

ARGENTEX GROUP PLC
ANNUAL REPORT 2022
9 months to 31 December 2022



ARGENTEX

Argentex Group PLC issues its Annual Report for the 9 month period ended 31 December 2022. The Group has changed to a 31 December year end and for this period it reports its audited results for the 9 months to 31 December 2022.

Argentex Group PLC Annual Report.

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Financial highlights.

Financial period ended 31st December 2022

£41.0m

Revenue

£7.8m

Revenue from new clients

£9.0m

Adjusted operating profit ¹

£8.1m

Operating profit

6.2p / 6.8p

EPS (Basic/Adjusted) ²

2.25p

Final dividend per share

The Group has changed to a 31 December year end and for this period will report audited 9 months to 31 December 2022. FY2022 refers to the period from 1 April 2021 to 31st March 2022. Revenues generated in the twelve months to 31 December 2022 are £50.4m, an increase of 54% compared to the same period in the prior year (12 months to December 2021 £32.8 m). Operating profit generated in the twelve months to 31 December 2022 is £11.3m and adjusted operating profit in the twelve months to 31 December 2022 is £12.3m.

409

New corporate clients traded

1,595

Total corporate clients traded

2.25p

Total dividend per share



2023 Outlook

“We are encouraged that our three-pillar strategy is delivering results and we will continue to focus on building this momentum into 2023 which will see Argentex continue to grow.”

Harry Adams
Chief Executive Officer



“Argentex continues to build out its core offering to capitalise on the evolving needs and interests of its growing and increasingly global client base.”

Lord Digby Jones Kb.
Non-executive Chairman

¹ Adjusted operating profit excludes non-adjusted expenditure and share-based payments as shown in the Consolidated Statement of Comprehensive Income

² Note 13 to the Consolidated Financial Statements





A business demonstrating agility and innovation.



Lord Digby Jones Kb.
Non-Executive Chairman

Global businesses have faced significant challenges over the last two years, navigating the unprecedented global lockdowns followed shortly by the tragic outbreak of the war in Ukraine and a downturn in the UK macro-economic outlook. Inevitably this has led to many adjusting their course to navigate this uncertainty.

Hindsight shows us that the companies successfully performing in and emerging from these conditions are those that prioritised the pursuit of stable, measured growth through the uncertain times, while maintaining an unrelenting focus on the building blocks needed to capitalise on new sector trends.

It is this that defines the strength of Argentex's financial performance through the period - a considered repositioning of the business's strategy which is already delivering, refocusing on investment in people, technology and international expansion in order to pursue new opportunities emerging across the foreign exchange sector. Under the expert leadership of Harry Adams, the evolution of Argentex and its path forward are clear, with a sustainable and diversified platform that is better positioned than ever to meet increasing client needs and delivering for all stakeholders.

I am proud to serve as Chairman of a business that continues to demonstrate its agility and innovation making the most of changing market conditions. My thanks go to Harry and the full Argentex team for their hard work and commitment this year. The ongoing success of the business is testament to their expertise and collective mindset geared towards sustainable growth. It is an honour to work alongside them.

I must also extend my thanks to Lena Wilson for her invaluable contributions to the business's growth in the last few years as a Board Director. Her expertise has come at a vital time for a newly listed business and she leaves with our deep gratitude and best wishes for her future endeavours.

Fundamentally, Argentex has remained a trusted partner to a client base that has, in recent years, had to grapple with a series of volatile



“A strategy that delivers today and creates and business for tomorrow.”

macroeconomic conditions, including the latest period of high inflation, rising rates and a consequential cost-of-living crisis. While such pressures will undoubtedly continue to weigh on business and market sentiment over the short to medium term, Argentex's ability to continue to grow its corporate client base and relative market share, while supporting clients and navigating the market-wide headwinds speaks of the resilience and professionalism in the business.

Argentex is committed to continue outperforming expectations for its clients and shareholders alike by providing a viable and flexible alternative to traditional banks, growing internationally, and developing technology enabled products – there is much to be excited about on the horizon.

KEY ACHIEVEMENTS

Against this backdrop, the Board is very pleased to have delivered results that were ahead of market expectations with record revenue growth and a substantial increase in profitability over the period. These strong results have been achieved alongside the management of an ambitious investment programme and ensuring the continued progressive dividend policy is maintained.

This recent strong performance has not come overnight, nor is it a symptom of external market drivers alone. Through a refined strategy, the last 18 months have been about putting the building blocks in place to unlock the significant growth potential identified and to create a market leading client proposition. While the ambition is long-term, the immediate and tangible results of the corporate strategy cement its viability and potential for future performance.

Argentex continues to build out its core offering to capitalise on the evolving needs and interests of its growing and increasingly global client base. Through the high-quality talent it increasingly attracts, the strengthening expertise within the Group alongside an exciting product development pipeline demonstrates a commitment to being a sophisticated partner to clients.

The business has welcomed market-leading talent at all levels during 2022. On behalf of the Board, I'd like to extend my congratulations to David Christie for all he has accomplished in the first full year of his role as Chief Operating Officer. Hires over the period have professionalised further back-office functions, strengthened marketing,

compliance and risk management divisions, while adding efficiencies and critical resources to the sales team. Their collective contributions are fundamental to Argentex's delivery of a high quality, sustainable and responsible client service.

What is vital in any growing business is the preservation of good corporate culture and a sense of belonging and contribution among its employees. I am proud of the way the business is focused on fostering a culture defined by inclusivity, innovation and collegiality, enhancing the way it delivers value for clients, attracts new business and grows its market share. It is also central to its ability to attract and retain talent.

The increasingly dynamic sector in which Argentex operates, and the evolving needs of clients around the world, mean there is no limit to the role technology can play in enhancing its offering to existing and new customers. The Board looks forward to announcing further developments to the business's technological capabilities as a result of the recent focused investment that has been made.

Argentex's internationalisation strategy designed to replicate its



“Argentex is committed to continue outperforming expectations for its clients and shareholders alike by providing a viable and flexible alternative to traditional banks, growing internationally, and developing technology enabled products.”

Lord Digby Jones Kb.
Non-Executive Chairman

proven and growing UK model in highly regulated geographies where there is demonstrable latent demand for its products and services continues to gain momentum. The Board is pleased that the Group has further strengthened its presence and local market offerings in the Netherlands and Australia. We continue to assess new territories that can support our ambitious growth plans and remain confident in the role these regional offices will play as a springboard to further expansion in new, highly regulated, markets over time.

OUTLOOK

2022 has been a defining year for Argentex operationally, strategically and financially. Our investment as part of the three-pillared strategy is delivering robust results and we are winning further market share as a result of our client centric approach and growing breadth of services. I am excited about the business's continued ability to capitalise on the significant opportunities that present themselves in the global FX and payments sectors.

Argentex is well positioned to continue to enhance its client service, product suite and footprint in line with the increasing trading and digital demands of its clients and further increase market share. I look ahead to the remainder of the year (and beyond) confident in the Company's sustainable diversification strategy and long-term prospects.

Lord Digby Jones Kb.
Non-Executive Chairman
11th April 2023



Investment in growth, delivering results.



Harry Adams
Chief Executive Officer

OVERVIEW

The nine month period to 31 December 2022 represented a pivotal period for the Group where Argentex has focused on driving sustainable and diversified growth across its 3 strategic pillars: People, Technology and International expansion. The evolving suite of technology enabled products and high service levels has attracted a growing number of institutional and corporate clients who seek a trusted and well capitalised counterparty to provide solutions to their global foreign exchange and treasury requirements.

The positive momentum from our last financial year continued into the nine month reporting period and has resulted in Group revenues of £41.0m (FY2022: £34.5m) and an operating profit of £8.1m (FY2022: £10.4m). On a 12-month basis from 01 January 2022 to 31 December 2022, Group revenues of £50.4m and operating profit of £11.3m and adjusted operating profit of £12.3m. These strong results highlight the positive impact this investment in our growth strategy has had on our performance and reinforces the significant long-term market opportunities both geographically and through new diversified products and solutions.

I am delighted by the quality of talent that Argentex has recruited this year. I believe this has contributed to the company's recent growth and reinforces our strong position as a leading provider in the global B2B payments market. We have invested in people at every level of our business across front office, operational and technological roles, as well as strengthening the Senior Leadership team. In November 2022 we announced our LTIP and I am pleased to welcome 42 members of staff as partners and owners of the Group in order to incentivise and encourage retention of senior employees in a manner that aligns with the interests of the Group's shareholders. I'd like to thank the team for their continued hard work and commitment to the Group and look forward to maintaining this positive momentum as we enter the next phase of Argentex's growth.

MARKET BACKDROP

The reported period has once again been dominated by domestic and global uncertainty. The UK's minibudget plunged the pound to its the lowest level against the dollar since decimalisation in 1971, while interest rates across the world have increased to levels not seen since the global financial crisis in 2008.



“We are progressing into ‘phase two’ of our technology led product launch pipeline. We are continuing to invest to ensure our capabilities meet the increasingly digitalised requirements of our stakeholders.”

The Group has supported clients through these unprecedented events and the ongoing impacts of the Russia's invasion of Ukraine, which has had a significant impact on trade, currency, and by extension many businesses' profitability. Every day we speak to clients and prospects who are in desperate need of guidance, which they are not receiving from large banks and other payment institutions.

FINANCIAL PERFORMANCE

The Group has capitalised on the increasing demand from institutions and corporates for a credible, service led, technology enabled provider, to manage their foreign exchange exposure and payments. Our "right tech, right touch" approach has led to Group revenues increasing to £41.0m (FY2022: £34.5m). In addition, 1,595 corporate clients traded with Argentex for the period (1,749 for the 12 month period ending 31st December, FY2022: 1,624). Argentex remains focused on maintaining a high quality and diversified client-base with the Group's top 20 clients accounting for 39% of total Group revenues.

The Group has maintained a disciplined approach to managing costs through the period resulting in an operating profit of £8.1m (£11.3m for the 12 month period ending 31st December 2022, FY2022: £10.4m). Operating margins are also ahead of market expectations at 19.8% with adjusted operating margins of 24.4% over the 12 month period to 31 December 2022. As a result of this strong performance through the period, the Board is pleased to announce an 12.5% increase in the total dividend to 2.25p per share.

