Reported numbers cover the amount paid pro rata from the date of appointment to 31 December 2023.

[4] Jonathan Gray was appointed Senior Independent Non-Executive Director with effect from 1 September 2023 with an annual fee of £70,000. Prior to this date Mr Gray served as an Independent Non-Executive Director and Chair of the Remuneration Committee with an annual fee of £55,000. Reported numbers cover the amounts paid pro rata in the period.

[5] Nigel Railton was appointed as Chairman with effect from 1 September 2023, with a fee of £150,000. Prior to this date Mr Railton served as the Senior Independent Non-Executive Director and Audit and Risk Committee Chairman with a fee of £55,000. Reported numbers cover the amounts paid pro rata in the period.

[6] Lena Wilson resigned as director on 28 February 2023. Reported numbers include amounts paid pro rata from 1 January 2023 until 31 March 2023.

[7] Tim Haldenby was appointed as an Independent Non-Executive Director on 15 November 2023 with an annual fee of £55,000. Reported numbers cover the amount paid pro rata from the date of the appointment to 31 December 2023.

31 December 2022	Basic salary/ Fees/ Fixed profit shares £	Performance related bonus in respect of **period** to 31 December 2022 £	Other amounts	2022 Total £
Executive Directors				
Harry Adams	262,500	656,000	—	918,500
Jo Stent	202,500	355,000	—	557,500
Non-Executive Directors				
Lord Digby Jones	56,250	—	—	56,250
Henry Beckwith	41,250	—	—	41,250

31 December 2022	Basic salary/ Fees/ Fixed profit shares £	Performance related bonus in respect of **period** to 31 December 2022 £	Other amounts	2022 Total £
Jonathan Gray	41,250	—	—	41,250
Nigel Railton	41,250	—	—	41,250
Dr Lena Wilson	41,250	—	—	41,250

AGM
Our Remuneration Report for the period ended December 2022 was put to an advisory resolution at our AGM on 21 June 2023 and was supported by 99.91% of votes cast.

PAYMENTS FOR LOSS OF OFFICE
No payments were made to Harry Adams or Jo Stent during the reporting period, following their departure from office.

DIRECTORS' SHARE INTERESTS
This table summarises the interests in the ordinary shares of the Company of the Directors and Non-Executive Directors who served in the period.

Comparative information relates to equity interests of the Directors in Argentex LLP, prior to the merger and group formation further described in the financial statements.

Directors' Share Interests	Number of ordinary shares held in the Company at 31 December 2023	Number of ordinary shares held in the Company at 31 December 2022
Executive Directors		
Current		
Jim Ormonde	64,935	—
Former		
Harry Adams	—	13,882,894
Jo Stent	—	37,500
Non-Executive Directors		
Lord Digby Jones	434,451	434,451
Henry Beckwith	7,675,247	7,675,247
Jonathan Gray	75,000	75,000
Nigel Railton	179,815	86,084
Dr Lena Wilson	—	12,500
Tim Haldenby	0	—

SHARE OPTIONS
The individual interests of the Directors under the VCP are as follows:

	Date of grant	Aggregate no. of growth shares held under the LTIP as at 31 December 2023	Earliest exercise date
Executive Directors			
Harry Adams	9 November 2022	2,400	50% from 01/04/2026 and 50% from 01/04/2027
Jo Stent	9 November 2022	1,200	50% from 01/04/2026 and 50% from 01/04/2027

Following the award of the VCP scheme the directors no longer have any further interests under the CSOP.

Jonathan Gray
Chairman of the Remuneration Committee
01 May 2024

Structures and processes

Board composition

The Board is responsible to shareholders for the long-term success of the business and for the proper management of the Company by formulating, reviewing and approving the Company's strategy, budgets and corporate activity. The Board is the principal forum for directing the business of the Group

It is important that the Board comprises of a mixed skill set, experience and knowledge to deliver the Strategy of the Group.

The Board is comprised of one Executive Director and five Non-Executives, including the Chairman.

The size, skill sets, and experience are felt to be pertinent to the Argentex Group given its size, stage of development and opportunities that it faces.

All Board Directors are subject to election at their first Annual General Meeting and to re-election annually thereafter.

All Directors have access to Alethia McDonald, the Company Secretary, who is responsible for ensuring that Board procedures and applicable rules and regulations are observed.

The Board meets at least quarterly in every 12 months, and additional meetings are held as required.

Changes to the Board

The Board is currently comprised of an Independent Non-Executive Chairman, a Chief Executive Officer and four Non-Executive Directors, three of whom are considered to be independent. Henry Beckwith is not considered to be independent due to his relationship with Pacific Investments, which is a significant shareholder of the Company.

There were numerous changes to the composition of the Board during the year, with the retirement of Harry Adams and Jo Stent, and the appointments of Jim Ormonde and Tim Haldenby. In addition, Nigel Railton became Chairman and Jonathan Gray took over as Senior Independent Director, both with effect from 1 September 2023.

The Company's Interim CFO is not an Executive Director; however, the Board will continue to review the position of a permanent CFO who will join the Board as an Executive Director.

Biographies for the Directors as at the date of this report are set out on pages 50-52.

Roles and responsibilities

The Board is responsible for:

- The maintenance of a robust system of internal controls and risk management procedures
- Board appointments and succession planning

- The approval of the Remuneration Policy and remuneration arrangements for the Directors and other senior managers
- Setting the terms of reference for Board Committees
- The strategy and growth plans of the Business
- Structure and Capital
- Risk Management and internal controls
- Contracts outside of the ordinary course of business
- Commitment to material expenditure
- Shareholder communication
- Corporate Governance

The Chairman is responsible for:

- Running the business of the Board
- Ensuring the effectiveness of the Board and an appropriate strategic focus and direction
- Promoting corporate governance
- Ensuring that Board members receive timely, accurate and clear information about the Group's activities
- Ensuring active engagement and effective communication with shareholders
- Setting the Board's agenda and for ensuring the Committees carry out their duties

The CEO is responsible for:

- Proposing the strategic focus to the Board
- Implementing and executing the strategy
- Leading the management of the Group alongside the Executive Committee
- Representing the Group to external stakeholders and engaging with them on the Group's purpose and strategy

The Senior Independent director is responsible for:

- Providing a sounding board for the Chair
- Serving as an intermediary for the non-executives where necessary
- Being available to shareholders to discuss their views and concerns when required

The Non-Executive Directors are responsible for:

- Exercising independent judgement and providing constructive challenge to the Executive Directors and the Senior Management Team, scrutinising performance against objectives
- Providing strategic guidance to the Company, utilising their wealth of knowledge, insight and experience
- Approving appropriate Group strategy and operating plans
- Having a pivotal role in the appointment and removal of Executive Directors and sustaining the Company's corporate governance framework as a whole

How the Board operates

Executive Directors work full time within the Group. Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties.

In order to achieve its objectives, the Board adopts the ten principles of the QCA Code.

The Board considers and approves the Group's dividend policy, changes in the Group's capital and financing structure.

The Board Committees

The Board has delegated specific responsibilities to the three Board Committees: Audit and Risk, Nomination and Remuneration. The duties of each Committee are set out in the Committees' Terms of Reference, which are available on the website at **www.argentex.com/investor-relations/corporate-governance**.

Details of each of the Committee's activities during the period are set out in the Committee reports on pages 54-56, 58-61 and 68-71.

Each Committee has access, at the cost of the Group, to the resources, information and advice that it deems necessary to enable the Committee to discharge its duties.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the External Auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings). The Audit and Risk Committee also oversees the deployment and any findings of the Internal Audit function who have a direct line into the Committee.

The Audit and Risk Committee is comprised of Tim Haldenby (Chairman), Jonathan Gray and Nigel Railton with standing input from the Group's Executive Committee including any material risk updates or escalations from the Chief Compliance and Risk Officer and Chief Financial Officer.

The Audit and Risk Committee meets at least three times per year at appropriate times in the reporting and audit cycle and otherwise as required. In addition to a standing agenda, the Committee considers "deep dive" topics for detailed analysis, with subjects ranging from industrywide themes such as cyber-security to risk processes or regulatory change.

NOMINATIONS COMMITTEE

The Nominations Committee is responsible for identifying and nominating members of the Board, recommending Directors to be appointed to each Committee of the Board and the Chair of each such Committee.

The Nominations Committee also arranges for evaluation of the Board.

The Nominations Committee is comprised of all of the Non-Executive Directors and Lord Digby Jones is Chairman.

The Nominations Committee meets at least twice a year and otherwise as required.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration of Executive Directors and other designated senior executives. This involves determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments, share options or other long-term incentive plans.

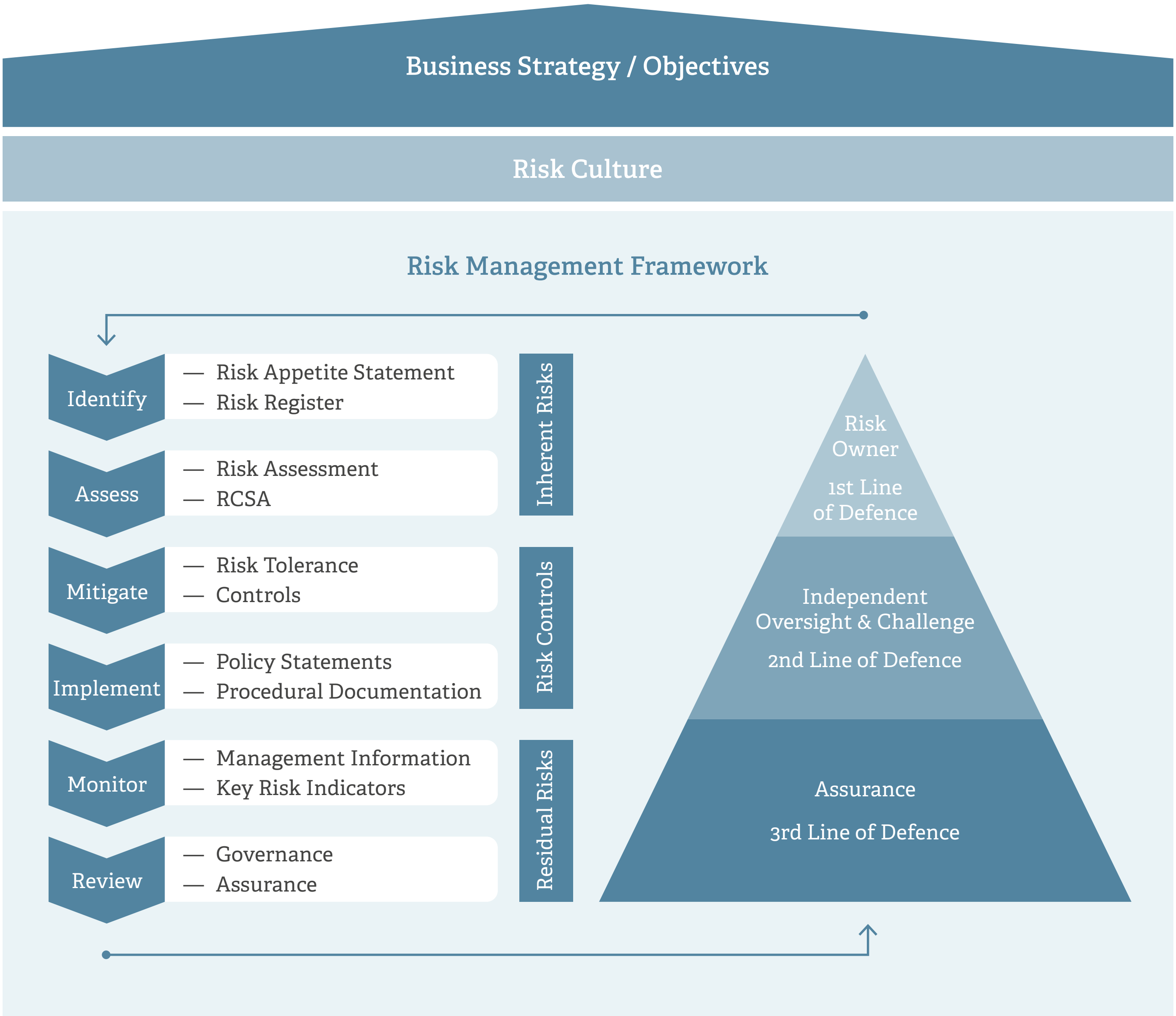
The remuneration of Non-Executive Directors is a matter for the Chairman and the Executive Directors. No Director is be involved in any decision as to his or her own remuneration.

The Remuneration Committee is also responsible for issuing awards of shares and options to purchase Ordinary Shares under the Company's proposed share incentive plans.

In exercising this role, the Directors have regard to the recommendations put forward in the QCA Corporate Governance Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance.

The Remuneration Committee is comprised of Jonathan Gray (Chairman), Nigel Railton, Digby Jones and Tim Haldenby.

The Remuneration Committee meets at least twice a year and otherwise as required.



Risk management and internal control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. Such systems are designed to manage rather than eliminate risks that may undermine the Group's strategic objectives and can only provide reasonable not absolute assurance against material misstatement of loss.

The Directors believe that the Group has internal control procedures in place appropriate to the size and nature of the Business.

RISK MANAGEMENT

OUR RISK MANAGEMENT FRAMEWORK

Our risk management framework supports an effective and strong risk culture. The Risk Framework supports the identification of risks through our Risk Register and Risk Appetite Statements. We use these to assess our risks through the Risk & Control Self-Assessment process, which help us define the mitigations to bring risk within appetite.

Documenting our processes allows us to implement these controls in an effective manner and then deliver the monitoring output to the extended Senior Leadership Team, Executive and Board with key information needed to support the management of the business.

This is complemented by Key Risk Indicators, allowing monitoring to progress, which is essential to the ongoing Risk Management Framework. A feedback loop includes a thorough Review process, while the governance structures for effective challenge, along with a robust assurance programme, ensure an iterative evolution of the framework towards a state of maturity.

Argentex operates a 'three lines of defence' model and requires all staff being responsible and accountable for managing its risks.

OUR LINES OF DEFENCE

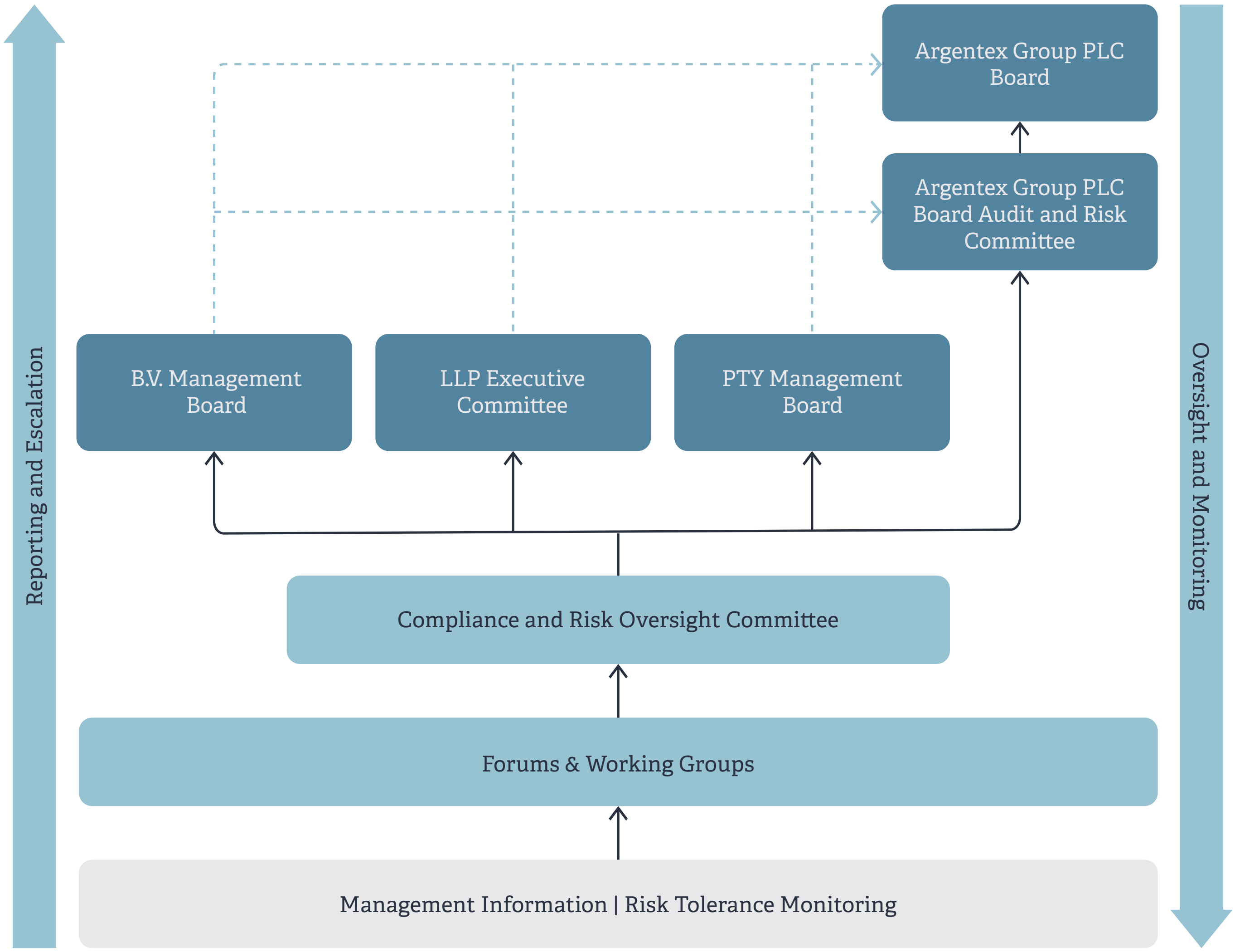
Our risk governance is based on the 'three lines of defence' model. This ensures that risk management, risk oversight and assurance are independent activities that are carried out by individuals, committees, and departments, with overall responsibility assigned to the relevant senior manager.

— The first line of defence consists of 'the risk takers' or front-line staff, who understand their risks, and responsibilities, including assessing, controlling and mitigating their risks

— The second line of defence consists of the oversight functions, namely the Risk and Compliance teams. These functions not only challenge, monitor and report in relation to the effectiveness of risk management practices but set policy, define works practices, and oversee first line performance

— The third line of defence consists of auditors and directors. They will also ensure that the three lines of defence are operating effectively and according to best practice

The overarching governance structure is shown in the following diagram:



OUR RISK CULTURE

A sound and healthy risk culture is critical for the effective implementation of the Risk Management Framework. The effective operation of the Risk Management Framework also helps to strengthen the Risk Culture over time, in a mutually beneficial and reinforcing manner.

RISK APPETITE AND TOLERANCE

Argentex produces a Risk Appetite Statement (RAS) that forms part of the annual review and is an intrinsic part of the Risk Management Framework.

— A high-risk appetite is usually aligned to our business model and strategy

— Medium risk appetite typically aligns to where the firm recognises that risk will exist, and controls will be necessary, but those risks are inherent to the business even though they are not drivers of the business model

— Low and Very Low appetite are undesirable risks and considerable effort is made to mitigate, control and where possible, eliminate those risks from the business

This Corporate Governance Statement has been approved and signed by order of the Board.

Alethia McDonald
Company Secretary
01 May 2024

Audit and Risk Committee Report

Tim Haldenby
Chairman of the Audit Committee

On behalf of the Board, I am pleased to present the Audit and Risk Committee report for the period ending 31 December 2023.

The Audit and Risk Committee's key objectives continue to be ensuring that shareholder interests are protected and that the Company's long-term strategy is supported. The Audit and Risk Committee achieves this by monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The composition of the Committee changed during the period as a result of Board changes. Lena Wilson retired from the Board and the Committee with effect from 28 February 2023. I joined the Committee as Chairman upon appointment to the Board on 15 November 2023, replacing Nigel Railton who remains a member of the Committee. Henry Beckwith stepped down from the Committee with effect from 5 September 2023 and continues to attend in the capacity of an observer.

The Committee is comprised of independent Non-executive Directors, and the Chief Executive Officer, Chief Financial Officer, Chief Compliance and Risk Officer and Group Finance Director are invited to attend Committee meetings. Other members of senior management are invited to attend where required. The Committee met five times in the period and also held meetings with the Company's external Auditors, Deloitte LLP.

The Committee meets with the external auditor following the finalisation of the annual report and results independently of management to discuss any issues arising from the audit. The Chair of the Audit and Risk Committee consults with all Committee members prior to the meeting to ensure all matters arising are raised and discussed openly.

The full Terms of Reference for the Committee comply with the UK's QCA Corporate Governance Code and are available on the Group's website **www.argentex.com/investor-relations/corporate-governance** or from the Company Secretary at the registered office address.

The main duties the Committee carried out during the period included:

- Review of the 2023 audit plan and audit engagement letter
- Launch of a new internal audit function
- Reviewing the effectiveness of the external audit process
- Consideration of significant financial reporting judgements
- Monitoring the integrity of the financial statements of the Company and Annual Report
- Going Concern Review
- Review of the evolving risk management and internal control systems
- Review of the Group's ICARA and risk framework
- Consideration of regulatory developments and their impact

In performing this work the committee has given consideration to the following:

- The comprehensive control framework over the production of the Group's financial statements
- The consistency of, and any changes to, accounting policies both on a period-on-period basis and across the Company and Group
- Key audit matters identified by the external auditor relating to financial controls, IT Controls, governance and risk
- Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor
- Appropriate structures for the comprehensive monitoring and oversight of operational and enterprise risk; and
- All material information presented with the financial statements, such as the business review/operating and financial review and the corporate governance statement (insofar as it related to the audit and risk management)

Significant issues

KEY JUDGEMENTS AND ESTIMATES

As part of monitoring the integrity of the financial statements, accounting judgements identified by the finance team and the external auditor are reviewed by the Committee. Key judgements and estimates considered by the Committee for the year ended 31 December 2023 are as follows:

- **Credit Valuation Adjustment (CVA)**
  The Committee reviewed Management's methodology adopted in the calculation of the group's CVA which remains largely unchanged from prior year. The External Auditors have reviewed the Company's CVA for the period and are satisfied that it is appropriate
- **Capitalisation of Costs to intangible assets**
  The Committee considered the extent to which costs should be capitalised to intangible assets which is a key accounting judgement. The Group capitalise costs as intangible assets if they have a value that will benefit the performance of the Group over future periods
- **Share Based Payments**
  In November 2022, the Group launched the Argentex Group PLC Value Creation Plan, which is deemed to be an equity settled share-based payment plan. The Committee noted that changes in senior management have resulted in changes to the share-based payment charge for the year however, that the impact of this is not considered to have a material impact to the financial statements
- **Going Concern**
  The Committee reviewed the key assumptions in Management's going concern assessment including downside scenarios and concluded that it was appropriate to prepare the financial statements on the going concern basis

RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee has responsibility for assisting the Board in maintaining an effective internal control environment and risk management systems. These are set out on pages 65-67. In order to discharge its responsibilities, it receives reports on the Group's compliance and internal control procedures and systems for managing risks along with the regulatory environment which governs it.

The Group's Chief Compliance and Risk Officer provides a regular report to the Committee on the controls framework, along with any testing and monitoring outcomes, carried out by the Compliance function. This also covers a regulatory update on upcoming regulatory changes and the impact of changes implemented during the period, a summary of other compliance issues.

The Company's Compliance and Risk Committee (CROC), established at a management level, reports directly to the Audit and Risk Committee on a quarterly basis. The objective of the CROC is to assist in the oversight of the effectiveness of the enterprise-wide risk management framework. The Committee achieves this through a strategy of identification and review of key group risks with relevant mitigation measures implemented where appropriate. To ensure a focused approach to risk management and internal controls is applied across the Group, the daily oversight of risk is managed and co-ordinated by the Chief Compliance and Risk Officer and the Head of Risk.

The Committee approved the Risk Appetite Statements, the Risk Management Framework and the Risk Register during the period.

Principal risks are set out on pages 30-34 in the Strategic Report.

WHISTLEBLOWING, ANTI-BRIBERY AND FRAUD PREVENTION

The Committee reviewed the Group's whistleblowing policy which sets out the formal process by which an employee of the Group may raise concerns about possible improprieties or suspected wrongdoing in the financial reporting or any other Group related matters. This includes an independent third-party hotline that allows employees to report concerns anonymously and confidentially. The Committee considers that the current policy is operating effectively.

The Group has policies and processes in place to combat the risk of fraud, and clear zero tolerance policies on bribery and corruption. All employees receive regular training and testing on these areas and the Committee consider that the processes are operating effectively.

Audit

EXTERNAL AUDITOR

The Board has delegated authority to the Committee to oversee the relationship with the External Auditor.

The external Auditor, Deloitte LLP, were re-appointed as auditors to the Company at the Company's AGM on 21 June 2023. The Audit and Risk Committee monitors the relationship to ensure that auditor independence and objectivity are maintained.

The audit scope, approach, materiality and areas of focus are agreed in advance of the audit to align expectations and timeframes.

The Committee holds private sessions with Deloitte without management present to discuss feedback from the audit. If Deloitte has any concerns about access to information, or the information received during the audit, it is reported to the Committee.

The Committee Chairman also meets with the audit partner, Chris Brough, privately and he is authorised to contact the Committee Chair at any time if he wishes to raise any matters of concern.

The Committee ensures that the External Auditor has challenged management and received the access it required to conduct an effective audit, and in a timely manner.

EXTERNAL AUDITOR EFFECTIVENESS

The Committee has not raised any concerns about the effectiveness of the Auditor and as such the Board will put forward a resolution to reappoint Deloitte as the Company's External Auditor at the forthcoming AGM.

POLICY ON AUDIT ROTATION

Deloitte have acted as the Company's statutory auditors since 2021.

The Committee will ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms.

EXTERNAL AUDITOR INDEPENDENCE AND OBJECTIVITY

Any non-audit services provided must be in accordance with the Group's Non-Audit Services Policy.

Before any service is provided, the Committee will ensure that there is no issue in regard to independence and objectivity and that other potential providers are adequately considered.

The external auditor may only provide such services if the service does not conflict with their statutory responsibilities and ethical guidance.

Consideration is given to whether the skills and experience make the external auditor the most suitable supplier of the non-audit service when reviewing requests for permitted non-audit services, taking into account independence or objectivity, and the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee.

The breakdown of fees between audit and non-audit functions is provided in note 7 of the financial statements.

INTERNAL AUDIT

This was the first year that the Group has operated an outsourced internal audit function delivered by BDO LLP.

Internal Audit finding reports are shared with the relevant Executive Committee Members. The Executive Committee member is also responsible for ensuring the timely implementation of any report recommendations and subsequent actions resulting from the audit. Summaries of reports are also shared with the Committee for review and discussion and any actions arising are monitored by the Committee.

The Committee approved the Internal Audit Plan for 2023 and monitored its progress at each meeting. The internal audit function completed three internal control reviews during the period, these were focused on:

— The Internal capital and risk assessment (ICARA) was completed and a series of actions initiated to deal with the findings. ICARA is part of a new IFPR Prudential Regulatory Regime and the review included consideration of controls relating to the Capital and Liquidity Adequacy Assessment process and ICARA document structure and content

— The fieldwork for the Compliance Monitoring Design Review was completed. This assessed the design of the Compliance Monitoring controls in place to ensure all aspects of compliance risk are comprehensively covered and designed appropriately. Findings in this regard will be presented to the Committee in 2024

— A review of the HR infrastructure and Senior Managers and Certification Regime (SMCR) was also completed. This assessed the HR infrastructure that maintains the roles and responsibilities of Senior Managers within the organisation. The review focus also included Argentex compliance with SMCR regulation. Report findings in this regard will also be presented to the Committee in 2024

The next review will be of cyber risk, covering the governance, policy and process framework in relation to the identification and management of cyber risks and will look to assess the design and implementation of the cyber framework, processes and controls over the Argentex system landscapes.

PRIORITIES FOR 2024

For the year ahead, the Committee will continue to focus on:

— Any emerging risks presented to the Group's operations such as cyber security and key financial controls

— Maturing the Group's ICARA and enterprise risk frameworks

— Continued assessment of the Group's international expansion and controls framework supporting this growth

— Continual assessment of the workstream and effectiveness of the internal audit function

— Consideration of any other changes to the regulatory environment, business practices and the risk profile of the Group

As a result of the work performed, the Committee has concluded that the Annual Report for the period ended 31 December 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for users to understand Argentex's business model and strategy,, and has reported on these findings to the Board.

T. Haldenby

Tim Haldenby
Chairman of the Audit Committee
01 May 2024

Directors' Report

The Directors present their annual report, including reports from the Board Committees, and the audited Consolidated Financial Statements for Argentex Group PLC for the year ended 31 December 2023.