The strength of Argentex's performance over the period is ultimately down to the trust our clients place in us to generate the best quality outcomes for the spectrum of their foreign exchange and payment needs. We remain a key partner for their trading requirements in our core foreign exchange proposition and have seen an increase in revenue generated from existing clients seeking different products and solutions. This was particularly evident during the latter months of 2022, as market dynamics created one of the most volatile periods for sterling on record, therefore, companies relied on Argentex to guide them through this black swan event, seeking hedging strategies, payments, treasury and risk management solutions.



“The successful combination of people, technology and international expansion are expected to generate a strong return through growth in revenues, increased profitability and continued earnings quality.”

Historically, our revenue mix has been a 50:50 split from spot and forward trades, however since the inception of our Structured Solutions division in FY2022, 10% of revenue was generated through this new division in the reporting period. Not only has the product mix diversified, we have seen a 65% increase in clients trading online for the period, like for like, using our new platform.

GROWTH STRATEGY

Our strategic investments across our three pillars: people, technology and international expansion, have enabled us to increase our share of client's wallet and provide a viable alternative to the traditional banks who are seeing their historic 85% market share come under pressure.

People

We remain focused on investing in our people to drive forward our organic strategy, creating an empowering and collaborative environment for our growing team as well as fostering the next generation of graduates and financial services professionals through their early stage careers. Our success has been accelerated by the senior hires we have made in the last year across the Group to support our strategy.

The strategy to grow our office capacity continues with 25 new hires over the period.

At the period end date, global headcount was 137 and our bench has never been stronger. I am proud of the entrepreneurial and supportive culture we have created, and to which every Argentex employee contributes.

Technology

The technology strategy was driven by the demand from institutional and corporate clients to give them optionality and flexibility whilst also creating efficiencies in our business. As part of 'phase one' of our technology strategy we launched an enhanced online platform during the period. Pleasingly, our results clearly demonstrate the immediate positive contribution this first phase of our technology development has had on both client experience and Group earnings. Online revenue increased by 89% to £1.2m (FY2022: £0.6m) and the number of trades online grew by 41% to 4248 (FY2022: 3010). We now look to activate 'Phase 2' of our technology plan where we remain focused on maintaining the momentum to meet the evolving client demands, both in the UK and overseas.



“The strength of Argentex’s performance over the period is ultimately down to the trust our clients place in us to generate the best quality outcomes for the spectrum of their foreign exchange and payment needs.”

International Expansion

Our presence in the Netherlands and Australia is indicative of our strategy to transform Argentex from a single product, single-office business into a multi-product, global business.

The Netherlands subsidiary, was awarded an Electronic Money Institution (“EMI”) licence by the Dutch National Bank in September, providing access to a substantial domestic market. In 3 years, the office has grown to 16 professionals and delivers a meaningful contribution to Group revenue. While the office prioritises domestic revenue streams, this credible licence endorses Argentex’s differentiated and uncompromising approach to regulation and provides our business with a springboard to other European countries, creating a scalable model for future growth in the continent. I am pleased to announce following the period end, we have been awarded a draft Australian Financial Services License (AFSL) which launches the Australasian offering. We look forward to reporting on progress of this exciting market opportunity.

We maintain a measured and client-led approach to our international expansion and are actively monitoring for long-term growth opportunities in new regions.

SUSTAINABILITY

Our growth strategy is supported by clear sustainability goals under the three pillars of Planet, People and Partners.

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, which are outlined later in this report on pages 64-67.

OUTLOOK

We are encouraged that our three-pillar strategy is delivering results and we will continue to focus on building this positive momentum into 2023.

The strategy to grow our office capacity continues as planned over the long term. As such, we will double the footprint of our UK and European headquarters during H1 2023, with a number of expected new hires in the UK, Netherlands and



“We will double the footprint of our UK and European headquarters during H1 2023.”

Australia. Looking ahead, our focus on attracting industry-leading talent remains unchanged, whilst fostering our existing talent and bringing them up through the ranks.

We are continuing to invest to ensure our capabilities meet the increasingly digitalised requirements of our stakeholders through progressing into ‘phase two’ of our technology led product launch pipeline. This year, we will launch our alternative transaction banking division, initially giving institutions and corporates their own unique multi-currency accounts. This is an important and differentiating step for the Group as it capitalises on its core business to propel itself into new markets and territories.

The successful combination of people, technology and international expansion are expected to generate a strong return through growth in revenues, increased profitability and continued earnings quality.

I would like to thank our employees, business partners and shareholders for their continued support and look forward to sharing more updates with you in the coming period.

Harry Adams
Chief Executive Officer
11th April 2023



An evolving business with strong core fundamentals.



A founder-led business established in 2012 and headquartered in London with operations in Amsterdam and Australia; successful IPO to London's AIM market in mid-2019.

Argentex is a global payment and currency risk management specialist. It offers bespoke services alongside market leading technology. When choosing Argentex, our clients will benefit from improved rates and tailored management solutions, whilst providing them with certainty that their organisation is in safe hands

- Argentex assists a wide range of clients with FX transactions related to genuine underlying business needs, acting as a (Riskless Principal) broker for spot, forward and structured solutions FX contracts
- One of Europe's largest publicly traded FX specialists. Clients trade between £1m - £500m annual FX flows
- We do not engage in speculative trades, offer margin trading, spread betting or CFDs
- Our high quality and growing client base is attracted by deep FX expertise, tight pricing, transactional efficiency, robust regulatory compliance and risk management procedures
- A founder-led business established in 2012 and headquartered in London with operations in Amsterdam and Sydney; successful IPO to London's AIM market in mid-2019

Agile business model and balance sheet strength is built around a programme of investment in technology, compliance and risk management

- A balanced approach to risk is at the heart of the Group
- We prioritise stable, long-term cash generation over short-term trends, actively turning away businesses that don't meet our strict risk parameters
- We set a very high governance benchmark within the industry, only trading with best in class counterparties with robust balance sheets, high credit ratings and sound capital resources
- Scalable, proprietary technology is continually being optimised to help us develop online capabilities, structured products and analytical tools for a growing client base which will support our long-term sustainable growth
- All client funds are safeguarded at Tier 1 banks.

Investment case built around unrivalled track record of delivering organic growth whilst supporting a dividend

- Highly cash generative business model delivering growth and income for shareholders
- Agile business model and strong balance sheet supported by risk management systems, meeting the ongoing requirements of a growing client base
- Management team's long-term approach demonstrated by clear strategy proven to perform through market cycles
- Positive long-term prospects driven by our clients' requirement to trade for commercial reasons, irrespective of market environment

A committed management team and dedicated experts sit at the core of the Business

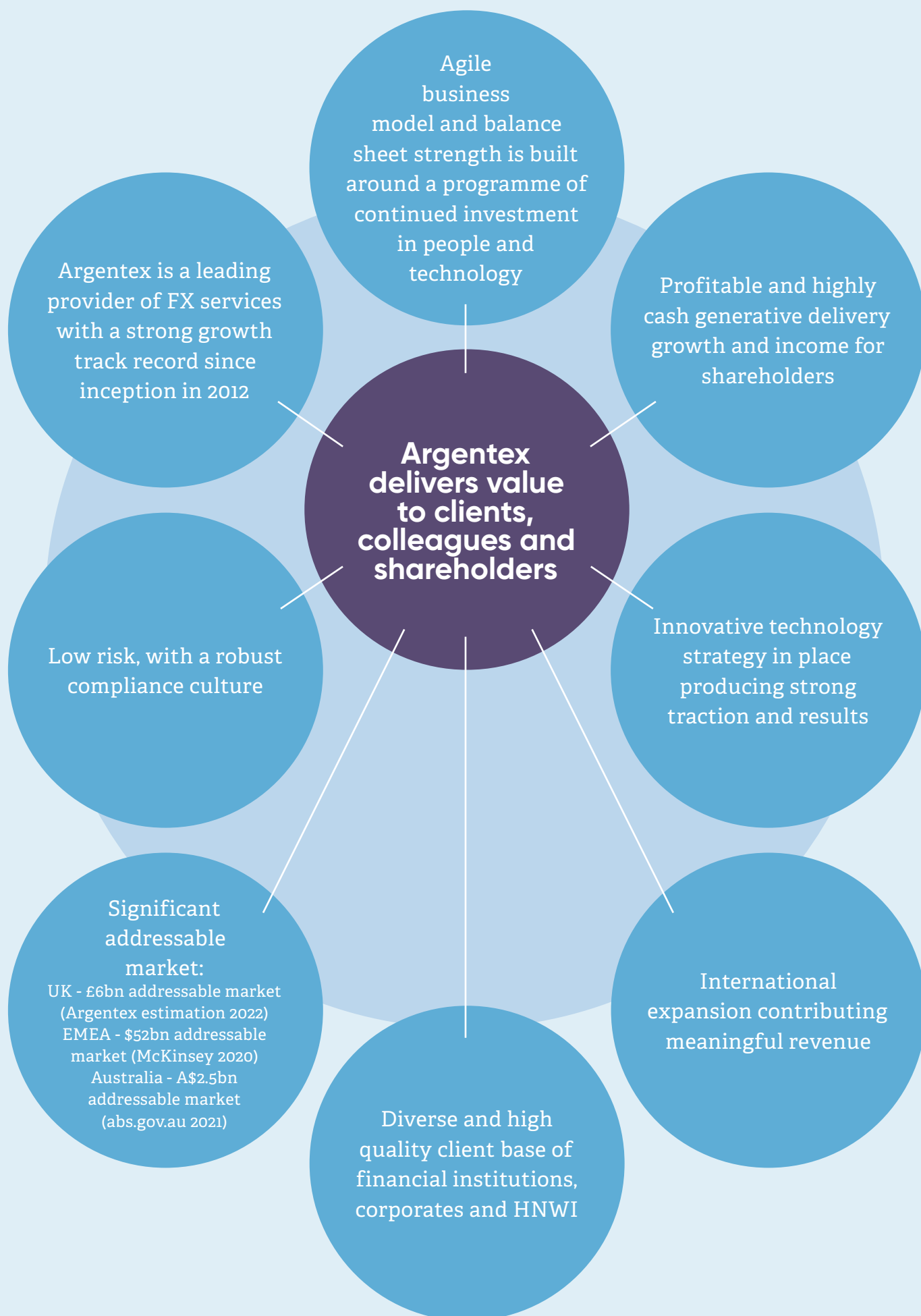
- Our dedicated market experts are the foundation of Argentex's differentiated proposition
- Each dealer is a professional with an average of 10 years experience of actively trading across market cycles
- Our expertise has been recognised by third parties globally, regularly appearing in Bloomberg, rated as the world's most accurate forecaster
- We provide a personal client-led service, improved pricing and a more efficient execution and settlement service than banks and larger broker-dealers

Why invest in Argentex?