PARENT COMPANY

For the purpose of this report, 'the Company' means Argentex Group PLC, a public limited company incorporated in England & Wales with registered number 11965856 and with registered office of 25 Argyll Street, London, W1F 7TU.

References to 'Argentex' and 'the Group' mean the Company and its subsidiaries. The Company acts as the holding company for the Group and details of its subsidiary undertakings can be found in note 6.

FINANCIAL RESULTS AND DIVIDENDS

The Group's profit before taxation for the year was £7.3m (FY22: £7.8m). More information about the Group's financial performance can be found in the Financial Review on pages 36-39 and in the financial statements on pages 86-125.

For the period ended 31 December 2022, the Group declared and paid a final dividend of 2.25p per share, resulting in a total amount paid for the period of £2.5m. During the year ended 31 December 2023, the Directors declared and paid an interim dividend of 0.75p per share, however in light of the Company's financial performance and trading conditions during the second half of FY2023 the Directors determined that no further dividends would be declared. Full particulars of the dividends are contained within the Financial Review on pages 36-39.

DIRECTORS

The Directors of the Company who held office during the year:

— Nigel Railton
— Jonathan Gray
— Henry Beckwith
— Lord Digby Jones Kb.
— Jim Ormonde (from 26 October 2023)
— Tim Haldenby (from 15 November 2023)
— Lena Wilson CBE FRSE (from 1 January 2023 to 28 February 2023)
— Harry Adams (from 1 January 2023 to 26 October 2023)
— Jo Stent (from 1 January 2023 to 8 November 2023)

Biographies of the current Directors, including their committee memberships, are set out on pages 49-52.

DIRECTORS INTERESTS

The remuneration, principal terms of employment and the interests of the Directors in the Company's shares are detailed in the Directors Remuneration Report on pages 58-61. During the period covered by this report, no Director had a material interest in a contract to which the Company or any of its subsidiaries was a party (other than their own service contract), requiring disclosure under the Companies Act 2006. There are procedures in place to deal with any Directors' conflicts of interest arising under section 175 of the Companies Act 2006 and such procedures have operated effectively.

DIRECTORS' INDEMNITY

Directors and Officers' Liability Insurance is maintained by the Group for all Directors and Officers of the Company and the Group as permitted by the Companies Act 2006.

To the extent permitted by law and in accordance with its Articles of Association, the Company indemnifies its Directors and Officers of the Company in respect of any loss, liability or expense they incur in relation to the Company or any associated company of the Company.

SHARE CAPITAL

Argentex Group PLC is a public limited company incorporated in England and Wales and its shares are quoted on the AIM market of the London Stock Exchange. Save as agreed at the Annual General Meeting of the shareholders, the ordinary shares have pre-emption rights in respect of any future issues of ordinary shares to the extent conferred by section 561 of the Companies Act. Details of the Group's Share Capital and changes in the period are set out in note 21 of the Consolidated Financial Statements.

Additional information which is incorporated by reference into this Directors' report can be located as follows:

Review of the Business, Operations, Principal Risks and Outlook.

04 Strategic Report

Financial instruments and their associated risks.

113 Financial Statements – note 24

Disclosures concerning Greenhouse Gas Emissions.

26 Our resources and relationships

Important events since the end of the financial year.

36 Financial Review

Likely future developments.

10 CEO Statement

Results and dividends.

04 Chairman's Statement

Research and development.

10 CEO Statement

Employee involvement.

24 Our resources and relationships

SUBSTANTIAL SHAREHOLDINGS

At 31 December 2023, the company had been notified of the following interests (excluding Directors within the Group) representing 3% or more of its issued share capital:

Shareholder	Number of shares	IC %
Gresham House	15,709,434	13.88
Pacific Investments Management Ltd	15,442,694	13.64
Mr Harry Adams	13,882,894	12.26
Mr Andrew Egan	6,193,418	5.47
JM Finn & Co	5,369,500	4.74
Interactive Brokers	4,738,109	4.19
Charles Stanley	4,431,929	3.91
AXA Investment Managers	4,350,000	3.84
Downing	3,963,531	3.50
Hargreaves Lansdown Asset Management	3,504,409	3.10

POLITICAL DONATIONS

The Group has not made any political donations, and does not intend to in the future.

EMPLOYEE INVOLVEMENT

The Group continues to involve its staff in the future development of the business, and to provide working conditions to engender high performance. In addition, certain employees are participants in the Group's share plans, which comprise a CSOP plan which was issued at IPO, and a long-term incentive plan (the Argentex Group Value Creation Plan — VCP) designed to reward, incentivise and retain key staff and engage employees with the long-term growth aspirations of the Group.

GOING CONCERN

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have assessed the Group's prospects over a 12 month period from the approval date of these Consolidated Financial Statements. In light of the group's FY24 projections, judgement was required by the Directors in forming this conclusion. Further detail on the process is provided in note 2.3 of the Consolidated Financial Statements.

ENGAGEMENT WITH CUSTOMERS AND SUPPLIERS

Engagement with our stakeholders is fundamental to our ethos. The Board is regularly updated on wider stakeholder engagement with customers, suppliers and shareholders' insights into the issues that matter most to them and our business. The Section 172(1) Statement on pages 40-41 provides a comprehensive overview of the Group's commitment to stakeholder engagement.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to putting the right focus on sustainability, encompassing environmental, social and governance (ESG) issues to support our growth and yield greater business benefits by transitioning towards a sustainable business model. This year, many of the initiatives have been actioned for the first time, as outlined earlier in this report on pages 24-28.

FINANCIAL INSTRUMENTS AND RISK

The financial instruments and their associated risks are set out in note 24 of the Consolidated Financial Statements.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

All the Directors who were members of the Board at the time of approving the Directors' Report have each taken all the steps they might reasonably be expected to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. To the best of each Director's knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware.

AUDITOR

Deloitte have confirmed their willingness to continue in office as auditor in accordance with section 489 of the Companies Act 2006. The Group is satisfied that Deloitte are independent and there are adequate safeguards in place to safeguard their objectivity. A resolution to reappoint Deloitte as the Company's auditor will be proposed at the AGM on 19 June 2024.

ANNUAL GENERAL MEETING

The AGM will take place on 19 June 2024 at 11.00am at Gowling WLG 4 More Riverside, London, SE1 2AU. The Notice of the AGM and the ordinary and special resolutions to be put to the meeting are included at the end of this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Directors have also chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the Directors are required to:

— Select suitable accounting policies and then apply them consistently
— Make judgements and accounting estimates that are reasonable and prudent
— State whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements
— Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In preparing the group financial statements, International Accounting Standard 1 requires that Directors:

— Properly select and apply accounting policies
— Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
— Provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
— Make an assessment of the company's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

— The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
— The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
— The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

Alethia McDonald
Company Secretary
01 May 2024

Independent Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. **In our opinion:**
   - the financial statements of Argentex Group PLC (the 'company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's profit for the year then ended
   - the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards
   - the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework
   - the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

   We have audited the financial statements which comprise:
   - the consolidated statement of profit or loss and other comprehensive income
   - the consolidated and company statements of financial position
   - the consolidated and company statements of changes in equity
   - the consolidated statement of cash flows
   - the related notes to the consolidated financial statements 1 to 29; and
   - the related notes to the company financial statements 1 to 11

   The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. **Basis for opinion**

   We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable 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 and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: — Accuracy of revenue recognition — Going concern Within this report, key audit matters are identified as follows: — Newly identified — Increased level of risk — Similar level of risk — Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £993,000 which was determined on the basis of 2% of revenue for the year to 31 December 2023, a benchmark consistent with the prior period.
Scoping	Our audit was scoped by obtaining an understanding of the group and its environment, key processes and controls over financial reporting, and assessing risks of material misstatement at a group level. Our full scope audit scope procedures cover 99% of the group's revenue, 97% of the group's profit before tax and 99% of the group's total assets.
Significant changes in our approach	Going concern was identified as a key audit matter in the period in light of the decline in profitability of the business in 2023 compared to the previous period. This increased the level of judgement applied by the Directors in performing their going concern assessment. The credit valuation adjustment for derivative financial assets is no longer considered a key audit matter following a fall in the value of derivative financial assets in the period reducing the impact on the audit.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Accuracy of revenue recognition

Key audit matter description	Revenue is generated by the group through the brokering of foreign exchange currency contracts for immediate ("spot") and future delivery ("forward") and foreign currency structured solutions ("options"). Revenue totalled £49.9m for the year to 31 December 2023 (9 month period ended 31 December 2022: £41m), as described in note 2.6 and note 5. Revenue is a key performance indicator of the group and a key focus of investors, analysts and management. Furthermore, the process of recording revenue on the trading system and the manual extraction of this data from the trading system also provides opportunity for revenue to be recorded inaccurately, either due to fraud or error. Therefore, we have identified a key audit matter in relation to the accuracy of revenue recognised by the group.

How the scope of our audit responded to the key audit matter	We performed the following audit procedures:
	— Obtained an understanding of the relevant controls over the revenue recognition process
	— Assessed the group's revenue recognition policy against the requirements of IFRS 9 Financial Instruments
	— For a sample of spot, forward and option contracts, tested the accuracy of revenue by
	    — recalculating the profits arising from trades with reference to supporting documentation from broker confirmations, customer agreements and bank statements
	    — where the contract had completed in the period, tracing the revenue recorded to bank statements
	    — where the contract was open at the period end, assessing whether the transaction was appropriately recorded as a derivative financial asset or liability
	    — where trades had multiple legs, we obtained evidence regarding the requirement for the draw/reversal leg from brokers and assessed this for appropriateness

Key observations	Based on the work performed we concluded that revenue recorded was materially accurate.

5.2. Going concern

Key audit matter description	In the Directors' Report on page 74 and note 2.3 of the financial statements, the Directors provide their assessment of going concern and conclude that the group should adopt the going concern basis of accounting in preparing the financial statements. In accordance with IAS 1 Presentation of Financial Statements, financial statements should be prepared on a going concern basis unless management intends either to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When making its assessment of the entity's ability to continue as a going concern, if management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to do so, those uncertainties should be disclosed. Whilst the group remained profitable and cash generative in 2023, revenue was lower than anticipated and costs increased at a higher rate than revenue. Additionally, as outlined in note 2.3, management expect revenue and profit margins to decline in FY24. We identified that there was an increase in the level of judgement required by the Directors when performing their assessment, specifically in respect of judgements over revenue and cost projections and their impact on cash flows. We therefore identified going concern as a key audit matter.
How the scope of our audit responded to the key audit matter	We performed the following audit procedures: — Obtained an understanding of the relevant controls over the budgeting and forecasting process — Obtained an understanding of the key assumptions and judgements made by the Directors in preparing the going concern assessment — Considered financial projections used by the Directors and challenged key assumptions including those on revenue and future costs — Challenged the likelihood of the Directors' stressed scenarios as described in note 2.3 with reference to the group's historic performance, external market data and consideration of potentially contradictory evidence — Assessed the impact of these scenarios by evaluating the mathematical accuracy of the calculations — Challenged the plausibility of the Directors' proposed actions in the above scenarios with reference to historic responses to significant increases in volatility and consideration of contradictory evidence — Reviewed correspondence with regulators to understand the group's capital and liquidity requirements — Working with our internal regulatory specialists, reviewed and challenged the capital and liquidity forecasts under the base and stressed scenarios to determine the impact on the group's regulatory position — Assessed the historical accuracy of forecasts prepared by the group to assess their ability to forecast accurately — Considered the appropriateness of the disclosures made in the financial statements in view of the requirements of IFRSs
Key observations	Based on the work we have performed, including the assessment of revenue and cost projections, we concur with the directors' assessment that the group is a going concern and consider that the disclosures in note 2.3 are appropriate.

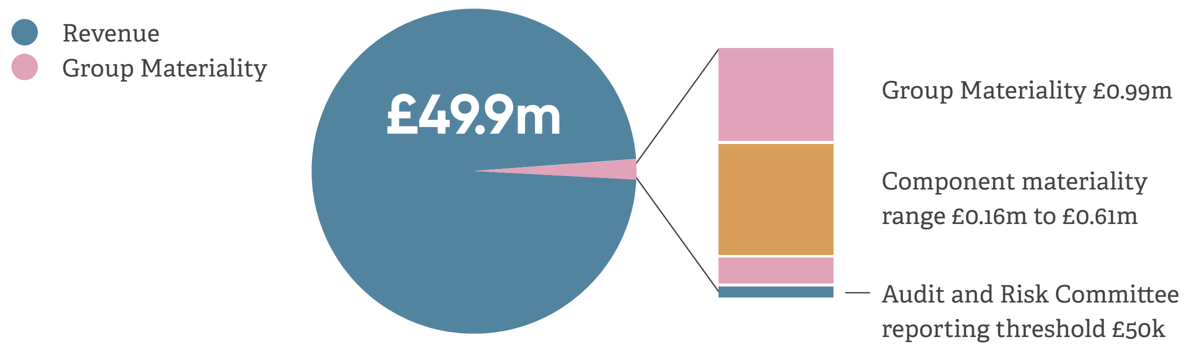
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£993,000 (2022: £821,000)	£322,725 (2022: £375,000)
Basis for determining materiality	2% of revenue for the year to 31 December 2022 (9 month period ended 31 December 2022: 2% of 9 month revenue).	Company materiality equates to 1% of net assets (9 month period ended 31 December 2022: 1% of net assets).
Rationale for the benchmark applied	We determined that revenue was an appropriate benchmark for materiality given its importance to investors and users of the financial statements.	The company is not profit driven. Net assets is the key measure of financial health that is important to shareholders since the primary concern for the company is the receipt and payment of dividends.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	65% (9 month period ended 31 December 2022: 65%) of group materiality	65% (9 month period ended 31 December 2022: 65%) of company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: — The ongoing improvements to the control environment — The changes in senior management personnel in the year — The uncertain economic environment — The level of corrected and uncorrected misstatements identified in the prior year audit	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £50,000 (9 month period to 31 December 2022: £41,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our audit was scoped by obtaining an understanding of the group and its environment, key processes and controls over financial reporting, and assessing risks of material misstatement at a group level.

The audit was performed using the materiality levels set out above, for the group and the company. We have considered reporting components based on their contribution to group (revenue, profit and total assets), as well as qualitative considerations. We performed full scope audit procedures over Argentex Group PLC and Argentex LLP. We performed specific audit procedures over cash balances across the remaining components of the Group. Our full scope audit procedures covered 99% of revenue, 97% of profit before tax and 99% of total assets.

All audit work was performed by the group engagement team.

7.2. Our consideration of the control environment

We gained an understanding of the relevant controls over financial reporting. This included working with our internal IT specialists to gain an understanding of the relevant general IT controls, as well as gaining an understanding of the relevant process level and entity level controls at the group level. We have observed a sustained improvement in the overall control environment however in certain areas, remediation activity requires further action or embedding.

The control environment is discussed by the Audit and Risk Committee on page 69-70.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the impact of climate change on the group's operations and subsequent impact on its financial statements.

We held discussions with management to understand the process for identifying climate-related risks and the impact on the group's financial statements. Management concluded that there was no material impact to the financial statements.

We performed our own qualitative risk assessment of the potential impact of climate change on the group's account balances and classes of transactions. We read the climate related disclosures on pages 26-28 in the strategic report and considered whether they were materially consistent with the financial statements and the knowledge obtained in our audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets
- results of our enquiries of management, those charged with governance and the audit and risk committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, financial instruments, regulatory and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in accuracy of revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, AIM Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's regulatory requirements with the Financial Conduct Authority.

11.2. Audit response to risks identified

As a result of performing the above, we identified accuracy of revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- enquiring of management, the audit and risk committee and external legal counsel concerning actual and potential litigation and claims
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

— reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the FCA
— in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
— the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements
— the strategic report and the directors' report have been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:
— we have not received all the information and explanations we require for our audit
— adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us
— the company financial statements are not in agreement with the accounting records and returns

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Brough
FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
01 May 2024

Consolidated Statement of Profit or Loss
and other comprehensive income
for the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Revenue	5	**49.9**	41.0
Cost of sales		**(1.7)**	(1.8)
Gross profit		**48.2**	39.2
Other operating income		**1.1**	—
Administrative expenses		**(40.7)**	(30.2)
Non-adjusted expenditure	8	—	(0.8)
Share-based payments charge	23	**(0.5)**	(0.1)
Operating profit		**8.1**	8.1
Finance costs	11	**(0.8)**	(0.3)
Profit before taxation		**7.3**	7.8
Taxation	12	**(2.2)**	(0.8)
Profit for the year and total comprehensive income		**5.1**	7.0
Earnings per share			
Basic	13	**4.6p**	6.2p
Diluted	13	**4.6p**	6.2p

Consolidated Statement of Financial Position

as at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 £m
Non-current assets			
Intangible assets	14	2.7	2.5
Property, plant and equipment	15	15.1	7.9
Derivative financial assets	24	9.8	8.8
Deferred tax asset	12	0.2	0.5
Total non-current assets		27.8	19.7
Current assets			
Trade and other receivables	16	1.3	1.0
Cash and cash equivalents	17	33.0	29.0
Other assets	18	10.5	10.0
Derivative financial assets	24	38.9	57.7
Total current assets		83.7	97.7
Current liabilities			
Trade and other payables [1]	19	(29.3)	(25.1)
Lease liabilities [1]	20	(0.9)	(0.8)
Derivative financial liabilities	24	(23.6)	(42.0)
Total current liabilities		(53.8)	(67.9)
Net current assets		29.9	29.8

[1] In the prior period, Lease liabilities were presented within Trade and other payables in the Group Consolidated Statement of Financial Position. Lease liabilities are now presented separately on the face of the Consolidated Statement of Financial Position with the comparative adjusted to reflect the change in presentation. Further information on Lease liabilities is given in note 20.

Consolidated Statement of Financial Position (continued)

as at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 £m
Non-current liabilities			
Trade and other payables [1]	19	(0.3)	(0.2)
Lease liabilities [1]	20	(10.6)	(5.3)
Derivative financial liabilities	24	(5.8)	(5.2)
Total non-current liabilities		(16.7)	(10.7)
Net assets		41.0	38.8
Equity			
Share capital	21	0.1	0.1
Share premium account	22	12.7	12.7
Share option reserve	23	1.0	0.5
Merger reserve	22	4.5	4.5
Retained earnings	22	22.7	21.0
Total Equity		41.0	38.8

The financial statements of Argentex Group PLC were approved by the Board of Directors on 01 May 2024 and were signed on its behalf by:

Jim Ormonde
Director
Registered number 11965856

[1] In the prior period, Lease liabilities were presented within Trade and other payables in the Group Consolidated Statement of Financial Position. Lease liabilities are now presented separately on the face of the Consolidated Statement of Financial Position with the comparative adjusted to reflect the change in presentation. Further information on Lease liabilities is given in note 20.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 01 April 2022	**0.1**	**12.7**	**0.4**	**4.5**	**15.5**	**33.2**
Comprehensive income for the period						
Profit for the period	—	—	—	—	7.0	**7.0**
Total comprehensive income for the period	—	—	—	—	7.0	**7.0**
Transactions with owners:						
— Dividends paid	—	—	—	—	(1.5)	**(1.5)**
— Share-based payments charge	—	—	0.1	—	—	**0.1**
Balance at 31 December 2022	**0.1**	**12.7**	**0.5**	**4.5**	**21.0**	**38.8**
Comprehensive income for the year						
Profit for the year	—	—	—	—	5.1	**5.1**
Total comprehensive income for the year	—	—	—	—	5.1	**5.1**
Transactions with owners:						
— Dividends paid	—	—	—	—	(3.4)	**(3.4)**
— Share-based payments charge	—	—	0.5	—	—	**0.5**
Balance at 31 December 2023	**0.1**	**12.7**	**1.0**	**4.5**	**22.7**	**41.0**

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Profit before taxation		**7.3**	7.8
Taxation paid		**(2.0)**	(2.5)
Net finance expense	11	**0.8**	0.3
Depreciation of property, plant and equipment	15	**1.1**	0.3
Depreciation of right of use assets	20	**1.2**	0.6
Amortisation of intangible assets	14	**1.6**	1.1
Share-based payment charge	23	**0.5**	0.1
(Increase) in trade receivables	16	**(0.3)**	(0.4)
Increase/(decrease) in trade and other payables	19	**4.3**	(7.0)
Decrease/(increase) in derivative financial assets	24	**17.8**	(25.4)
(Decrease)/increase in derivative financial liabilities	24	**(17.8)**	23.3
(Increase) in other assets	18	**(0.5)**	(2.8)
Net lease additions		**(0.4)**	—
Net cash generated from/(used in) operating activities		**13.6**	(4.6)
Investing activities			
Purchase of intangible assets	14	**(1.8)**	(1.4)
Purchases of plant and equipment	15	**(2.9)**	(0.5)
Net cash used in investing activities		**(4.7)**	(1.9)
Financing activities			
Payments made in relation to lease liabilities	20	**(1.5)**	(0.9)
Dividends paid	10	**(3.4)**	(1.5)
Net cash used in financing activities		**(4.9)**	(2.4)

Consolidated Statement of Cash Flows (continued)

for the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Net increase/(decrease) in cash and cash equivalents		**4.0**	(8.9)
Cash and cash equivalents at the beginning of the year		**29.0**	37.9
Cash and cash equivalents at the end of the year	17	**33.0**	29.0

1. General information

Argentex Group PLC ("the Company") is a public limited company, limited by shares, incorporated and domiciled in England and Wales. The address of the registered office is 25 Argyll Street, London, W1F 7TU.

On 25 June 2019, the Company listed its shares on AIM, the London Stock Exchange's market for small and medium size growth companies ("the IPO").

The Company is the ultimate parent company into which the results of all subsidiaries are consolidated. The Consolidated Financial Statements for the year ended 31 December 2023 and the nine month period ended 31 December 2022 comprise the financial statements of the Company and its subsidiaries (together, "the Group"). The Group changed its year end date from 31 March to 31 December in the prior period to align with the calendar year in order to provide more meaningful information to shareholders and prospective investors. Therefore, the Group presented a shortened period of nine months in the prior period and therefore amounts presented may not be entirely comparable.

The Consolidated Financial Statements are presented in pounds sterling (£), which is the currency of the primary economic environment in which the Group operates.

2. Significant accounting policies

The principal accounting policies are summarised below.

2.1. Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The principal accounting policies adopted in the preparation of the Consolidated Financial Statements are set out below. The policies have been consistently applied to all of the periods presented, unless otherwise stated.

The Consolidated Financial Statements have been prepared under the historical cost convention, modified by the measurement at fair value of certain financial assets and liabilities and derivative financial instruments as stated in note 2.7.

2.2. Adoption of new and revised standards

There are no new standards, interpretations and amendments which became mandatorily effective for the current reporting period which have had any material effect on the financial statements for the Group.

No upcoming changes under IFRS are likely to have a material effect on the reported results or financial position. Management continues to monitor upcoming changes.

2.3. Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have assessed the Group's prospects over a 12 month period from the approval date of these Consolidated Financial Statements. The Group's principal trading subsidiary, Argentex LLP, has been profitable since inception in 2011, the Group has no external debt, and the LLP continues to generate sufficient cash to support the activities of the Group. Budgets and cash flow forecasts are prepared to cover a variety of scenarios and are subsequently reviewed by the Directors to ensure they support the Group's continuing ability to operate as a going concern. Cash flow forecasts have also been assessed to ensure that sufficient operational cash is retained in the business over the forecast period. Specific consideration was given to the Group's expected decline in revenue and profit margin projections for FY24 and their impact on the Group's trading cash position.

Sensitivity analysis has been performed in respect of specific scenarios which could negatively impact the future performance of the Group, including lower levels of revenue, compression in profitability margins, extensions to the Group's working capital cycle, and significant increases in volatility requiring further collateral to be placed with the Group's institutional counterparties.

In addition, the Directors have also considered mitigating actions such as lower capital expenditure and other short-term cash management activities within their control (see note 24.2 for further disclosures relating to liquidity risk).

The Board of Directors is confident that in context of the Group's financial requirements these measures give sufficient liquidity to the Group to ensure that the Group can withstand significant shocks, whilst remaining as a going concern for the next twelve months from the date of approval of the Directors' report and financial statements.

For these reasons, the Directors adopt the going concern basis of accounting in preparing these Consolidated Financial Statements.

2.4. Basis of consolidation

The Group Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 31 December each year. Control is achieved where the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration the existence and effect of potential voting rights that currently are exercisable or convertible.

The Consolidated Financial Statements comprise the Company and the results, cash flows and changes in equity of the following subsidiary undertakings:

Name of undertaking	Nature of business	Country of incorporation
Argentex LLP	Foreign exchange broking	England
Argentex Capital Limited	Holding company	England
Argentex Foreign Exchange Limited	Holding company	England
Argentex B.V.	Foreign exchange broking	The Netherlands
Argentex PTY Ltd	Pending regulatory authorisation	Australia
Argentex Technologies Limited	Dormant subsidiary	England
Argentex (DIFC) (Managing Office) Ltd	Pending regulatory authorisation	United Arab Emirates

All subsidiary undertakings are 100% owned either directly or indirectly by Argentex Group PLC.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

2.4. Basis of consolidation (cont.)

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements.

The following UK subsidiary will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2023.

Name of undertaking	Company number
Argentex Foreign Exchange Limited	07814670

Argentex Group PLC guarantees all outstanding liabilities to which the subsidiary company listed above is subject at the end of the financial year, until they are satisfied in full. This is in accordance with Section 479C of the Companies Act 2006.

2.5. Accounting for merger on formation of the Group

In June 2019, immediately prior to the Company's admission to AIM, Argentex Group PLC acquired all equity interests in Argentex LLP. This was effected through the acquisition of equity interests by a newly formed subsidiary, Argentex Capital Limited, and the acquisition of Pacific Foreign Exchange Limited (now Argentex Foreign Exchange Limited). Argentex LLP, Argentex Capital Limited and Argentex Foreign Exchange Limited are 100% owned (either directly or indirectly) subsidiaries of Argentex Group PLC and consolidated into these Financial Statements.

In applying merger accounting when preparing these Consolidated Financial Statements, to the extent the carrying value of the assets and liabilities acquired under merger accounting is different to the cost of investment, the difference is recorded in equity within the merger reserve.

2.6. Revenue recognition

Revenue represents the difference between the cost and selling price of currency and is recognised after receiving the client's authorisation to undertake a foreign exchange transaction for immediate or forward delivery. Derivative assets and liabilities are initially measured at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at each financial period end date. The resulting gain or loss is recognised within revenue immediately.

The difference between the costs and selling price of currency is recognised as revenue as this reflects the consideration to which the Group expects to be entitled in exchange for those services.

In relation to structured solutions, the Group recognises the net option premium receivable as revenue on the date that the structured solution is executed. The execution date is when a binding contract is entered into with the client or counterparty. The revenue is fixed and determined representing the difference between the premiums paid. Structured solutions relates to a range of foreign exchange option structures.

2.7. Financial instruments

The Group operates as a riskless principal deliverable foreign exchange broker therefore financial instruments are significant to its financial position and performance.

The Group's financial assets include derivative assets (foreign exchange spot, foreign exchange forward and foreign exchange structured solution option contracts with customers and banking counterparties) as well as amortised cost assets including cash and cash equivalents, other assets and trade and other receivables.

The Group's financial liabilities include derivative liabilities (foreign exchange spot, foreign exchange forward and foreign exchange structured solution option contracts) and trade and other payables. The Group does not apply hedge accounting.

The Group undertakes matched principal broking involving immediate back-to-back derivative transactions with counterparties. These transactions are classified as derivative financial assets and liabilities. A derivative with a positive fair value is recognised as a financial asset and a derivative with a negative fair value is recognised as a financial liability. Where there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis or to realise the asset and the liability simultaneously, financial assets and financial liabilities are offset, and the net amount presented in the Consolidated Statement of Financial Position. Management have presented the derivative assets and liabilities with banking counterparties and with clients on a gross basis.

2.7.1. Derivative financial instruments

Derivative financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Derivative financial assets are measured at fair value through profit or loss ("FVTPL") as they are held for trading purposes.

Initial Recognition
Derivative assets are initially measured at fair value at the date the derivative contract is entered into. The resulting gain or loss is recognised within profit or loss immediately. Transaction costs directly attributable to the acquisition of such financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent Measurement
Derivative assets are subsequently remeasured to fair value at each financial period end date. Any gains or losses derived from instances such as foreign exchange rate changes, which impact derivative financial asset revaluation, would be immediately recognised through profit or loss. Valuation adjustments to reflect potential inherent market risks on the fair value of derivative financial assets are calculated and recorded where material. The credit valuation adjustment ("CVA") reflects the market value of counterparty credit risk and takes into account counterparty, applicable collateral agreements, predicted losses and probabilities of default.