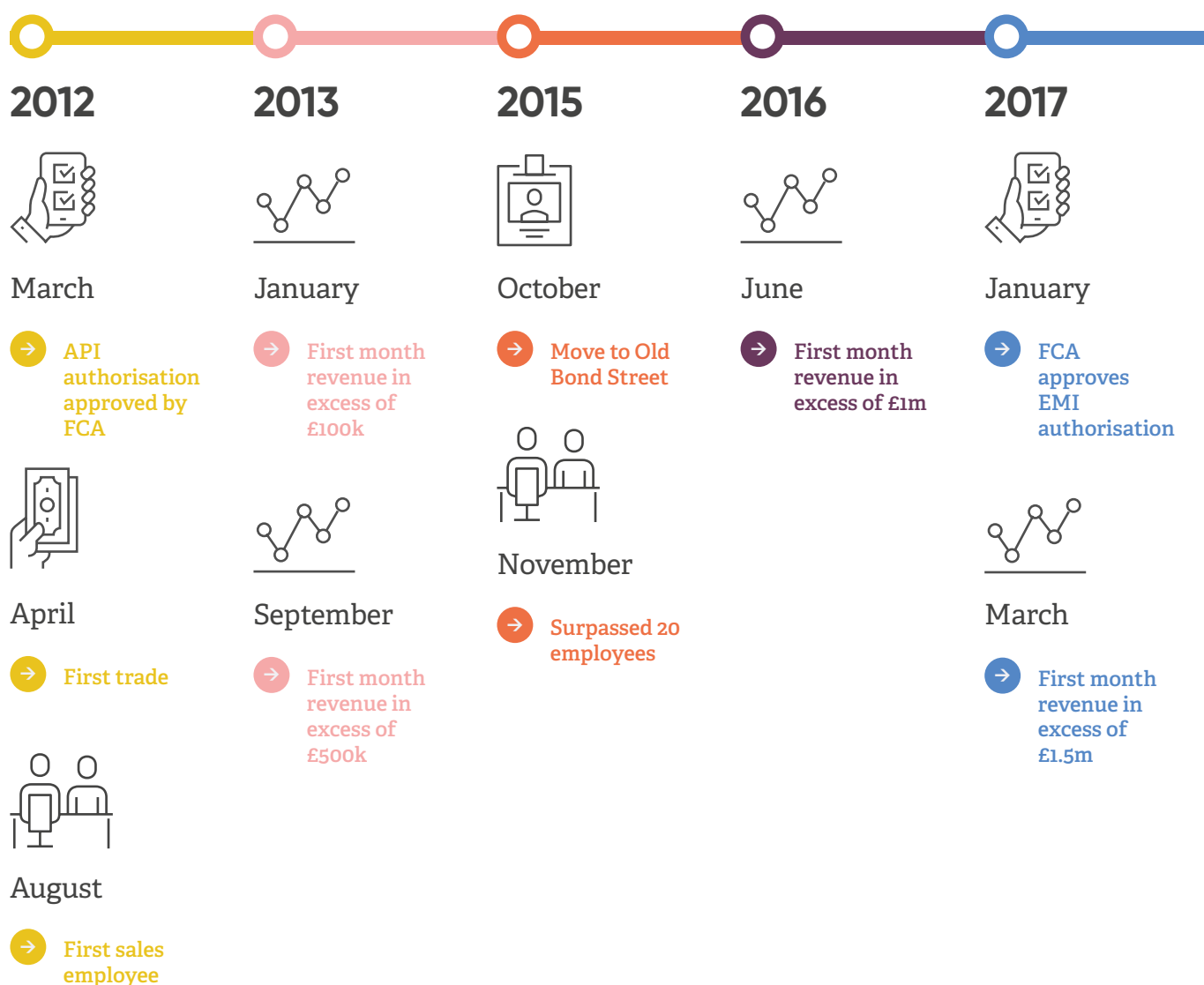


We are driving long-term sustainable growth for our shareholders

Our client centric strategy and culture enables us to build long term relationships and address the structural growth opportunities. Continued investment and innovation into our proprietary technology people and international expansion, ensures we enhance our proposition, service and client engagement, which drives long-term sustainable growth.

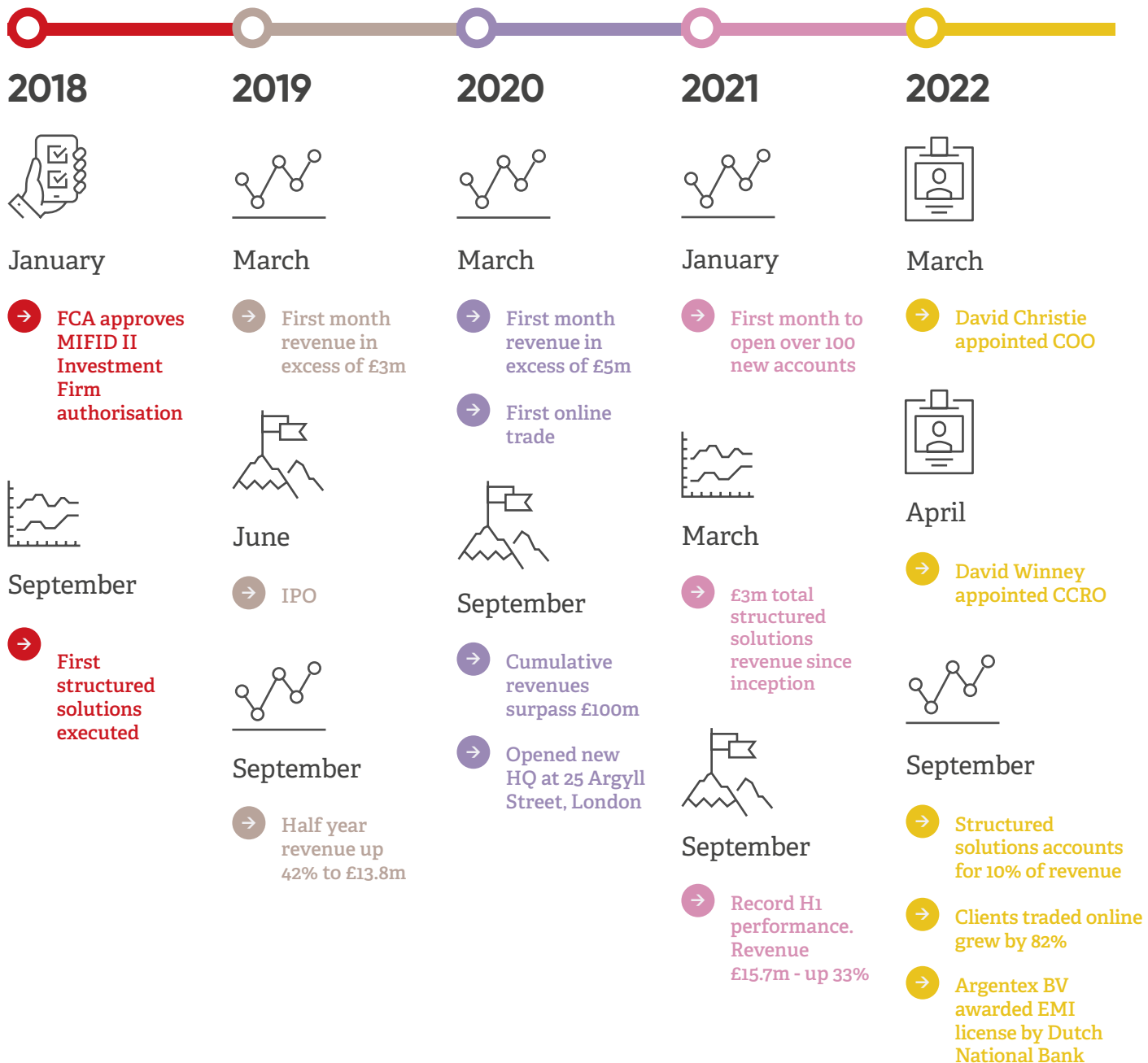


Evolution of Argentex.





Founded in 2012 with
the backing of Sir John
Beckwith's Pacific
Investments Ltd.



FX, payments and technology expertise at the core of our management team.



Harry Adams
Chief Executive Officer,
Co-Founder

Harry is a founding partner of Argentex. As CEO, Harry is responsible for the strategic direction of the Business. Harry oversees the front office including the Business development and revenue generation of Argentex. With over 15 years' experience in the deliverable foreign exchange market he ensures the organisation is abreast of technical and fundamental market changes, product governance, suitability and client classification. Harry also sits on the Advisory Board of a company that delivers market leading streaming and live broadcasts.



Jo Stent
Chief Financial Officer

Jo joined Argentex in February 2021 with over 25 years' experience. At Argentex she is responsible for financial strategy of the Group and the entire finance function as well as legal and corporate governance matters across the Group. In addition, she is responsible for the Group's sustainability strategy. She has held a number of senior financial leadership positions in large blue chip multinationals across a number of geographies. She brings considerable experience in international scaling, business transformation and innovation. She qualified as a Chartered Accountant in 2000 with EY.



David Christie
Chief Operating Officer

David joined Argentex in 2022 and is responsible for the technology and settlements/operations teams. He is responsible for the strategic change agenda and its execution as the business transitions from a single office, single product to a multi office, multi product offering. David has over 25 years' experience in financial services technology, and over 15 years' experience in the FX and international payments space where he was formerly COO of XE (formerly HIFX).



David Winney
Chief Compliance and Risk Officer

As Chief Compliance & Risk Officer, David is responsible for developing a strong compliance and risk framework to underpin Argentex's future growth strategy, supporting the UK businesses as well as new opportunities in the Netherlands, Australia and beyond. He joins Argentex with a career in financial services spanning over 30 years managing global teams within financial institutions such as HSBC, Citigroup and Bank of America as well as foreign exchange and payment services firms such as AFEX (CorPay) and Monex Europe. David is a Fellow of the International Compliance Association and a Chartered Member of the CISI.