Derecognition
The Group derecognises derivative financial assets when they reach maturity and the contractual cashflows are exchanged between the client and the Group or the Group and the institutional counterparty. At this point, the assets have expired and the obligations of the Group, the client and the institutional counterparty have been discharged.

2.7.2. Other financial instrument assets

Other financial assets are those which are not derivatives in nature and have been classified using the amortised cost method. These assets arise principally as Solely Payments of Principal and Interest (SPPI) and are intended to be held to maturity with all cashflows collected.

Initial Recognition
Purchases or sales of financial assets are recognised and derecognised on a trade date basis when the Group becomes party to the contractual provisions of the instrument. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition.

2.7.2. Other financial instrument assets (cont.)

Subsequent Measurement
All recognised financial assets are subsequently remeasured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group has applied the simplified approach in IFRS 9 to measure applicable loss allowances at lifetime expected credit loss ("ECL"). The Group determines the expected credit losses on these items by using a provision matrix, based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are past due, whichever occurs earlier.

Derecognition
On derecognition of financial assets measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.7.3. Derivative financial liabilities

Derivative financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Derivative financial liabilities are measured at FVTPL as they are held for trading purposes.

Initial Recognition
Derivative financial liabilities are initially measured at fair value at the date the derivative contract is entered into. The resulting gain or loss is recognised within profit or loss immediately. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent Measurement
Derivative liabilities are subsequently remeasured to fair value at each financial period end date. Any gains or losses derived from instances such as foreign exchange changes, which impact financial liability revaluation, would be immediately recognised through profit or loss.

Derecognition
The Group derecognises derivative financial liabilities when they reach maturity and the contractual cashflows are exchanged between the client and the Group or the Group and the institutional counterparty. At this point, the liabilities have expired and the obligations of the Group, the client and the institutional counterparty have been discharged.

2.7.4. Other financial instrument liabilities

Other financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business, not including financial liabilities that are derivatives in nature. Other financial liabilities are classified using amortised cost. This is used as the default classification method for financial instruments not held as trade derivatives. The Group's other financial liabilities include trade and other payables.

Initial Recognition
The Group holds amounts payable to customers at amortised cost. These are short term balances that do not attract interest. Initial recognition consists of fair value minus transaction costs.

Subsequent Measurement
Subsequent measurement then makes use of the effective interest rate method, where applicable, with interest related charges being recognised as finance costs in the Consolidated Statement of Comprehensive Income.

Derecognition
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.8. Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand or deposits held at call with financial institutions. Cash and cash equivalents includes client funds disclosed in note 17.

2.9. Other assets

Other assets presented in the Consolidated Statement of Financial Position is made up of cash held as collateral with banking counterparties and balances segregated to provide for out the money (OTM) positions with Client Assets Sourcebook (CASS) Clients.

2.10. Leases

In accordance with IFRS 16, at inception of a contract the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of the identified asset the Group considers whether:

1. The Group has the right to operate the asset.
2. The Group designed the asset in a way that predetermines how and for what purpose it will be used.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, either a corresponding adjustment is made to the carrying amount of the right of use asset and the revised carrying amount is depreciated over the remaining (revised) lease term, or it is recorded in the Consolidated Statement of Comprehensive Income if the carrying amount of the right to use assets has been reduced to zero.

Right of use assets are initially measured at the amount of the lease liability and included within Property, plant and equipment on the Consolidated Statement of Financial Position.

2.10. Leases (cont.)

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if judged to be shorter than the lease term.

Dilapidation provisions in relation to Group's leases are disclosed in Trade and other payables. The provisions relate to alterations made to the properties leased by the Group. The provisions are expected to unwind at the end of the leases.

2.11. Intangible assets and amortisation

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Software development costs comprise the Group's bespoke dealing system. Costs that are directly associated with the production of the identifiable and unique dealing system controlled by the Group, and are probable of producing future economic benefits, are recognised as intangible assets. Direct costs of software development include employee costs and directly attributable overheads.

Costs are capitalised to the extent that they represent an improvement, enhancement or update to the intangible asset. Maintenance costs are expensed through the Consolidated Statement of Comprehensive Income.

Amortisation is charged to the Consolidated Statement of Comprehensive Income over the estimated useful life of three years of the dealing system from the date developments are available for use, on a straight-line basis.

The amortisation basis adopted reflects the Group's consumption of the economic benefit from that asset.

The intangible asset is tested annually for impairment or more frequently if events or changes in circumstances indicate that the asset might be impaired.

2.12. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets to their residual values, over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	—	Three to five years
Computer equipment	—	Three years
Leasehold improvements	—	Over the period of the lease
Right of use assets	—	Over the period of the lease

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.13. Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Consolidated Statement of Financial Position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2.14. Cost of sales

Cost of sales includes bank charges paid to banking counterparties, third party platform fees and costs related to option products taken to limit Group exposure.

2.15. Adjusted operating profit

The Group presents adjusted operating profit as an Alternative Performance Measure in the notes to the Group Consolidated Financial Statements to provide further detail on prior period cost analysis and EPS. Adjusted operating profit excludes those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to align with management's evaluation of financial performance in the period. Non-adjusted expenditure will typically relate to one off costs and structural set up costs.

2.16. Employee benefits

(i) Short-term benefits
Short-term employee benefits including holiday pay and annual bonuses are accrued as services are rendered.

(ii) Defined contribution pension plans
The Group operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.17. LLP Members' remuneration

LLP Members' remuneration is determined by reference to the nature of the participation of rights of Members of Argentex LLP, the Group's main trading subsidiary. It includes both remuneration where there is a contract of employment and any profits that are automatically divided between members by virtue of the members' agreement, to the extent that the Group does not have an unconditional right to avoid payment. To the extent that these profits remain unpaid at the period end, they are shown as liabilities in the Consolidated Statement of Financial Position.

2.18. LLP Members' interests

LLP equity capital is only repaid to outgoing members in accordance with the provision in the Members' Deed where the Group has both sufficient capital for FCA regulatory requirements, and the capital is replaced by new capital contributions from existing or new members. As such it is accounted for as equity.

Other amounts due to Members classified as a liability relate to undistributed profits and Members' taxation reserves.

2.19. Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of share options, is recognised as an employee benefit expense in the Consolidated Statement of Comprehensive Income. Where the entity settling the share options differs from the entity receiving the benefit of the share options (in the form of employee services), the entity's separate financial statements reflect the substance of the arrangement.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of grant.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity. Fair value of the Company Share Option Plan (CSOP) scheme is measured using a Black-Scholes option pricing model. Fair value of the Value Creation Plan is measured using a Monte Carlo Simulation.

When share options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.20. Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

Tax currently payable is based on taxable profit for the period. Taxable profit may differ from operating profit as reported in the Consolidated Statement of Comprehensive Income as it may exclude items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the date of the Consolidated Statement of Financial Position.

To the extent it is material, deferred tax is calculated on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilised.

2.21. Other operating income

Other operating income relates to net interest generated from the Group's house cash balance and client cash balances recognised as cash and cash equivalents on the Consolidated Statement of Financial Position along with interest generated on the Group's other asset balances.

3. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1. Accounting judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Capitalisation of costs to intangible assets
The extent to which costs should be capitalised to intangible assets is a key judgement. The Group capitalises costs as intangible assets if they have a value that will benefit the performance of the Group over future periods.

(ii) Credit valuation adjustment
The CVA is a calculation based on the credit risk of counterparties inherent in the valuation of derivative financial instruments. The failure of a client to settle a contracted trade carries the risk of loss equal to the prevailing fair value of the trade. Within the CVA calculation to quantify credit risk, judgement is required in determining the credit quality of the client based on current market and other information and key estimates include loss on default of a client and the probability of default. A 10 percent increase across all Probability of Defaults (PDs) would result in decreased operating profit of £0.2m (2022: £0.1m).

(iii) Share-based payments
In determining the fair value of equity-settled awards and the related charge to the Consolidated Statement of Comprehensive Income, the Group makes use of option valuation models which require key judgements to be made in assessing the inputs. Key judgements include the number of shares on vesting, the risk-free interest rate, dividend yield and share price volatility.

3.2. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful economic life of intangible assets (see note 14).

Technology within the financial services sector is in a perpetual state of development and evolution, providing uncertainty over the useful economic life of the Group's bespoke dealing system. Extending the estimated useful life of the intangible costs from 3 years to 4 years would result in increased operating profit of £0.4m (2022: £0.7m), decreasing the estimated useful life from 3 years to 2 years would result in decreased operating profit of £0.8m (2022: £1.3m).

4. Segment reporting

For the year to December 2023, the Group consisted of a single operating segment (being Argentex LLP's foreign currency dealing business) that operated in a market not bound by geographical constraints as the overseas subsidiaries are yet to obtain full licenses in their jurisdictions and continued to trade on behalf of Argentex LLP.

There is no reliance on an individual customer and no customer contributed to more than 10 percent of revenues in the year ended 31 December 2023 or period ended 31 December 2022.

5. Revenue

An analysis of the Group's revenue is as follows:	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Spot foreign exchange contracts	**13.4**	9.3
Forward foreign exchange contracts	**29.5**	27.9
Structured solutions	**7.0**	3.8
	49.9	41.0

6. Operating profit

Operating profit for the period is stated after charging:	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Depreciation of plant and equipment	**1.1**	0.3
Depreciation of right of use assets	**1.2**	0.6
Amortisation of intangibles	**1.6**	1.1
Staff costs (see note 9)	**27.7**	20.2
Net foreign exchange (gains)	**(0.4)**	—

7. Auditor's remuneration

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Fees payable to the Group's auditor and its associates for services to the Group:		
The audit of financial statements of the Group and subsidiaries	**0.4**	0.3
Other assurance and advisory services	**0.1**	—
	0.5	0.3

8. Non-adjusted expenditure

The Directors classify certain costs as non-adjusted in accordance with the accounting policy set out in note 2.15. In the year to December 2023 there was no classified (£nil) non-adjusted costs.

In the nine month period to December 2022 the non-adjusted costs amount to £0.8m and related to the creation of and regulatory applications for overseas operations and fees incurred in the period in relation to the Group's executive leadership change.

9. Staff costs

The average number of employees employed by the Group, including executive and non-executive directors, was:

	Year ended 31 December 2023 No.	9 months ended 31 December 2022 No.
Directors	6	7
LLP members (excl. executive directors)	4	5
Sales and dealing	85	66
Operations	74	47
	169	125
Employees, members and directors as at 31 December 2023 and 2022	196	137

Staff costs for the above persons were:	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Wages and salaries	20.3	12.7
Social security costs	2.3	1.4
Pension costs	0.5	0.1
Share-based payments	0.5	0.1
LLP members' remuneration*	2.6	4.2
Directors' remuneration	1.5	1.7
	27.7	20.2

Directors' remuneration	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Directors' remuneration comprised:		
Salaries and LLP members' remuneration	1.5	1.7

*Excludes Directors of Argentex Group PLC who are/were also members of Argentex LLP.

Prior to IPO, profits from Argentex LLP were distributed according to individual equity holdings in the LLP. Following Admission, the self-employed LLP members are remunerated under the Amended and Restated LLP Agreement by a combination of (i) fixed annual remuneration (ii) participation in revenue commission schemes (iii) annual bonuses and (iv) other variable compensation based on the LLP's performance.

Key management are those persons having authority and responsibility for planning, controlling, and directing the activities of the Group, or in relation to the Company. In the opinion of the Board, the Group and Company's key management are the Directors of Argentex Group PLC. Information regarding their compensation is provided in the Remuneration Committee Report.

10. Dividends

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Amounts recognised as distributions to equity holders:		
Final dividend for the 9 month period ended 31 December 2022 of 2.25p per share (December 2022: dividend for the year ended 31 March 2022 of 1.25p per share)	2.5	1.5
Interim dividend for the year to 31 December 2023 of 0.75p per share (2022: nil)	0.9	—
	3.4	1.5
Proposed final dividend for the year ended 31 December 2023 of nil per share (2022: 2.25p per share)	—	2.5

11. Finance costs

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Interest on lease arrangements	0.8	0.3

12. Taxation

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Income tax recognised in Consolidated Statement of Comprehensive Income:		
Current tax		
Current tax on profit for the year	1.6	1.3
Adjustments in respect of prior years	0.3	—
Total current tax	1.9	1.3
Deferred tax		
Origination and reversal of temporary differences	0.3	(0.5)
Total deferred tax	0.3	(0.5)
Total tax expense	2.2	0.8

Tax has been calculated using an estimated annual effective tax rate of 23.5% (2022: 19%) on profit before tax.

The increase is due to the increase in the UK main rate of corporation tax on 01 April 2023 to 25% from 19%.

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Profit/(loss) for the year	5.1	7.0
Income tax expense	2.2	0.8
Profit before income taxes	7.3	7.8
Tax using the Group's domestic tax rate of 23.5% (2022: 19%)	1.7	1.5
Effects of:		
Expenses not deductible for tax purposes	0.1	—
Other amounts charged	—	0.2
Adjustments in respect of prior years	0.4	(0.4)
Tax credit relating to future periods	—	(0.5)
Total tax on ordinary activities	2.2	0.8

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Current tax assets and liabilities		
Corporation tax	(0.6)	(0.7)
Current tax liability	(0.6)	(0.7)

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Deferred tax		
Assets		
At 1 January 2023 and 1 April 2022	0.5	—
Current year movement recognised	(0.3)	—
Tax credit relating to future periods	—	0.5
Total deferred tax asset	0.2	0.5

Deferred tax in relation to timing differences on fixed assets. There is no expiry on the deferred tax asset.
The deferred tax asset is based on the future rate of corporation tax 25%.

13. Earnings per share

The Group calculates basic earnings to be net profit attributable to equity shareholders for the period. The Group also calculates an adjusted earnings figure, which excludes the effects of share-based payments, and non-adjusted costs as described further in note 2.15.

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Earnings		
Earnings for the purposes of basic and diluted earnings per share		
— basic and diluted	**5.1**	7.0
Adjustments for:		
Non-adjusted expenditure	**—**	0.8
Share-based payments	**0.5**	0.1
Tax impact	**(0.1)**	(0.2)
Adjusted earnings (basic and diluted)	**5.5**	7.7
Number of shares		
The calculation of basic and diluted earnings per share is based on the following number of shares (m).		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**113.2**	113.2
Number of dilutive shares under option	**0.1**	0.1
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	**113.3**	113.3
Earnings per share		
Basic	**4.6p**	6.2p
Diluted	**4.6p**	6.2p
Adjusted — Basic	**5.0p**	6.8p
Adjusted — Diluted	**5.0p**	6.8p

The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value, considering the monetary value of the subscription rights attached to outstanding share options.

14. Intangible fixed assets

	Software development costs £m
Cost	
At 31 March 2022	7.4
Additions	1.4
At 31 December 2022	8.8
Additions	1.8
At 31 December 2023	10.6
Amortisation	
At 31 March 2022	5.2
Charge for 9 month period	1.1
At 31 December 2022	6.3
Charge for year	1.6
At 31 December 2023	7.9
Net book value	
At 31 December 2022	2.5
At 31 December 2023	2.7

15. Property, plant and equipment

	Leasehold improvements £m	Right of use asset £m	Office equipment £m	Computer equipment £m	Total £m
Cost					
At 31 March 2022	1.8	7.3	0.8	0.7	**10.6**
Additions	—	—	*0.5*	—	***0.5***
Disposals	—	—	—	—	—
At 31 December 2022	1.8	7.3	1.3	0.7	**11.1**
Additions	*2.0*	*6.6*	*0.5*	*0.4*	***9.5***
Disposals	—	—	—	—	—
At 31 December 2023	3.8	13.9	1.8	1.1	**20.6**
Depreciation					
At 31 March 2022	0.3	1.5	0.1	0.4	**2.3**
Charge for the 9 month period	*0.1*	*0.6*	*0.1*	*0.1*	***0.9***
Disposals	—	—	—	—	—
At 31 December 2022	0.4	2.1	0.2	0.5	**3.2**
Charge for the year	*0.4*	*1.2*	*0.4*	*0.3*	***2.3***
Disposals	—	—	—	—	—
At 31 December 2023	0.8	3.3	0.6	0.8	**5.5**
Net book value					
At 31 December 2022	1.4	5.2	1.1	0.2	7.9
At 31 December 2023	**3.0**	**10.6**	**1.2**	**0.3**	**15.1**

Right of use asset relates to head office lease disclosed in note 20.

16. Trade and other receivables

	31 December 2023 £m	31 December 2022 £m
Current		
Other receivables	**0.6**	—
Prepayments	**0.7**	1.0
Trade and other receivables	1.3	1.0

17. Cash and cash equivalents

	31 December 2023 £m	31 December 2022 £m
Cash and cash equivalents	**33.0**	**29.0**

Included within cash and cash equivalents are client held funds relating to margins received and client balances payable. These amounts are disclosed as amounts payable to clients of £14.7m (2022: £12.8m) in note 19 and are not available for the Group's own use. Client balances held as electronic money in accordance with the Electronic Money Regulations 2011 are held in accounts segregated from the firm's own bank accounts.

Client balances that fall under the scope of the FCA's Client Assets Sourcebook ("CASS") are held in segregated client bank accounts which are off balance sheet and excluded from the cash and cash equivalents figure.

The Directors consider that the carrying amount of these assets is a reasonable approximation of their fair value. Cash is held at authorised credit institutions and non-bank financial institutions with robust credit ratings (where published) and sound regulatory capital resources.

18. Other assets

	31 December 2023 £m	31 December 2022 £m
Collateral with banking counterparties	**5.7**	10.0
Balances segregated for CASS MTM	**4.8**	—
Other assets	**10.5**	10.0

Other assets is made up of collateral with banking counterparties and balances segregated to provide for OTM positions with CASS Clients. Client margins received and disclosed within client balances payable are used to service margin calls with counterparties.

19. Trade and other payables

	31 December 2023 £m	31 December 2022 £m
Non-current		
Lease dilapidation provisions	**0.3**	0.2
Trade and other payables	**0.3**	0.2
Current		
Amounts payable to clients	**14.7**	12.8
Corporation tax	**0.6**	0.7
Amounts due to members and former members of Argentex LLP	**0.4**	4.4
Trade payables	**6.9**	0.4
Accruals	**5.6**	6.1
Other taxation and social security	**1.1**	0.7
Trade and other payables	**29.3**	25.1

20. Leases

In May 2020, the Group signed a ten-year lease for its head office premises at Argyll Street, London. In February 2023, the Group signed a nine-year lease for an additional floor for its head office at Argyll Street, London and in February 2023, the Group signed a five-year lease for its office in the Netherlands.

As a lessee, the Group has recognised a lease liability representing the present value of the obligation to make lease payments, and a related right of use (ROU) asset, in accordance with note 2.10. The lease payments are discounted using the interest rate implicit in the UK leases (7%). The implicit interest rate is not evident in the Dutch lease and therefore management have assessed the incremental borrowing rate to be 7%. In the prior period, an incremental borrowing rate of 6% was used to discount the lease liability. The Group remeasured its liability for its head office lease signed in May 2020 as a deed of variation was signed in February 2023. Information about the lease liability is presented below:

	31 December 2023 £m	31 December 2022 £m
Lease liability at beginning of financial period	6.1	6.6
Additions	6.1	—
Payments made in the period	(1.5)	(0.9)
Unwinding of finance costs	0.8	0.4
Lease liability at end of financial period	11.5	6.1
Of which		
Current	0.9	0.8
Non-current	10.6	5.3

Amounts recognised in the Consolidated Statement of Comprehensive Income is presented below:

	Year ended 31 December 2023 £m	9 months ended 31 December 2022 £m
Depreciation charge on right of use assets (note 15)	1.2	0.6
Interest on lease liabilities (note 11)	0.8	0.3

Maturity profile of lease liability based on contractual (undiscounted) payments disclosed in note 24.

21. Share capital

Allotted and paid up	Ordinary shares No.	Management shares No.	Nominal value £m
At 1 January 2023 and 31 December 2023	113,207,547	23,589,212	0.1

On 19 June 2019, 23,589,212 Management shares were issued with nominal value of £58,974 to establish the minimum allotted share capital for a public limited company. So long as there are shares of any other class in issue, Management shares have no voting rights or rights to receive dividends or other distributions of profit.

On 25 June 2019, 113,207,547 Ordinary shares of £0.0001 each were issued for trading on AIM at a price of 106p per share. 100,000,000 shares were issued to the former owners of Argentex LLP as part of the Group formation. Subsequently, the Group issued 13,207,547 at 106p per share, generating share premium of £13,988,679 before issuance costs.

22. Reserves

Details of the movements in reserves are set out in the Consolidated Statement of Changes in Equity. A description of each reserve is set out below.

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid in excess of the nominal value of share capital issued, less deductions for issuance costs. Where an equity issuance is accounted for using merger relief, no share premiums are recorded.

Merger reserve

The merger reserve represents the difference between carrying value of the assets and liabilities acquired under merger accounting to the cost of investment (the fair value).

Share option reserve

The Group operates share option schemes that are explained in note 23 of these Consolidated Financial Statements. The Group recognises the services received from eligible scheme participants as a charge through the Consolidated Statement of Comprehensive Income, with the corresponding entry credited to the Share option reserve.

Retained earnings

Retained earnings are the accumulated undistributed profits of the Group that have been recognised through the Consolidated Statement of Comprehensive Income, less amounts distributed to shareholders.

23. Share-based payments

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of grant.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity. Fair value of the CSOP schemes is measured using a Black-Scholes option pricing model. Fair value of the Value Creation Plan is measured using a Monte Carlo Simulation.

When share options are exercised, the Group issues new shares.

CSOP

In June 2019, the Group issued 311,311 share options under Part I of an approved company share option plan ("CSOP") to participating employees. The share options have an exercise price of £1.06, being the IPO issue price, and vest three years after issuance. The fair value of these options at issuance has been derived using a Black-Scholes model, with expected volatility of 30%, based on derived volatilities of the AIM index and the similar listed entities to the Group. The risk free rate at the time of issuance was 0.54% for UK Government Bonds with a similar term to the vesting period of the CSOP.

In the year to March 2021, the Group issued a total of 4,981,130 share options under Parts I, II and III of the company share option plans ("CSOP") to participating employees and LLP members. The share options have an exercise price of £1.35, and vest in tranches three, four and five years after issuance. The fair value of these options at issuance has been derived using a Black-Scholes model, with expected volatility of 34%, based on derived volatilities of the Group

23. Share-based payments (cont.)

and the similar listed entities to the Group. The risk-free rate at the time of issuance was 0.12% for UK Government Bonds with a similar term to the vesting period of the CSOP.

Movements in the number of outstanding share options during the period and their weighted average exercise prices are shown in the following table.

	31 December 2023		31 December 2022	
	Average exercise price (£)	Number of options outstanding	Average exercise price (£)	Number of options outstanding
Outstanding at beginning of period	**1.35**	**996,226**	**1.34**	**4,726,407**
Granted	—	—	—	—
Forfeited	—	—	1.34	(3,730,181)
Exercised	—	—	—	—
Outstanding at end of period	**1.35**	**996,226**	**1.35**	**996,226**

The share-based payment charge in relation to the above scheme in the period ended 31 December 2023 is £nil (31 December 2022: £0.1m).

Value Creation Plan

In November 2022, selected employees and senior executives of the Group were issued with Growth shares in Argentex Capital Limited. When and to the extent vested, the growth shares will be exchanged into ordinary shares of Argentex Group PLC. The Growth shares vest in two equal tranches (A and B) over two periods. Growth A shares vest over a three year and four-month period and Growth B shares vest over a four year and four-month period. The rate of exchange is that the Growth Shares will be regarded as worth a pro rata share of the share price gain of Argentex Group PLC above hurdle prices. Upon exchange, the number of ordinary shares in Argentex Group PLC that a Growth shareholder will receive is such number of shares whose value is equivalent to the Group's closing share price at the exchange date subject to the extent that Growth shares have vested. The average weighted value of Growth shares granted in Argentex Capital Limited is £85.

The share-based payment charge of the Value Creation Plan in the period ended 31 December 2023 was £0.5m (2022: £nil).

	31 December 2023	31 December 2022
	Number of options outstanding	Number of options outstanding
Outstanding at beginning of period	**20,000**	—
Granted in period	—	20,000
Forfeited in period	(1,750)	—
Exercised in period	—	—
Outstanding at end of period	**18,250**	**20,000**

The fair value of the Growth shares was calculated using a Monte Carlo simulation model. The model considers historical and expected dividends and the share price volatility of the Group to predict the share performance. When determining the fair value of awards, service and non-market performance conditions are not considered. However, the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the fair value. The assumptions relating to the fair value charge include share price at grant, risk free interest rate, time to vesting and expected share price volatility.

The total share-based payment reserve at 31 December 2023 is £1.0m (31 December 2022: £0.5m).

24. Financial instruments

The Directors have performed an assessment of the risks affecting the Group through its use of financial instruments and believe the principal risks to be: capital risk; credit risk; market risk, including interest rate risk and foreign exchange risk.

24.1. Capital management

Capital risk is the risk that there are insufficient Own Funds to support the Group's business activities and to meet its regulatory capital requirements. Own Funds are the sum of the Group's common equity tier 1 capital, additional tier 1 capital and tier 2 capital. The Group manages its capital to ensure that entities in the Group will be able to continue on a going concern basis while maximising the return. Capital is repayable in accordance with the terms set out in the partnership agreement. Management regularly reviews the adequacy of the Group's capital and ensures capital held remains in excess of regulatory requirements. The Group manages its capital resources with reference to both the business and regulatory requirements. This process also ensures there is adequate capital and liquidity to either absorb losses or to ensure there are adequate levels to perform an orderly wind-down without causing undue harm to clients, counterparties, or the market.

24.2. Financial risk management objectives

The Group's principal risk management objective is to avoid financial loss and manage the Group's working capital requirements to continue in operations and achieve its strategic objectives.

Market risk

Market risk for the Group comprises foreign exchange risk and interest rate risk. Foreign exchange risk arises from the exposure to changes in foreign exchange spot and forward prices and volatilities of foreign exchange rates.

Foreign exchange risk is mitigated through the matching of foreign currency assets and liabilities between clients and institutional counterparties which move in parity. The Group maintains non-sterling currency balances with institutional counterparties only to the extent necessary to meet its immediate obligations with those institutional counterparties.

Foreign exchange risk — sensitivity analysis

The Group's significant cash balances other than those denominated in pounds sterling are foreign currency balances held in Euros and US Dollars.

The table below shows the impact on the Group's operating profit of a 10% change in the exchange rate of Euros and US Dollars against pounds sterling.

24.2. Financial risk management objectives (cont.)

	31 December 2023 £m	31 December 2022 £m
10% weakening in the GBP/EUR exchange rate	**1.1**	1.2
10% strengthening in the GBP/EUR exchange rate	**(0.9)**	(1.0)
10% weakening in the GBP/USD exchange rate	**0.7**	1.5
10% strengthening in the GBP/USD exchange rate	**(0.6)**	(1.2)

Interest rate risk affects the Group to the extent that forward foreign exchange contracts and foreign exchange structured solutions have an implied interest rate adjustment factored into their price, which is subject to volatility. This risk is mitigated in the same way as foreign currency risk through the matching of foreign currency assets and liabilities between clients and institutional counterparties which move in parity.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group has extensive controls to ensure that is has sufficient cash or working capital to meet the cash requirements of the Group in order to mitigate this risk. The Group monitors its liquidity requirement daily, and the Group stress tests its liquidity position to review the sufficiency of its liquidity in stressed market scenarios. It is management's responsibility to set appropriate limits to the liquidity risk appetite of the Group, as well as ensuring that a robust system of internal controls is implemented and enforced. The table below summarises the maturity profile of the Group's derivative financial assets and liabilities based on contractual undiscounted payments.

Derivative financial assets at balance sheet date by contractual maturity

The following table details the profile of the Group's derivative financial assets. The amounts are based on the undiscounted cashflows based on the earliest date on which the contractual cashflows are due to the Group.

31 December 2023	0-3 months £m	3-6 months £m	6-12 months £m	12 months + £m	Total £m
Derivative financial assets	1,072.7	585.1	716.1	492.4	**2,866.3**

31 December 2022	0-3 months £m	3-6 months £m	6-12 months £m	12 months + £m	Total £m
Derivative financial assets	1,012.5	372.6	511.7	337.3	**2,234.1**

Derivative financial liabilities at balance sheet date by contractual maturity

The following table details the profile of the Group's derivative financial liabilities. The amounts are based on the undiscounted cashflows based on the earliest date on which the Group can be required to pay.