Unique talents, backgrounds and perspectives.



In 2022, the Argentex Culture Committee was formed. This committee is made up of cross section of employees from within the business. It is a forum where ideas are shared and actions taken to maintain a positive, inclusive and thriving working environment which is particularly important as the business scales and increases its global footprint.

We encourage our workforce to be entrepreneurial and creative as well as fostering a transparent culture with excellent lines of communication.

The Argentex environment allows talent to flourish and be well rewarded.

We host multiple graduate programmes recruiting the best talent. The programme consists of intense training, skills development and support to ensure the best outcome and longevity of our personnel.

We offer a competitive base salary, competitive commission, bonuses and incentives dependant on performance.

We have a robust code of conduct which our employees are expected to adhere to without exception.



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, and in turn we are passionate about our people through collaborative working, wellness programmes and continuous personal development.

Agility

We pride ourselves in 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.





Kitchen area, 25 Argyll Street,
London - Argentex HQ



What we do.

We are a global payment and currency risk management specialist; we offer bespoke services alongside market leading technology. When choosing Argentex, our clients benefit from improved rates and tailored risk management solutions, whilst providing them with certainty that their organisation is in safe and capable hands.

Our business is evolving but our strategic imperatives and our core fundamentals are unchanged. We work with businesses and financial institutions who want certainty for their global payments and currency management solutions.

Trust, competitive price, excellent service and best in class technology are the fundamentals of what we strive to achieve for our clients.

Argentex operates as a Riskless Principal foreign exchange broker of non-speculative spot, forward and structured solutions FX contracts. Our business model, strategic imperatives and our core fundamentals are unchanged. For Professional and Eligible Counterparty clients we offer FX structured solutions and certain FX Forwards.

NO MARKET RISK

Each client trade, regardless of product, is matched at one of the firm's institutional counterparties. Existing institutional counterparty relationships are held with Barclays Bank PLC, Macquarie Bank International, Sucden Financial Limited, Citigroup and Nomura. All trades executed by the firm are over the counter (OTC), and matched within seconds. The firm does not permit speculative trading with regards to its products, instead requiring an underlying transactional need for the currency exchange (for example payment for goods and services, conversion of revenue/ profits, balance sheet hedging). This avoids adverse market moves creating significant losses which clients may struggle to service and is a core tenet of the Group's risk management policies.

ZERO SPECULATION

Argentex does not speculate and so revenue is purely derived from the difference between the rate it buys and sells currency at, and is therefore purely transaction-led. This means that continued, long-term sustainable growth is dependent on long-term mutually beneficial relationships which is why 'Treating Your Customer Fairly' is not just an FCA principle for us but a core precept of how we deal with every client. As an Authorised Electronic Money Institution, any funds received by Argentex prior to the value date of an FX trade or held by Argentex post trade but not yet paid to the order of the client are redeemed for Electronic Money, which is issued to the client and segregated accordingly. All trades are settled under "safe settlement" conditions, whereby the firm only pays funds to the order of a client upon receipt of cleared funds from that client, mitigating credit and settlement risks.

STRICT ADHERENCE TO CLIENT SAFEGUARDING PROTOCOLS

All client balances are stored electronically on Argentex's system, and repayable on demand. Argentex operates a robust reconciliation process to safeguard its clients' funds in accordance with industry best practice and the Electronic Money Directive. Settlement is made through specially designated, segregated accounts held with Tier 1 banks.

TARGETED CORPORATE CLIENT ACQUISITION MANAGED BY EXPERIENCED PROFESSIONAL TRADERS

Direct marketing undertaken by the firm's sales team is targeted at those businesses which it believes can benefit from those services and products offered by Argentex. If a prospect's interest is piqued sufficiently to use Argentex, following a rigorous KYC assessment, the prospect becomes a client and is assigned a dedicated dealer whose job is to develop the relationship from then on.

Stakeholder engagement and value creation.

Our three pillared strategy centred around People, Technology and International expansion has given the business focus and driven operational resilience.

Continued investment in our people, technology, and global expansion ensures we can enhance our proposition, service and client engagement, which drives long-term sustainable growth.

Inputs



PEOPLE: Our people are at the core of our business, ensuring we deliver on our core values. Aside from developing their knowledge and expertise they implement our strategy and deliver our products and services. 2022 has seen some significant hires with new roles created in Compliance, HR and Technology.

David Winney has joined as CCRO and significant investment in support functions has also been made to prepare for scaling the business across new product launches and geographies.

TECHNOLOGY: Our platform uses our own proprietary systems, allowing us to develop our products and services in an agile, secure and efficient way.

We embrace technology and actively push innovation to improve the client experience now and in the future through improved architecture and intuitive navigation.

We invest to ensure our systems are safe and secure giving confidence to our clients.

Growth



GROWTH IN CLIENTS: We have a market leading, right touch, client focus service facilitated by a scalable online platform. Through a combination of investment and application of our core values, we continually improve the client experience, attracting new clients and retaining our growing and existing client base.

GROWTH IN SERVICES: 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, which makes us an even more integral part of our client's daily financial role.

Economics =

REVENUE: Argentex assists a wide range of institutional customers with FX transactions related to genuine underlying business needs, acting as a (Riskless Principal) broker for spot and forward FX and structured solutions.

COSTS: Operating as a Riskless Principal foreign exchange broker of non-speculative spot, forward and structured solutions FX contracts. From our revenues, we fund the administration of the platform, our proposition and the business as a whole. Key to our strategy is the reinvestment into people and technology ensuring that we are always improving and evolving the service and maintaining our competitive advantage.

PROFITS AND DIVIDENDS: Our revenue and scalability deliver profits which quickly convert into cash. After ensuring we maintain a surplus of capital over and above our regulatory requirement to fund the growth of the organisation, we can then pay dividends to our shareholders. Our dividend policy is shown on Page 62.

Value Creation

By placing clients at our core, continuing our investment and adherence to our company values, we will enable further growth. This will deliver long-term value creation, not only for our clients but for all of our stakeholders.

CLIENTS: Our exemplary high service level for our clients remains at the forefront of our business. We combine our talented workforce with stringent processes and technology to ensure the client is satisfied with us as their foreign exchange provider.

EMPLOYEES: We endeavour to create an environment that fosters talent, commitment and results. Our team's efforts, dedication and successes are rewarded and celebrated and the atmosphere is collaborative.

SHAREHOLDERS: We are committed to achieving long-term, sustainable growth for our shareholders. We want to continue to generate revenue growth, strong operating profit and sustained shareholder value.

An Overview.



“We remain the go-to partner for our client's trading requirements in our core foreign exchange proposition and have seen an increase in revenue generated from existing clients seeking different products and solutions.

Harry Adams
Chief Executive Officer

The Group continued to maintain its prudent approach to risk management, focusing on the quality and diversification of its book, despite the continuing uncertainty of geopolitical backdrop. Argentex has remained debt free, cash generative and profitable with a strong financial performance for the 9 month reporting period to December 2022. This year saw the start of implementing the new strategy and invigorated the growth potential of the Group.

Our targeted investment in a high quality team has enabled us to continue servicing clients with the high standards they expect, throughout the year. Client demand remains strong with 1,595 corporate clients trading in the 9 month reporting period (FY2022 1,642). This growth in client base has been approached prudently with a careful take on procedures as we pursue responsible and sustainable business growth underpinned by the conservative approach to risk management which resonates through the business. We continue to enjoy very low levels of client default. Argentex weathered the previously prolonged downturn in market activity and subsequently seized upon a clear market opportunity as trading volumes returned. The Group continues to have no direct currency exposure to the Russian Rouble and closely monitor the wider potential impacts of the Ukraine / Russian crisis.

KEY ACHIEVEMENTS

Shaping the growth strategy and building on the existing foundations laid since IPO, the Group has continued to invest to ensure it develops to meet its client needs and drive shareholder value. Trading has remained strong and reports nine month revenues of £41.0m, a 63% increase compared to the same period last year (FY2021: £25m). This growth was driven by the Group's targeted investment in strengthening its team, broadening its geographic reach, and gaining more market share. In addition, the Group has evolved its technology proposition to drive efficiencies and meet the growing demand from new and existing clients for its growing list of products and services.

INTERNATIONAL GROWTH: As the market outlook continues to improve and we meet growing client demand through investment in our people and technology, we are progressing with our plans to evolve our strategy and operations to take advantage of the significant growth opportunities and emerging trends that lie ahead in the UK and in selected geographies.

The Group's Dutch office, which is the European hub of Argentex, continues to deliver ahead of expectations. The team has delivered positive YOY revenue growth since inception in January 2020. The EMI Licence was granted in September 2022 – Argentex is now 1 of 10 companies to be granted this licence by the Dutch National Bank. Ongoing investment in people remains as the business scales with 2 new hires in the period. In addition, the supervisory board has appointed Eppo Heemstra as Chair.

The Argentex Australian Financial Services Licence is imminent and Management and key hires onboarded. Lastly, the Advisory board has been appointed.

The Netherlands will accelerate expansion across Europe and Argentex is exploring further territories with similar market dynamics.

TECHNOLOGY: As part of its first phase of the technology strategy, Argentex launched its technology-enabled trading and client service platform and now has strong user data. Over 22% of clients now use the platform and generate c 2.5% of revenues. Our commitment to continually deliver the best outcomes and experience for clients and further enhancing the in-person service-led approach which the Group has championed, is bearing fruit. The client platform has been significantly optimised to improve the usability and customer experience online. It enables our clients to tailor the service levels they require as well as increasing functionality and driving real time engagement. This optimised platform is now supported by a mobile responsive interface, providing further flexibility to the Group's client base and enable the Group to take a greater share of client wallet. It was set up to seek to capture new customers, drive basket size and gain further international reach. For the reporting period, online revenue reached £1.2m with 351 clients using the platform. The continued digitisation of the platform will support the Group's aims to create a more efficient and scalable platform with diversified revenues to help drive profitable growth, scale safely and efficiently at pace.

INVESTMENT IN PEOPLE: The Group appointed David Winney as Chief Compliance and Risk Officer to join the executive (non-Board) leadership team.

David Winney joins Argentex with a career in financial services spanning over 30 years managing global teams within financial institutions. David is responsible for developing a strong compliance and risk framework to

underpin Argentex's future growth strategy, supporting the UK businesses as well as new opportunities in the Netherlands, Australia and beyond.