31 December 2023	0-3 months £m	3-6 months £m	6-12 months £m	12 months + £m	Total £m
Derivative financial liabilities	1,068.0	581.9	710.1	487.7	**2,847.7**

31 December 2022	0-3 months £m	3-6 months £m	6-12 months £m	12 months + £m	Total £m
Derivative financial liabilities	1,005.4	370.4	506.5	334.2	**2,216.5**

Other financial liabilities

The table below summarises the maturity profile of the Group's other financial liabilities based on contractual (undiscounted) payments.

31 December 2023	Up to 1 year £m	1 year + £m	Total £m
Amounts payable to clients	14.7	—	**14.7**
Other payables	10.9	—	**10.9**
Lease liabilities	1.7	13.6	**15.3**
	27.3	13.6	**40.9**

31 December 2022	Up to 1 year £m	1 year + £m	Total £m
Amounts payable to clients	12.8	—	**12.8**
Other payables	4.8	—	**4.8**
Lease liabilities	1.2	6.3	**7.5**
	18.8	6.3	**25.1**

Credit risk

The failure of a client to settle a contracted trade carries the risk of loss equal to the prevailing fair value of the trade. The Group employs rigorous procedures and ongoing monitoring to mitigate this risk and ensure that client risk exposures fit within the Group's risk appetite. Before accepting any new client, a dedicated team responsible for the determination of credit risk, assess the potential client's credit quality and assigns a credit limit. Limits and scoring attributed to customers are reviewed on an ongoing basis. Individual counterparty exposures are monitored against assigned limits by the Risk function to ensure appropriate escalation and mitigating action is taken.

24.2. Financial risk management objectives (cont.)

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of trade debtors at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the Directors of the Group consider that the Group's credit risk is significantly reduced. Trade receivables consist of a large number of clients, spread across diverse industries and geographical areas.

Management review financial and regulatory disclosures of the Group's institutional counterparties to ensure its cash balances and derivative assets are maintained with creditworthy financial institutions. The Group does not have any significant concentration of exposures within its client base. At institutional counterparty level, trade volumes and trading cash balances are concentrated to a small selection of institutional counterparties. A degree of concentration is necessary for the Group to command strong pricing and settlement terms with these institutions and is not considered a material risk to the Group.

24.3. Categories of financial instruments

The Group operates as a deliverable foreign exchange broker therefore financial instruments are significant to its financial position and performance. Where the Group enters into a foreign exchange contract for a client, a matching deal is immediately executed with one of the Group's institutional counterparties.

The table below sets out the Group's financial instruments by class.

	31 December 2023 £m	31 December 2022 £m
Financial asset instruments		
Measured at FVTPL		
Non-current Derivative financial assets	**9.8**	8.8
Current Derivative financial assets	**38.9**	57.7
Total derivative financial assets	**48.7**	66.5
Measured at amortised cost		
Current		
Cash and cash equivalents	**33.0**	29.0
Other assets	**10.5**	10.0
Total amortised cost assets	**43.5**	39.0

	31 December 2023 £m	31 December 2022 £m
Financial liability instruments		
Measured at FVTPL		
Non-current Derivative financial liability	**(5.8)**	(5.2)
Current Derivative financial liability	**(23.6)**	(42.0)
Total derivative financial liabilities	**(29.4)**	(47.2)
Measured at amortised cost		
Amounts payable to clients	**(14.7)**	(12.8)
Other creditors	**(8.7)**	(1.1)
Amounts due to members and former members of Argentex LLP	**(0.4)**	(2.9)
Accruals (excluding non-financial instruments)	**(1.7)**	(1.0)
Lease liabilities	**(11.5)**	(6.1)
Non-derivative financial liabilities	**(37.0)**	(23.9)

Derivative financial assets and derivative financial liabilities include derivative transactions with banking counterparties. The transactions are subject to ISDA (International Swaps and Derivatives Association) Master Agreements and similar master agreements which provide a legally enforceable right to offset under certain conditions. These derivative financial instruments have not been offset in the Consolidated Statement of Financial Position but are presented separately in the table below. These derivatives are subject to collateral and margin calls by banking counterparties and the amounts are disclosed in note 18.

Amounts with counterparties subject to Master Netting agreements:	31 December 2023 £m	31 December 2022 £m
Derivative financial assets	**27.1**	29.5
Derivative financial liabilities	**17.8**	31.3

24.4. Overview of the Group’s exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations in relation to financial derivative assets resulting in financial loss to the Group. As at 31 December 2023, the Group’s maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the Consolidated Statement of Financial Position.

If deemed appropriate, the Group will make a valuation adjustment to the estimated fair value of a financial instrument. In the period, the Group included a CVA of £0.5m (2022: £1.1m) to represent the credit risk inherent in the fair value of derivative financial instruments. In the opinion of the Directors, the carrying amount of the Group’s financial assets best represents the maximum exposure.

The carrying amount of the Group’s financial assets at FVTPL as disclosed in Note 25 best represents their respective maximum exposure to credit risk. Note 24.6 details the Group’s credit risk management policies.

24.5. Counterparty risk

The Group relies on third party institutions in order to trade and clear settlement funds through client accounts. To reduce counterparty credit risk to acceptable levels, the Group only trades with institutional counterparties with robust balance sheets, high credit ratings and sound capital resources (as disclosed in accordance with the CRR and CRD IV of Basel III) and monitors the creditworthiness of institutional counterparties on an ongoing basis. The Group's business continuity procedures have established trading and settlement lines with several institutional counterparties to mitigate counterparty risk.

24.6. Credit risk management

Note 24.4 details the Group’s exposure to credit risk and the measurement bases used to determine expected credit losses.

The Group undertakes continuous robust credit analysis before setting and varying trading limits and accepting trades from each client. All open positions are monitored automatically in real time and if deemed necessary collateral (in the form of cash deposits) is taken from clients to mitigate the Group’s exposure to credit risk.

25. Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

25.1. Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group’s financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 December 2023	**31 December 2022**		
Foreign exchange forward and option contracts	Assets **£48.7m**; and Liabilities **£29.4m**	Assets **£66.5m**; and Liabilities **£47.2m**	Level 2	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of foreign exchange forward and option contracts is measured using observable market information provided by third party market data providers. Future cashflows are estimated based on forward exchange rates and contract rates, discounted to reflect maturity.

25.2. Fair value of financial assets and financial liabilities that are not measured at fair value

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements are a reasonable approximation of their fair value.

26. Related party transactions

As at 31 December 2023, no material related transactions require further disclosure.

27. Contingent liabilities

As at 31 December 2023 there were no capital commitments or contingent liabilities (2022: none).

28. Controlling party

In the opinion of the Directors there is no ultimate controlling party of Argentex Group PLC.

29. Events after the reporting date

On 14 March 2024, the Group received an Employment Tribunal claim from a former director. The Group will contest the claim.

Company Statement of Financial Position

as at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 £m
Non-current assets			
Investment in subsidiaries	6	**61.8**	120.1
Total non-current assets		**61.8**	120.1
Current assets			
Trade and other receivables	7	**6.0**	8.7
Total current assets		**6.0**	8.7
Current liabilities			
Other payables	8	**(5.1)**	(5.3)
Total current liabilities		**(5.1)**	(5.3)
Net assets		**62.7**	123.5
Equity			
Share capital	9	**0.1**	0.1
Share premium	10	**12.7**	12.7
Share option reserve	10	**1.0**	0.5
Merger reserve	10	**45.5**	106.0
Retained earnings	10	**3.4**	4.2
		62.7	123.5

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The trading profit for the year was £2.6m (December 2022: £4.9m). The Loss for the year following the impairment to the Company's investment in Argentex Capital Limited under IAS 36 was £57.9m (December 2022: £4.9m). The impairment amount is offset by an equal credit to Retained earnings from the Merger reserve. There is no impact on the Group consolidated financial statements.

The financial statements of Argentex Group PLC were approved by the Board of Directors on 01 May 2024 and were signed on its behalf by:

Jim Ormonde
Director
Registered number **11965856**

Company Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital £m	Share premium £m	Share option reserve £m	Merger reserve £m	Retained earnings £m	Total equity £m
Balance at 01 April 2022	**0.1**	**12.7**	**0.4**	**106.0**	**0.8**	**120.0**
Total comprehensive income for the period	—	—	—	—	4.9	**4.9**
Transactions with owners:						
Dividends paid	—	—	—	—	(1.5)	**(1.5)**
Share-based payments charge	—	—	0.1	—	—	**0.1**
Balance at 31 December 2022	**0.1**	**12.7**	**0.5**	**106.0**	**4.2**	**123.5**
Total comprehensive loss for the year	—	—	—	—	(57.9)	**(57.9)**
Transactions with owners:						
Dividends paid	—	—	—	—	(3.4)	**(3.4)**
Share-based payments charge	—	—	0.5	—	—	**0.5**
Transfer between reserves	—	—	—	(60.5)	60.5	—
Balance at 31 December 2023	**0.1**	**12.7**	**1.0**	**45.5**	**3.4**	**62.7**

1. Basis of preparation

Argentex Group PLC ("the Company") is a public limited company, limited by shares, incorporated and domiciled in England and Wales. The address of the registered office is 25 Argyll Street, London, W1F 7TU.

The Company meets the definition of a qualifying entity under Financial Reporting Standard ("FRS") 100. The financial statements of Argentex Group PLC have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) as issued by the Financial Reporting Council and the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements have been prepared on a going concern basis and under the historical cost convention. The financial statements are presented in pounds sterling (£), which is the currency of the primary economic environment in which the Company operates. The Company changed its year end date from 31 March to 31 December in the prior period and has presented a shortened comparative period of nine months. Therefore amounts presented may not be entirely comparable.

Disclosure exemptions adopted
The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 111 (statement of cash flows information)
  - 134–136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group

2. Significant accounting policies

The principal accounting policies adopted are consistent with those set out in note 2 to the Consolidated Financial Statements in addition to the policies noted below for company only.

Investments in subsidiary undertakings

Unlisted investments in subsidiary undertakings are stated at cost (being their fair value at acquisition) less any provisions for impairment. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the Statement of Profit or Loss. To the extent applicable, balances in the Merger reserve will be recycled into Retained earnings to correspond with any impairment charge.

3. **Critical accounting estimates and judgements**

The preparation of the financial statements in conformity with the generally accepted accounting practices requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period.

Carrying value of investments in subsidiaries

The carrying value of investments in subsidiaries are initially recorded at cost (being the fair value at acquisition) and subsequently measured at cost less provision for impairment. The Directors have reviewed all forecast and budgetary information available to them and have reduced the carrying value of the investments in subsidiaries to their recoverable amount under IAS 36.

4. **Auditor's remuneration**

The auditor's remuneration for audit and other services is disclosed in Note 7 to the Consolidated Financial Statements.

5. **Directors' emoluments**

	31 December 2023 No.	31 December 2022 No.
Executive and non-executive Directors	6	7
	£m	£m
Costs for the above persons were:	0.4	0.3

Disclosures in the Company Financial Statements reflect costs to the Company only. The Remuneration Committee report contains relevant information on Directors' remuneration for the Group.

6. **Investment in subsidiaries**

Cost	£m
At 31 March 2022	118.4
Additions	1.7
At 31 December 2022	120.1
Additions	2.2
Impairment of investment in subsidiary	(60.5)
At 31 December 2023	**61.8**

6. Investment in subsidaries (cont.)

Details of the Company's subsidiaries, which are all included in the Consolidated Financial Statements of the Group, are as follows:

Name of undertaking	Nature of business	Country of incorporation	Address
Directly held			
Argentex Capital Limited	Holding Company	England	25 Argyll Street, London, W1F 7TU
Argentex B.V.	Foreign exchange broking	The Netherlands	Herengracht 54, Amsterdam, The Netherlands
Argentex PTY Ltd	Pending regulatory authorisation	Australia	Level 27, 120 Collins Street, Melbourne Vic 3000
Argentex (DIFC) (Managing Office) Ltd	Pending regulatory authorisation	United Arab Emirates	Unit 606, Innovation One, Dubai international financial centre, Dubai, UAE
Indirectly held			
Argentex LLP	Foreign exchange broking	England	25 Argyll Street, London, W1F 7TU
Argentex Foreign Exchange Limited	Holding Company	England	25 Argyll Street, London, W1F 7TU
Argentex Technologies Limited	Dormant Company	England	25 Argyll Street, London, W1F 7TU

All subsidiaries are majority owned either directly or indirectly owned by the Company. During FY23, as the result of the decline in trading performance, a review was carried out of the recoverable amount of its investment in Argentex Capital Limited. This led to the recognition of an impairment loss of £60.5m, which has been recognised in profit or loss, offset by a release from the Merger reserve. The fair value less costs of disposal was deemed to be higher than the value in use and was used to determine the recoverable amount of the investment. This was determined as Level 2 in the fair value hierarchy and the valuation technique used quoted prices for the Group adjusted for post year end share performance.

7. Trade and other receivables

	31 December 2023 £m	31 December 2022 £m
Other receivables	**0.1**	0.1
Amounts due from group companies	**5.9**	8.6
	6.0	**8.7**

The Directors consider that the carrying amount of Trade and other receivables is a reasonable approximation of their fair value. All Trade and other receivables are short-term.

8. Other payables

	31 December 2023 £m	31 December 2022 £m
Trade payables	**0.2**	0.1
Amounts owed to group companies	**4.9**	5.2
	5.1	**5.3**

The Directors consider that the carrying amount of Trade and other payables is a reasonable approximation of their fair value. Amounts owed to group undertakings are unsecured, interest free, and repayable on demand. All Trade and other payables amounts are short-term.

9. Share capital

Allotted and paid up	Ordinary shares No.	Management shares No.
Ordinary shares of £0.0001 each	113,207,547	—
Management shares of £0.0025 each	—	23,589,212
At 31 December 2022 and 31 December 2023	113,207,547	23,589,212

10. Reserves

Details of the movements in reserves are set out in the Company Statement of Changes in Equity. A description of each reserve is set out below.

Share premium
The Share premium account is used to record the aggregate amount or value of premiums paid less issuance costs when the Company's shares are issued at a premium.