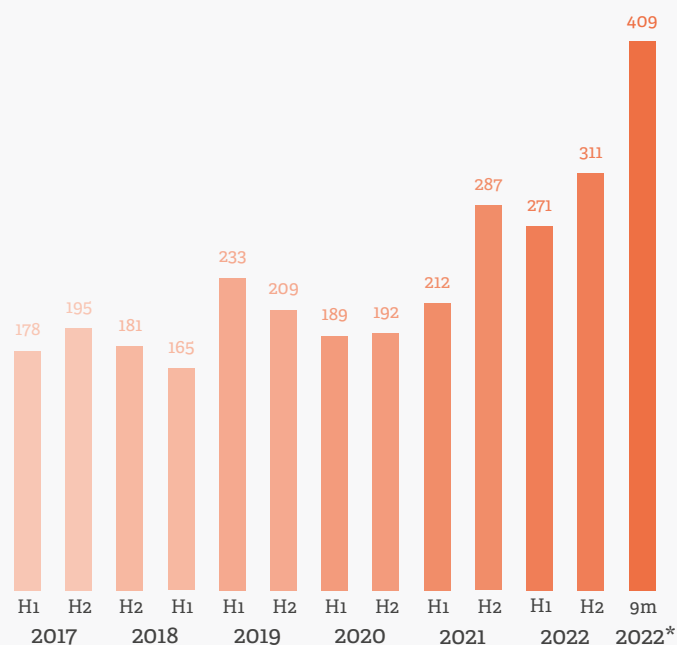
In addition, Argentex continues to invest in talent across the Group. Average headcount grew by 45% in the reported period bringing total current Group headcount surpassing 130. Argentex has increased its bench strength across the support functions in order to enable the business to scale efficiently and maintain a balanced approach to risk management.

MACRO-ENVIRONMENT AND IMPACT

It is undeniable that this volatile geopolitical picture, compounded by significant macro-economic pressures felt globally as the cost-of-living soars for many, will impact market and business sentiment over the next 12 months. Global businesses will face long-term economic challenges as a result of the conflict and the rising inflationary environment, but whatever winds of challenge or opportunity blow, Argentex is well set to face them.

The Group is confident in sustained growth, as is evidenced in this report. At its core is an unwavering, long-term strategic focus on technology, people and international expansion; we look forward to continually evolving our proposition, products and footprint to meet the needs of a growing client base, and transforming the way they interact with Argentex. This underpins the positive long-term outlook for the business.

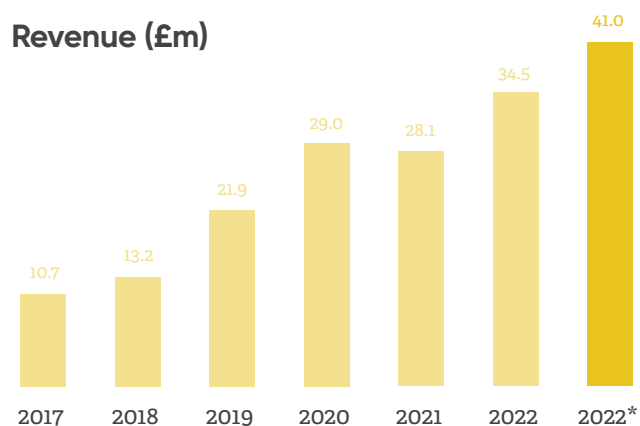
Number of new corporate trades



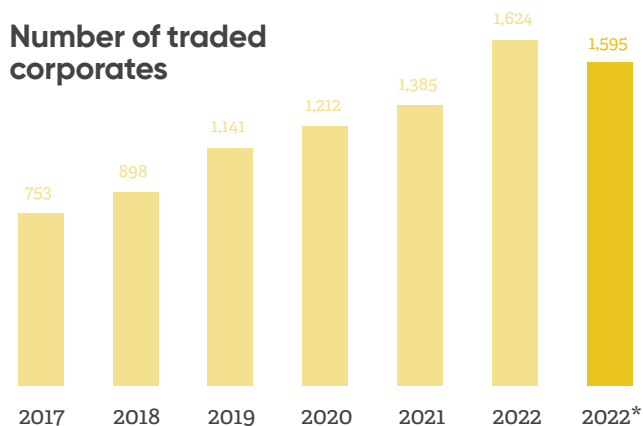
* Audited figures for the 9 month period ended 31st December 2022

Growth and profitability

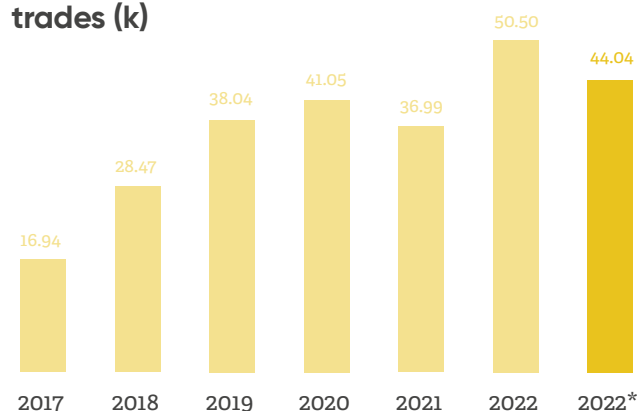
Revenue (£m)



Number of traded corporates



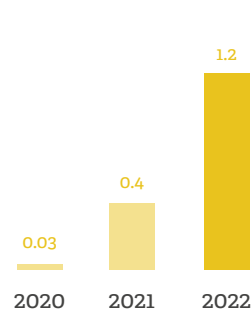
Number of trades (k)



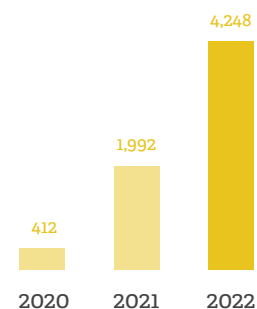
Average revenue per traded corporate client (£k)



Online Revenue** (£m)




Number of online trades** (k)



* Audited figures for the 9 month period ended 31st December 2022

** Audited figures for the 9 month period ended 31st December 2022 compared to prior 9 month periods

A leading provider of global payment and currency risk management solutions.



Spot, forward and structured solutions FX contracts – Tailored hedging strategies.

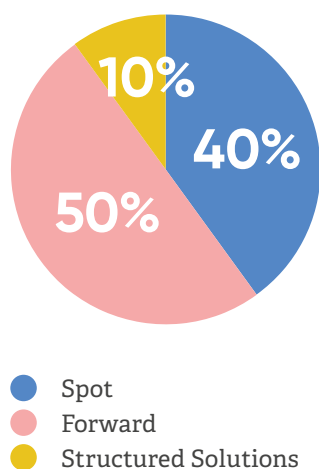
Argentex executes FX spot, forward and structured solutions contracts on behalf of its clients. Revenue from FX structured solutions is realised as cash immediately in the form of premium. Revenue from spot trades is realised within two business days. Forwards attract higher spreads than spot trades 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. A blend of spot and forward contracts is therefore important for an optimum mix of revenue generation and cash flow. Argentex has always been there to meet the client's needs and avoid confusing matters with unnecessary strategies.

Since inception this has led to a mix of approximately 2/3 spot and 1/3 forward contracts by volume, which due to the wider spreads achieved in forward contracts translates into a revenue split of approximately 50/50 by product. The last 12 months, however, has seen the introduction of our structured solutions offering which now accounts for 10% of our revenue (FY2022: 3%). We are increasingly diversifying our revenue mix and there are clear signs that there is significant appetite for our new products.

* Spot, forward and structured solutions revenue excludes swaps

Product Mix.*

Revenue



Riskless Principal.

Argentex operates as a Riskless Principal broker which means that each client trade is matched with an identical trade at one of the Group's institutional counterparties. The difference between the rate we execute at our institutional counterparty and the rate we pass on to our client is the only source of our revenue. Several layers of systems and controls exist to ensure that no trades remain unmatched, and that the parameters of each trade are correct, including a four eyes verification and multiple reconciliations throughout the day. This means revenue is transaction led only, and Argentex does not speculate. By prohibiting clients to speculate this eliminates market risk to the Group.

Commercial transactions only, no leveraged or margin trading.

Margin trading or spread betting is extremely risky to capital as it allows for very large bets to be placed by putting down comparatively small deposits – in other terms the trades are highly leveraged. Large adverse market moves can therefore lead to losses building up extremely quickly (as the trade goes 'out of the money') which the underlying client may find difficult to service. If the client defaults, then the broker has to bear the loss. By never allowing clients to speculate, this acts as a self-regulating risk control that ensures that a solvent client never builds up out of the money positions it cannot service due to the fact that it has a commercial need to settle the notional value of the trade, not the fair value of the trade only as it would with a leveraged speculative position.

Our suite of services.



“The technology strategy was driven by the demand from institutional and corporate clients to give them optionality and flexibility whilst also creating efficiencies in our business.”

David Christie
Chief Operating Officer

TRADITIONAL VOICE BROKING

Complex products, policies and hedging programmes often conceal the primary goal which should be risk mitigation, not profiting from foreign exchange by trying to ‘beat the market’. A personal relationship with a professional trader will add value as they gain an understanding of your business. They can provide timely and relevant information to assist the client in making more informed decisions. Some clients are in regular contact with their dedicated dealer several times per week, whilst others prefer far less frequent contact; sometimes as little as once a quarter. Most clients will sit somewhere on the spectrum between these two extremes, and it is the job of the assigned trader to establish the best fit for the client’s needs.

ONLINE CAPABILITIES

The last 18 months has been a time of planning and execution. We have completed our first phase of a planned suite of proprietary tech enabled products and a step forward in the Group’s journey towards becoming a technology led financial service provider, with improved client accessibility, experience and scope to broaden our product offer.

Using our mobile responsive online portal, our clients can book spot or forward contracts online 24hr Monday to Friday on any device, any time, up to a maximum tenor and open exposure set by their dealer. They can also place market orders, setup and modify beneficiaries, assign beneficiaries to a trade, draw down trades, review transactions and account balances, including collateral held, and make payments from a balance and download statements as well as share account details with their customers/investors.

Our Online Trading Offering.



Adding new capabilities:
Online trading and reporting portal

The strategic importance of a complementary tech-enabled service that gives our clients optionality, flexibility and drives efficiency is ever growing. Whilst our online trading platform has been in operation for over two years and is complementary to our core business, it has undergone a series of optimisations to offer a convenient and growing suite of products to meet our clients' needs.

Over 22% of clients now use the platform and generate c 2.5% of revenues. With more clients trading more frequently and trading higher volumes and transaction sizes, we will be further driving adoption of the online proposition to all clients in the coming period.

As we continue to invest in the platform, Argentex will add further enhancements to the client experience as well as open up new client segments that we have previously been unable to serve. This will all contribute to further retention of our clients.

We will also be investing in new technology across other areas of the business for example, to support the growing structured products business to ensure we can scale safely and efficiently at pace.

Argentex Online

- 24-hour trading, Monday - Friday
- Smaller trades, higher margin
- Beneficiary and payment management

Existing clients

- Smaller trades that slip through the net
- Time critical trades
- Execution only

New clients

- No need to turn away smaller, but higher margin business
- Time efficient

Scaling after significant investment.



“Continually optimising our online user experience and journey remains a priority and will remain so for the foreseeable future.”

David Christie
Chief Operating Officer

In addition to product focused technology investments we have invested in improvements to our customer relationship management capabilities to make the growing sales team more efficient and scalable and assisting the dealing team with more proactive insights to manage client engagement. In addition, we have improved our sales intelligence and client journey with increasing digitisation of the sale process which has improved the client experience and reduced time to onboard, whilst still ensuring high levels of regulatory compliance.

In the back office there is also increasing technology investment in payment processing, reconciliations and supporting regulatory requirements to make these processes more efficient and scalable going forward.

From an international perspective there is ongoing technology investment to support the drive into new regions whilst also supporting local regulatory requirements.

Phase 1 of our technology pillar has been completed. We understand our different clients and their different needs and have put in place the foundations on which to layer new products to provide the best service for their requirements in the most convenient and efficient way. Our

online portal, hedging strategies and structured solutions are the start of our pipeline of products and their success, to date, is testament to the planning and execution of the strategy.

We now embark upon phase 2 which will see Argentex continue to create diverse products to serve our diverse and segmented client base. This will create further convenience for our clients and also a cross selling opportunity, for Argentex. Our priority remains giving our clients what they want and need by creating products that will stand out and be exceptional, whether that be through risk management and price discovery. Continual optimisation of our client's experience and journey is an integral part of our three pillar strategy.



High quality and diverse client base.



“A customised level of service is always provided. Time is spent getting to know the client’s requirements and their business objectives.”

Harry Adams
Chief Executive Officer

We are proud of our high quality and diverse client base without being overly exposed to any single sector

Our aim is to build long-term relationships with our clients which is why ‘Treating Your Customer fairly’, is not just an FCA principle for us but a core precept of how we deal with every client.

Fostering client relationships is paramount to the success and longevity of our business.

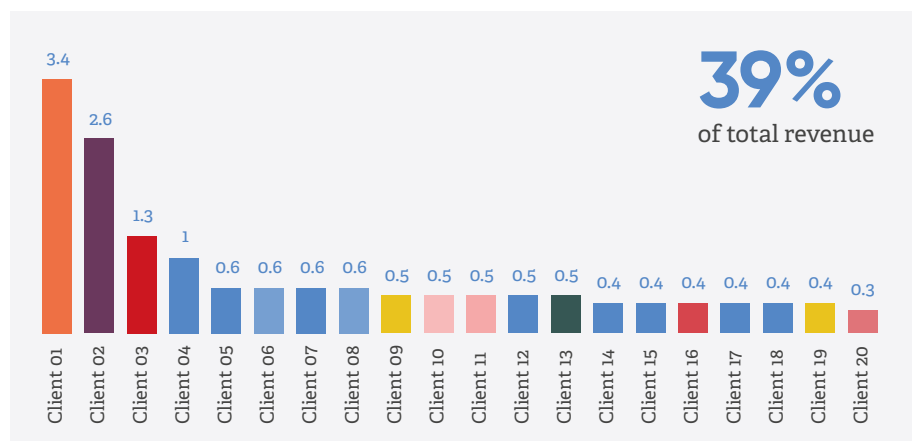
Our corporate clients come from multiple industries such as manufacturing, food & beverage and electrical as well as institutional clients from private equity and insurance to family offices.

A positive consequence of forging these long-term relationships are the referrals and word of mouth recommendations Argentex regularly receives both laterally and vertically through our clients’ supply chains.

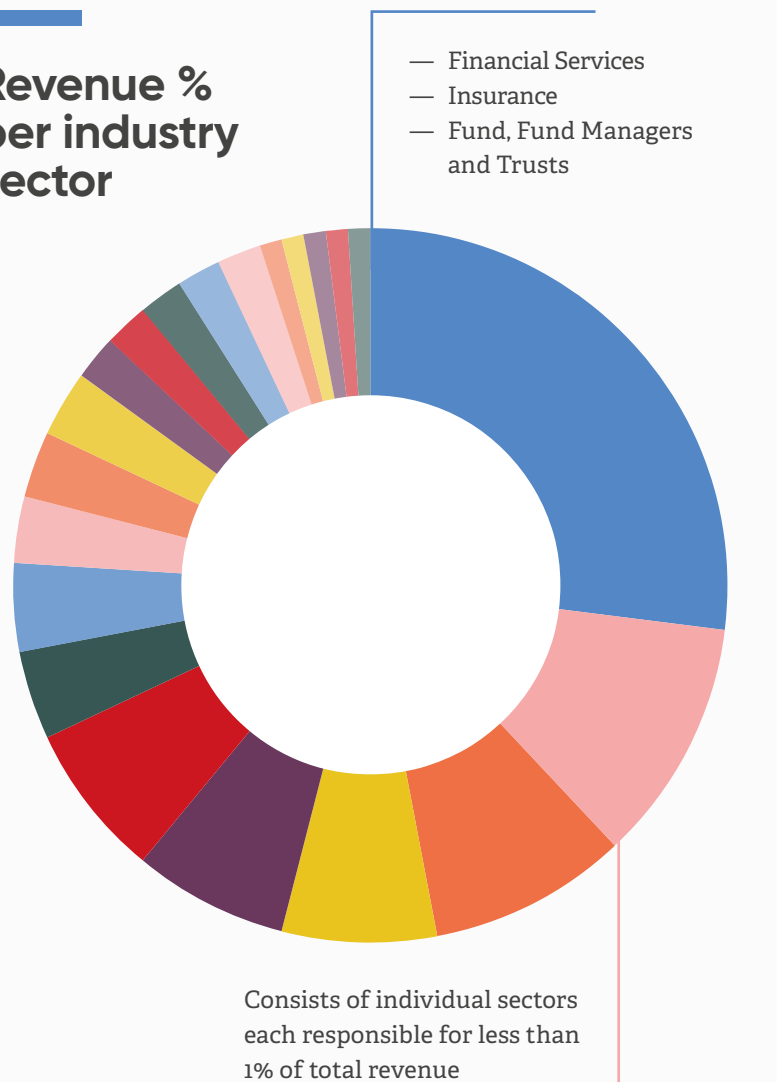
Having a diverse client base is not only key to reducing risk, but it also makes the Group agnostic of market direction, allowing the Group to generate revenue in all market conditions.

Argentex remains focused on maintaining a high quality and diversified client base with the Group’s top 20 clients accounting for 39% of total Group revenues (FY2022: 36%).

Top 20 Clients £m



Revenue % per industry sector



Retaining and growing the diverse client base

Committed, excellent service and strong performance have granted us the trust of our clients, which have contributed to our growing and diverse client base.

1,595 corporates traded in the nine month period from 1st April to 31st December 2022, 409 of which were new corporate clients. Not every client will trade every year – some hedge multiple years' exposures in one go whilst others may create an SPV with the sole purpose of transacting a deal (for example a private equity transaction).

A customised level of service is always provided. Time is spent getting to know the client's requirements and their business objectives.

Client case studies.



Medical and Pharma

Argentex assist and manage this segment based on client's needs. In its simplest format our clients may look to use the Argentex facility to gain access to a more efficient Spot rate than they would otherwise achieve using their banking provider. This, coupled with the zero wire fee, makes us an attractive proposition for clients importing goods or raw materials from overseas territories. Should the client wish, they may also then investigate and proceed with derivative instruments to manage the exchange rate risk for future imports. For exporters within this segment they may use the facility to convert revenues generated overseas back though into their base currency via Spot trades.



Technology

Venture-backed technology companies frequently raise capital in, for example, USD via funding rounds but have major cost bases in the UK and Europe, respectively. We help maximise the value of raised funds versus the cost base currencies via timely execution, order targeting and our in-house specialist market analysis. Furthermore, we support flexible risk management hedging solutions, fixing income to cost base currencies, and ultimately helping protect the value of raised capital and income versus planned future cashflows in other cost base currencies.



“Argentex remains focused on maintaining a high quality and diversified client-base with the Group’s top 20 clients accounting for 39% of total Group revenues.”

Harry Adams
Chief Executive Officer



Oil and Gas

Oil and Gas producers face major income versus cost FX exposures. Income principally in USD and, for example, sterling cost bases in the UK, such as North Sea producers. On a fundamental level, we offer key assistance in timely execution of income into cost base purchase currencies, via our market analysis and target order-based approach. Moreover, we help formulate flexible risk management strategies across Forward Contract and Derivative Hedging. This can range from developing an overall group hedging policy, to offering our expertise in securing specific sales contracts via a full suite of hedging products.



Institutional Client

Our client is an institutional asset manager with funds domiciled in GBP and EUR and investments across EMEA and the US. Argentex provides a suite of services both laterally and vertically through the asset manager’s supply chain; from sharp execution of simple Spot deals at fund level when entering or exiting an investment, rolling hedges to mitigate fluctuations in an investment’s value where domiciled in a different currency to the fund’s base currency, at management company level to hedge management fees paid in foreign currency, and at individual partner level where carry is paid in foreign currency.

Ways of doing business.



“Not only has the product mix diversified, we have seen an increase in clients using our new online platform.”

Jo Stent
Chief Financial Officer

As global payment and currency risk management specialists, we offer bespoke services alongside market leading technology.

With Argentex you can take comfort that you are working with an established counterparty, listed on the London Stock Exchange and delivered over \$100 billion for more than 6,500 leading businesses and financial institutions.