Share option reserve
The Company operates a share option scheme that is explained in Note 23 of the Consolidated Financial Statements. The Company is the settling entity of the share based payment scheme, and recognises the services received as an increase in investments in subsidiary undertakings, with the corresponding entry credited to the Share option reserve.

Merger reserve
The Merger reserve represents the difference between the cost of the investment (being the fair value at acquisition) and the nominal value of shares being issued. In 2019, the Company acquired the entire issued share capital of Argentex Capital Limited via a share- for-share exchange. Subsequent to the acquisition, the Company invested a further £12.0m in the form of new shares in Argentex Capital Limited, which was then used to increase the equity capital of Argentex LLP, a subsidiary of Argentex Capital Limited. The share-for-share exchange qualified for merger relief in accordance with the Companies Act 2006, and a merger reserve of £106.0m was created on the issue of 76,410,788 ordinary shares.

In the current year, the Merger reserve was reduced by £60.5m following an assessment of the carrying value of the Investments in subsidiaries under IAS 36.

Retained earnings
Retained earnings are the accumulated undistributed profits of the Company that have been recognised through the Company Statement of Profit or Loss, less amounts distributed to shareholders.

The Directors declared a final dividend of 2.25p per ordinary share for the period to 31 December 2022 amounting to £2,547,169.80 which was paid in the period. The Directors declared an interim dividend of 0.75p per ordinary share for the year to 31 December 2023 amounting to £849,056.60 which was paid in the period.

11. Events after the reporting date

On 14 March 2024, the Company received an Employment Tribunal claim from a former director. The Company will contest the claim.

Glossary of Terms

'The Company', 'The Firm' and 'Argentex' are used interchangeably to represent the consolidated group 'Argentex Group PLC' which trades on the London Stock Exchange's AIM market.

AML – Anti Money Laundering.

CAGR – Compound annual growth rate.

CASS – The FCA's Client Assets Sourcebook (CASS) provides rules for firms to follow whenever the firm holds or controls client money or safe custody assets. CASS helps ensure the safety of client money and assets if a firm fails and leaves the market.

CSOP – Company Share Options Plan.

Directors – individuals who hold either executive or non-executive positions in Argentex Group PLC.

FCA – The Financial Conduct Authority, the regulatory body which authorises Argentex to perform specific functions such as issuing Electronic Money, making remittances and buying and selling of options for its clients, amongst others.

Forward – An FX trade which fixes the exchange rate on a set amount of currency, and is expected to be settled more than two business days following agreement of the trade.

FX Turnover – The notional value of currencies bought or sold with Argentex by its clients, expressed in pounds sterling.

IPO – Initial public offering of shares in Argentex Group PLC, which began trading on the London Stock Exchange's AIM on 25 June 2019.

LTIP – Long-term incentive plan, where the interests of key staff are further aligned with that of investors through an opportunity for equity ownership over a five-year period.

OTC – Over the counter. A transaction agreed directly between two parties without the use of a central clearing house or exchange.

PRU – Principal Risks and Uncertainties.

RegTech – Companies that use cloud computing technology through software-as-a-service (SaaS) to help businesses comply with regulations. Regtech is also known as regulatory technology.

Revenue – The total in pounds sterling of all profits made during the financial period.

Riskless Principal – The type of firm Argentex is, where each individual client trade is matched with a corresponding trade with one of the institutional counterparties available to the Company.

Spot – An FX trade between two parties, who exchange currencies within two business days following the agreement of the trade.

Spread – the difference between the exchange rate Argentex achieves in its trade with its institutional counterparty and the rate it passes on to its client.

Structured Solutions – structured financial derivatives, used by a subsection of Argentex's clients for hedging rates on a known amount of currency on a specified date in the future. Used instead of a forward contract, a structured solutions contract may provide the potential for achieving a rate better than that available in a standard forward contract.

VCP – Value Creation Plan.

Year end / Period end – 31 December.

KPI Comparatives Table

	12 months to 31 December 2023	12 months to 31 December 2022	9 months to 31 December 2022
Revenue	£49.9m	£50.4m	£41.0m
Operating profit	£8.1m	£11.3m	£8.1m
EPS basic	4.6p	8.1p	6.2p
Final dividend	nil	—	2.25p
Total dividend	0.75p	—	2.25p
New clients traded	649	546	409
Total clients traded	1,938	1,750	1,595

Shareholder information

Shareholder enquiries

- investorrelations@argentex.com

Annual shareholder calendar

- **31 December 2023** – Financial year end
- **02 May 2024** – Period results announcement
- **19 June 2024** – AGM
- **30 June 2024** – Half year end
- **September 2024** – Half year results announcements
- **31 December 2024** – Financial year end

Company information

AUDITORS
Deloitte LLP
1 New Street Square
London, EC4A 3HQ

BANK
Barclays
1 Churchill Place, Canary Wharf,
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COMPANY SECRETARY
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FINANCIAL PUBLIC RELATIONS
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LEGAL ADVISERS
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REGISTRAR
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This document is also available on the Company's website at www.argentex.com

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Notice of Annual General Meeting

Notice is hereby given that the annual general meeting ("AGM") of Argentex Group PLC (the "Company") will be held at the offices of Gowling WLG, 4 More London Riverside, London, SE1 2AU on 19 June 2024 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed, in the case of resolutions 1 to 11 as ordinary resolutions and resolutions 12 and 13 as special resolutions):

ORDINARY BUSINESS

Ordinary Resolutions

1. To receive and adopt the Annual Report and Accounts of the Company for the financial year ended 31 December 2023 together with the Directors' Report and Auditors' Report thereon.

2. To approve the Directors' Remuneration Report for the financial year ended 31 December 2023.

3. That Lord Digby Jones Kb., who retires as a Director in accordance with the Articles of Association (the "Articles") and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

4. That Henry Beckwith, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

5. That Jonathan Gray, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

6. That Tim Haldenby, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

7. That Jim Ormonde, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

8. That Nigel Railton, who retires as a Director in accordance with the Articles and being eligible to do so offers himself for re-election as a Director, be elected as a Director of the Company.

9. To re-appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company at which the Company's accounts are laid.

10. To authorise the Directors to determine the amount of the auditors' remuneration.

SPECIAL BUSINESS

Ordinary Resolution

11. That the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £1,132.08 (equating to 11,320,754 ordinary shares of £0.0001 each ("Ordinary Shares") and representing approximately 10 per cent. of the ordinary share capital of the Company as at 01 May 2024) provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2025 save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the expiry of such authority and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired. The authority granted by this resolution shall replace all existing authorities to allot any shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company previously granted to the Directors pursuant to section 551 of the Act.

Special Resolution

12. That, subject to the passing of resolution no. 11, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority conferred by resolution no. 11 above or by way of sale of treasury shares as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:

    (a). the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities:

    (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and

    (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

    but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

    (b). the allotment (otherwise than pursuant to paragraph (a)) and/or transfer of equity securities up to an aggregate nominal amount of £1,132.08 (equating to 11,320,754 Ordinary Shares and representing approximately 10 per cent. of the Ordinary Share capital of the Company as at 01 May 2024), provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2025 save that the Company shall be entitled to make, prior to the expiry of such authority, offers or arrangements which would or might require equity securities to be allotted and/or transferred after such expiry, and the Directors may allot and/or transfer equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired. The authority granted by this resolution shall replace all existing authorities previously granted to the Directors to allot equity securities for cash or by way of a sale of treasury shares as if section 561(1) of the Act did not apply.

13. That the Company be authorised generally and unconditionally, in accordance with section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares provided that:

    (a). the maximum number of Ordinary Shares that may be purchased is 11,320,754, representing approximately 10 per cent. of the issued ordinary share capital of the Company as at 01 May 2024;

    (b). the minimum price which may be paid for an Ordinary Share is £0.0001; and (c). the maximum price which may be paid for an Ordinary Share is the higher of: (i) five per cent. above the average of the mid-market value of the Ordinary Shares for the five business days before the purchase is made; and (ii) the higher of the last independent trade and the highest current independent bid for any number of Ordinary Shares on the trading venue where the purchase is carried out.

The authority conferred by this resolution will expire on the earlier of the conclusion of the next annual general meeting of the Company and 30 June 2025 save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

By order of the Board of Directors

Alethia McDonald
Company Secretary of Argentex Group PLC

01 May 2024

Registered Office:
25 Argyll Street, London, W1F 7TU United Kingdom

NOTES:

Proxies

1. A member is entitled to appoint a proxy to exercise all or any of the member's rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company.

2. You can vote either:

   (a). by logging on to **www.investorcentre.co.uk/eproxy** and following the instructions; You will be asked to enter a Control Number, Shareholder Reference Number (SRN) and PIN, all of which can be found on the hard-copy form of proxy or on the electronic copy sent via email where members have signed up to Ecomms.

   (b). whilst shareholders are being encouraged to appoint their proxy and submit their votes online, a hard copy form of proxy is enclosed with this notice where members have requested paper copies. Forms of proxy may also be obtained on request from the registrars, Computershare Investor Services PLC by sending a request to The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by telephone 0370 707 1384. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08:30-17:30, Monday to Friday excluding public holidays in England and Wales; or

   (c). in the case of CREST members, by utilising the CREST electronic proxy appointment services in accordance with the procedures set out below.

3. In order to be valid any form of proxy or other instrument appointing a proxy must be returned duly completed by no later than 48 hours before the time of the Annual General Meeting (excluding nonworking days). The form of proxy must be received by Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY (only if posting a hard copy form). Submission of a proxy appointment will not preclude a member from attending and voting at the AGM should they wish to do so.

4. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

5. To direct your proxy on how to vote on the resolutions, mark the appropriate box on your form of proxy with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

6. Any power of attorney or any other authority under which your form of proxy is signed (or a duly certified copy of such power or authority) must be returned to the registered office with your form of proxy.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via **www.euroclear.com**). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (3RA50) by the latest time(s) for receipt of proxy appointments specified in this notice of AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

Thresholds and entitlement to vote

11. To be passed, ordinary resolutions require a majority in favour of the votes cast and special resolutions require a majority of not less than 75% of members who vote in person or by proxy at the meeting. On a show of hands every shareholder who is present in person (or being a company is present by a representative not himself, a shareholder) and who is allowed to vote at a general meeting shall have one vote. Upon a poll every member holding Ordinary Shares who is present in person or by proxy (or being a company is represented) shall have one vote for every Ordinary Share of which he is the registered holder.

12. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the Register of Members of the Company at the close of business on 17 June 2024 (or if the AGM is adjourned, members entered on the Register of Members of the Company no later than 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend, speak and vote at the AGM in respect of the number of Ordinary Shares registered in his or her name at that time. Changes to entries on the Register of Members of the Company after the close of business on 17 June 2024 shall be disregarded in determining the rights of any person to attend, speak or vote at the AGM.

13. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

14. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

15. As at 01 May 2024, being the latest practicable date before the publication of this notice of AGM, the Company's issued share capital consisted of: (i) 113,207,547 Ordinary Shares each carrying one vote and (ii) 23,589,212 management shares which, so long as there are shares of any other class in issue, do not carry any voting rights. Therefore, the total voting rights in the Company as at 01 May 2024 is 113,207,547.

Miscellaneous

16. Copies of the Directors' service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours from 02 May 2024 and will be available for inspection at the place where the meeting is being held from 15 minutes prior to and during the meeting.

17. Members who have general queries about the Annual General Meeting should email the Company Secretary at **Alethia.mcdonald@argentex.com**. Shareholders may not use any electronic address provided either in the notice of AGM or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.

18. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommend that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company that is found to contain any virus will not be accepted.

Explanation of certain resolutions

1. **Resolution 1** – the Directors are required to present the accounts, Directors' report and auditor's report to the meeting. These are contained in the Company's Annual Report and Accounts.

2. **Resolution 2** – the Directors are required to approve the Remuneration Report for the financial year.

3. **Resolutions 3 to 8** – *retirement by rotation* – in accordance with good corporate governance, each Director shall retire and submit themselves for re-election by Shareholders at each AGM.

   Biographies of each of the Directors are provided on pages 50-52 of the Annual Report and Accounts and are also available from the Company's website **www.argentex.com**. The Board unanimously recommends the re-appointment of each of the Directors.

4. **Resolution 9 and 10** – *auditor re-appointment and remuneration* – at each general meeting at which the Company's accounts are presented to its shareholders, the Company is required to appoint an auditor to serve until the next such meeting and following normal practice, resolution 10 separately authorises the Directors to determine the remuneration of the auditors.

5. **Resolution 11** – *general authority to allot* – this resolution, to be proposed as an ordinary resolution, relates to the grant to the Directors of authority to allot unissued Ordinary Shares until the earlier of the conclusion of the annual general meeting to be held in 2025 and 30 June 2025 (being six months after the financial year end of the Company), unless the authority is renewed or revoked prior to such time. This authority is limited to a maximum of nominal amount of £1,132.08 (representing approximately 10 per cent. of the issued Ordinary Share capital of the Company as at 01 May 2024 (the latest practicable date prior to the publication of this document)).

6. **Resolution 12** – *disapplication of statutory pre-emption rights* – the passing of this resolution would allow Directors to allot Ordinary Shares (or sell any Ordinary Shares which the Company may purchase and hold in treasury) without first offering them to existing holders in proportion to their existing holdings. The authority set out in resolution 12 is limited to (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the

rights of those Ordinary Shares; or (b) as the Directors otherwise consider necessary, or otherwise up to an aggregate nominal amount of £1,132.08 (representing 11,320,754 Ordinary Shares). This aggregate nominal amount represents approximately 10 per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at 01 May 2024, the latest practicable date before the publication of this notice of AGM. This authority will expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 30 June 2025.

7. **Resolution 13** – *market purchases* – the Directors are requesting authority for the Company to make market purchases of Ordinary Shares up to a maximum nominal amount of £1,132.08 (representing approximately 10 per cent. of the issued Ordinary Share capital of the Company as at 01 May 2024 (the latest practicable date prior to the publication of this document)). There is no present intention to exercise such general authority. Any repurchase of Ordinary Shares will be made subject to the Act and within guidelines established from time to time by the Directors (which will take into account the income and cash flow requirements of the Company) and will be at the absolute discretion of the Directors, and not at the option of shareholders. Subject to shareholder authority for the proposed repurchases, general purchases of the Ordinary Shares in issue will only be made through the market. Such purchases may only be made provided the price to be paid is not more than the higher of: (i) five per cent. above the average of the middle market quotations for the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid at the time of purchase. This authority will expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 30 June 2025.

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