Many choose Argentex because of the flexibility afforded by having immediate access to their assigned

dealer, whilst others appreciate the analytical and factual approach of their proactive interactions with their dedicated dealer.

Once a client has been assigned a dealer, it is their job to work with that client, on their terms, to identify and quantify any FX risks inherent in their business, and present a range of strategies that will entail

at least one of either a spot, forward or structured solution trade, that can mitigate those risks and enable informed decisions.

FX risk is usually simple, in which case we believe the solution to it should be too.

Full range of customised FX capabilities

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

Delivered via multiple channels

- Traditional voice broking
- Online
- API

To benefit our clients

- Flexibility
- Pricing
- Segregation of sales and dealing roles
- Dealers' experience
- Proactivity
- Forecasting accuracy
- Credibility
- Strong capital base
- Founder-led management team

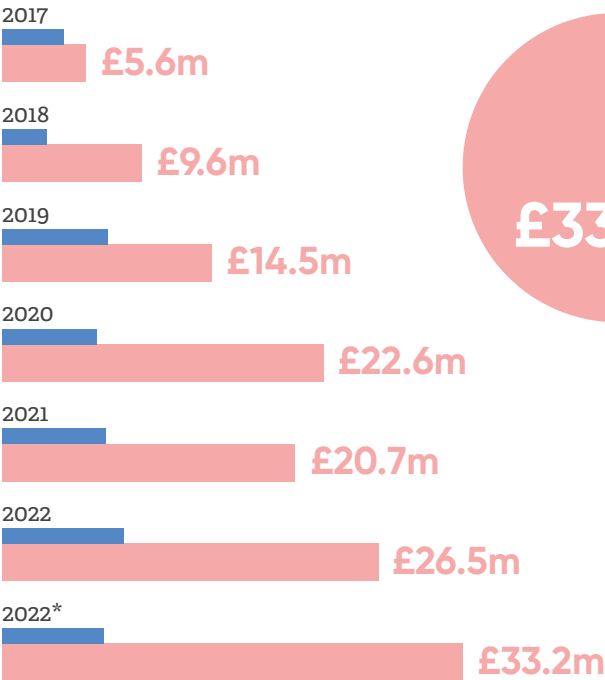
Sales and Performance.

Repeat business.

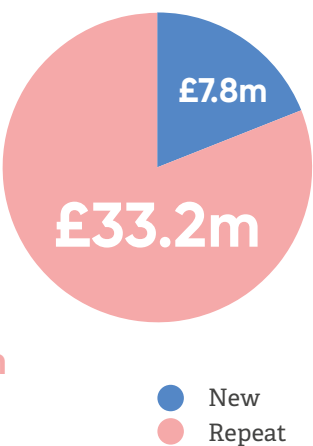
The bar chart to the right illustrates that repeat business is by far the largest source of revenue since Argentex's inception. It is also the main reason Argentex was formed to target corporate, as opposed to private client business, which makes up just 2% of the firm's revenue.

It is essential to the Group's success that it spends significant time and resource on training top quality sales staff to generate new business. It is the chosen model of the firm to recruit at a grass roots level, with a new staff member normally having little to no sales experience. Our experience has shown this to be the effective way to encourage the consistency and performance which is underpinned by our extensive training programme.

New vs repeat business



Corporate revenue for the period ended 31 December 2022



Sales Team

- Recruited from grass roots
- Trained to sell 'our way'
- Competitive commission structure
- New Business Targets

Dealing Team

- Experienced team with proven track record
- Regulated to give advice
- Receive flat commission
- Each dealer looks after 200-300 active clients

* Reporting refers to the 9 month period ended 31 December 2022.

Goals.



Driving forward

“The nine months to 31 December 2022 represent a pivotal period for the Group where Argentex has focused on driving sustainable and diversified growth across its 3 strategic pillars: People, Technology and International expansion.”

Harry Adams
Chief Executive Officer

Continue to improve productivity

Maintain a diverse client base

Generating revenues from structured solutions

Continued investment in people

Strong Governance

Outcomes.



- Delivered on our commitment to growing our team - our sales team now exceeds 50
- Further investment in our online client experience - significant investment to optimise our online solutions and create a seamless experience for our clients



- 39% of revenue generated from top 20 clients
- Revenue from top 20 clients was £15.9m



- Winning back flow lost to banks
- Professional and Eligible Counterparty clients only
- Structure solutions contribute 10% of revenue



- 25 new hires for the reporting period
- New CCRO in April 2022
- 125 Average FTE globally



- Immaterial instance of bad debt
- Financial sustainability
- Effective response to macro environmental changes

Key events from the last 9 months.

Having built a strong foundation from which are executing our three pillared strategy, the last 9 months have been about maintaining focus and momentum, setting the business up for longevity and profitability.

To the right, we outline a number of highlights.



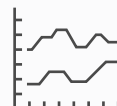
April 2022

- David Winney appointed CCRO



September 2022

- Structured solutions accounts for 10% of revenue
- Clients traded online grew by 82%
- Argentex BV (Netherlands) awarded EMI license by the Dutch National Bank



December 2022

- Revenues reach £41.0m for the 9 months ended December 2022
- 22% of clients now use the online portal
- Online revenue increased by 89% for the 9 months ended December 2022

Achieving growth strategies.



1. Increase productivity

- We tailor solutions to every client's specific requirements, giving them direct access to a full range of products to give them a convenient and efficient service

2. Customer acquisition

- Committed, excellent service and strong performance have granted the trust of our clients, which have contributed to our growing and diverse customer base
- Driven by our advancements in technology, therefore offering a number of new products and convenience for our clients

3. Targeted revenue

- Clients generating revenues of £5k to £250k, our sweet spot and overlooked by larger players

4. Continued focus on client proposition

- Client service at the forefront of what we do
- Customised and flexible solutions are our focus and aim





Performance period at a glance.



Jo Stent
Chief Financial Officer

A strong financial performance while delivering against ambitious investment programme.

As previously communicated, we made the decision 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 nine month short accounting period to 31 December 2022 as we transition our new year end date. Where appropriate, we make reference to performance for the 12 months to 31 December 2022 for information purposes only.

In the nine months to 31 December 2022, Argentex delivered record revenue growth alongside continuing to pursue its ambitious investment programme across all three facets of its strategy; people, technology and international expansion. Whilst the period included two weeks of heightened volatility in the pound, our scalable, highly cash generative and increasingly diversified business model continued to demonstrate its long-term resilience and highlight the Group's ability to deliver for all stakeholders against any economic backdrop. As a result of this strong performance throughout the period, the Board is pleased to announce a dividend of 2.25p per share for the 9 months ended 31 December 2022.

FINANCIAL PERFORMANCE

Argentex generated revenues of £41.0m in the 9 months to 31 December 2022, an increase of 63% compared to the same period in the prior year. For the twelve months to 31 December 2022, Argentex delivered a year on year increase of 54% with revenues of £50.4m (12 months to 31 December 2021: £32.8m). Record revenues generated in the period were supported by an increase in corporate clients trading in addition to incremental contributions from an enhanced product mix such as structured solutions and revenues from our online platform.

1,595 corporate clients traded with Argentex for the 9 month short accounting period compared to 1,624 corporate clients having traded for 12 months to 31 March 2022. Of this 1,595 corporate clients traded, 409 were new in the period (FY2022: 528). A total of 1,749 corporate clients traded over the 12 month period to 31 December 2022. Historically, our revenue mix has been a 50:50 split from spot and forward trades, however since the inception of our Structured Solutions division in FY2022, 10% of revenue was generated through this new division in the 9 months to 31 December 2022. Not only has the product mix diversified, we



“Argentex delivered record revenue growth alongside continuing to pursue its ambitious investment programme across all three facets of its strategy; people, technology and international expansion.”

Jo Stent

Chief Financial Officer

have seen an increase in clients using our new online platform. 351 clients traded online with Argentex for the 9 month short accounting period compared to 252 clients trading for 12 months to 31 March 2022 resulting in a 89% increase in online revenue.

The Group has maintained a disciplined approach to managing costs through the period resulting in an operating profit of £8.1m (12 months to 31 December 2022 £11.3m, FY2022: £10.4m). Adjusting for one off expenditure relating to restructuring and the set up of overseas offices, adjusted operating profit in the 9 months period was £9.0m, or 22% margin and in the 12 months to 31 December 2022 £12.3m, reflecting a 24% margin. However, margins delivered in the 12 months to 31 December 2022 were ahead of market expectations. The planned decline in operating margins compared to FY2022 reflects the previously communicated ambitious investment programme across all three facets of Argentex's growth strategy.

The Group's robust approach to risk remains unchanged, which is demonstrably reflected in the consistently low instances of client default. In the 9 month period ended 31 December, the Group recorded a credit valuation adjustment of £1.1m in recognition of the broader

macroeconomic backdrop and trends in addition to the Group's increase in size and scale.

People

In the 9 month period to 31 December 2022 the number of employees (including Directors and LLP members) grew to 137 (FY2022: 112). Front office/Back office split has shifted moderately versus prior periods at 53%/47% (FY2022: 62%/38%) and reflects the investment in technology in support of the growth strategy and further professionalisation in the support functions proportionate to the maturation of the business as well as a continued balanced approach to risk. A total of 25 people were hired into new roles created in the period, 21 in UK and 4 overseas.

Technology

Total investment in technology in the 9 month period was £1.4m (FY2022: £1.7m), with the impact on profit margins mitigated by the fact that benefits of the technology spend will be realised in future periods and as such investment spend is treated as capital investment and amortised over a three year period in line with accounting policy. In recognition of the ambitious nature of our investment programme, the Group has invested in programme management resources

to enhance operational efficiency and manage execution risk given the pace of growth across multiple facets.

Overseas expansion

International expansion continued with focus on the Netherlands and Australia including set up costs in the period of £0.5m. Revenues generated in the Netherlands for the 9 month period totalled £1.6m (FY2022: £0.7m). The Netherlands will be the central hub for European operations and licences granted in the Netherlands will act as a gold standard for the region to create further opportunities in the coming years.

FINANCIAL POSITION

Argentex 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 2022, Argentex has net cash of £26.2m, an increase of £6.0m on 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 £10.0m (FY2022: £7.2m) is recorded in other assets of the statement of financial position.

	31 December 2022	31 March 2022		
Cash and Collateral	£m	£m	balances held, when deducted from cash generated results in a net cash outflow inclusive of client balance movements of £4.6m (FY2022 cash generated of £17.2m). Of the £7.5m in cash generated from operating activities, £1.4m was used to invest in technology and a further £1.5m was returned to shareholders in the form of a dividend.	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 compared to its operating cost base.
Cash at bank	29.0	37.9		
Collateral held at institutional counterparties (other assets)	10.0	7.2		
Less: amounts payable to clients	(12.8)	(24.9)	Cash generation from the Group's revenues is a function of i) the composition of revenues (spot, forward, option and swap revenues) and ii) 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	Argentex continues to enjoy a high percentage of trades converting to cash within a short time frame, which is a result of almost 50% on average of revenue from trades outside of structured solutions and swap trades being spot contracts in addition to forward contracts carrying a relatively short tenor on average. Excluding swap revenue, 81% of revenue converts to cash within 3 months which is consistent with prior years as follows:
Net cash	26.2	20.2		
Before movements in client balances held as shown in the consolidated financial statements note 19, the Group generated £7.5m in cash from operating activities. A £12.1m decrease in client				

CASH CONVERSION

	9 mths to 31/12/22 £m	12 mths to 31/03/22 £m	12 mths to 31/03/21 £m	12 mths to 31/03/20 £m
Revenues	41.0	34.5	28.1	29.0
Revenues (swap adjusted S/A) (A)	37.7	31.5	27.2	27.6
Less				
Revenues settling beyond 3 months S/A	(7.1)	(4.6)	(3.1)	(4.0)
Net short-term cash generation (B)	30.6	26.9	24.1	23.6
Short term cash return (B/A)	81%	85%	88%	86%

Derivative financial assets grew 62% in the period to £66.5m with current element being £57.7m (87% of total derivative financial assets).

The Group diversifies liquidity requirements across five liquidity providers, the largest providing 62% of liquidity required (77% at 31 March 2022).

PORTFOLIO COMPOSITION

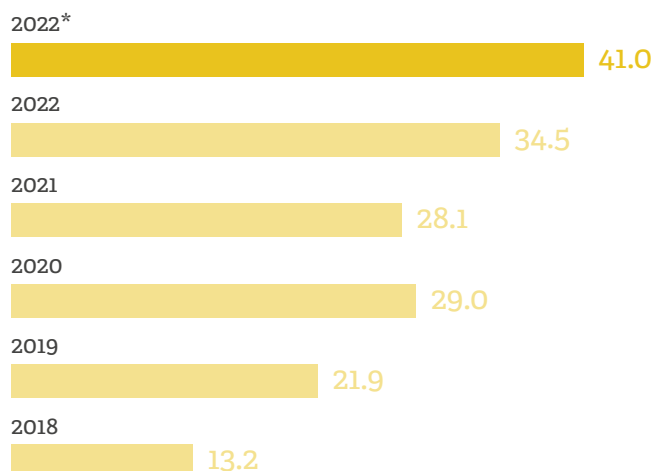
Argentex's client base continues to grow with an increase in corporate clients traded in the 9 month

period to 1,595 (FY2022: 1,624), and 409 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 period-end 78% 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

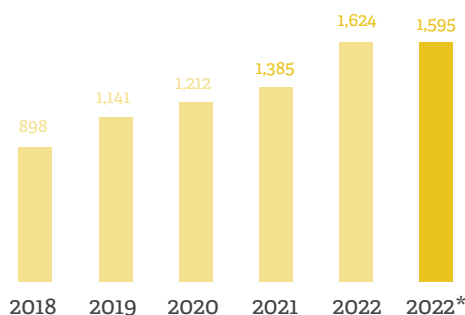
and less liquidity remains significantly limited. Further, client concentration has been maintained with 39% of revenue represented by the top twenty customers (FY2022: 36%).

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 continues to avoid any material issues over settlement.

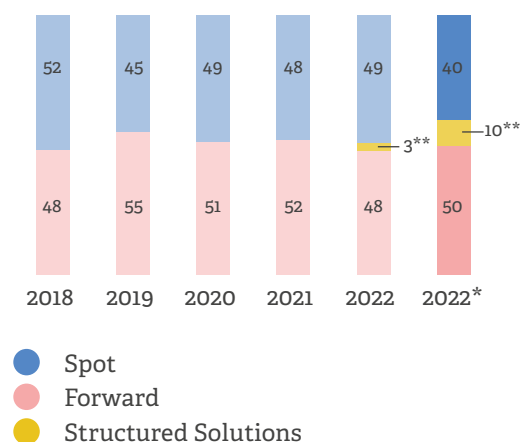
Revenue (£m)



Number of traded corporates



Revenue mix (%)



* Reporting refers to the 9 month period ended 31 December 2022.

** Structured solutions revenue

Earnings/ Adjusted Earnings

£7.0m/ £7.7m

9 months to 31 December 2022

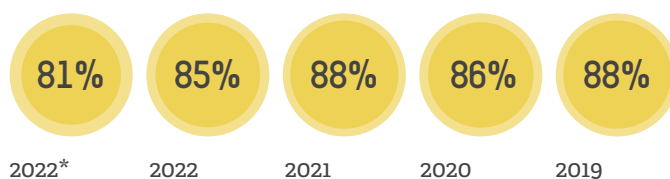
£7.4m/ £7.9m

FY 2022

£5.9m/ £6.7m

FY 2021

Short-term cash return (Net of swaps)



In addition, as a result of a conservative approach to risk, Argentex continues to enjoy immaterial occurrence of bad debt. A credit valuation adjustment charge of £1.1m has been maintained at broadly the same level as previously reported (£0.9m at 30th September 2022).

CHANGE IN FINANCIAL REPORTING PERIOD

In line with the Group's transition to a global financial solutions provider, the financial reporting timetable has moved to a 31st December year end.

DIVIDEND

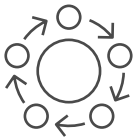
Argentex is pleased to declare a final dividend for the 9 month period ended 31 December 2022 of 2.25p per share. The final dividend record date will be 30 June 2023 and will be paid on 4 August 2023. The ex-dividend date is 29 June 2023.

Jo Stent

Chief Financial Officer

11th April 2023

Section 172 Statement.



Our 5 Key Stakeholders

1. Our Customers
2. Our Employees
3. Our Environment and Communities
4. Our Investors
5. Our Partners

We report here on how our Directors have discharged their duties under Section 172 of the Companies Act 2006.

The Board is responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Group to ensure that our obligations to our shareholder and to our stakeholders are met. It monitors adherence to the our Group's business standards and compliance with local corporate governance requirements and is committed to acting if our businesses should fail to act in the manner we expect of them.

For each matter which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making process.

Meaningful engagement with these stakeholder groups supports the ethos of Section 172 of the Companies Act which set out that Directors should have regard to stakeholder interests when discharging their duty to promote the success of the Company. Specifically, each Director confirms that during the period, they have acted to promote the

long-term success of the Company for the benefit of shareholders, and in doing so have given regard to factors (a) to (f) of s172(1) of the Companies Act 2006, being:

- a. The likely consequences of any decision in the long-term,
- b. The interests of the Company's employees,
- c. The need to foster the Company's business relationships with suppliers, customers and others,
- d. The impact of the Company's operations on the community and the environment,
- e. The desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. The need to act fairly as between members of the Company.

Details of the key stakeholder engagement undertaken at different levels within Argentex to inform decision-making and enhance Board understanding are set out on the following page.

Our Customers

21 44 45 46 47 48

Our Employees

14 15 26 27 32 49
51

Our Environment and Communities

64

Our Investors

21 33 82 84

Our Partners

67

Who / What they are?	Why are they important to us?	What do they want from us?	How do we engage with them?
We have a very diverse client base. Our clients vary from institutional, corporate and private clients from a variety of industries.	Our clients are the reason Argentex has become what it is. They form our revenue and growth.	They want tailored and best in class foreign exchange advisory and execution services that are safe and reliable.	The Directors have implemented a client service model designed to provide high levels of service and personal interaction to the Group's client base. Our growing repeat revenues are testament to our commitment to our client focused operating model.
Anyone who is employed by Argentex.	Our people are our most important asset. They create and maintain our business, provide our customers with service they have grown accustomed to and drive business development and growth.	Our employees want a satisfying career, and a positive and motivating work environment where they can thrive, all underpinned by a supportive culture. In addition there is a need to act fairly between members of the Company and a desire for high standards of business conduct.	Directors engage regularly with staff and leadership teams. The Directors monitor staff appraisals, implement personal development plans and have set fair remuneration policies including health insurance that includes mental wellbeing as well as in-house fitness facilities.
Our environment and our local communities	Long Term sustainability and integrity are important components of the Argentex culture. We recognise that community engagement is vital to our ability to deliver long term returns for our stakeholders. Therefore we carefully consider our impact on the communities in which we operate and on the environment. Our commitment is embodied by our Sustainability Strategy.	Our environment and communities want from us a commitment to putting the right focus on the environment, social and governance.	Through our key pillars of Planet, People and Partners we have partnered with organisations such as Earthly and Social Mobility Foundation as well as implement grass roots led initiatives such as meat free Mondays. Such partnerships develop long term support to communities at both a national and global level.
Those who own shares in Argentex.	Investors provide capital to the Business, as well as valuable feedback on our performance and strategic position.	Investors want a clearly articulated long-term strategy together with shorter-term plans and effective communication of our progress. We aim to grow our share price and provide sustainable dividend income through a progressive dividend policy, while carrying no external borrowings.	The Directors conduct formal results presentations every six months. Institutional shareholders meet our Executive Directors regularly. The Directors hold an AGM every year.
Those who have a direct working, regulatory or contractual relationship, or share a mutual interest with us.	Their vital contributions to our business provide services, advice or oversight.	Our partners want us to be trustworthy and live up to our promises.	The Directors work to find mutually effective ways to communicate and collaborate with each group. High standards of health, safety and security underpin everything we do.

2022 Key strategic decisions.



“We believe now is the right time to be implementing a new VCP agreement, following the announcement of our new strategy earlier this year and at such an exciting point in our journey.”

Lord Digby Jones Kb.
Non-Executive Chairman

DIVIDEND POLICY

The Board remains committed to our stated policy and determined that the Company would not pay an interim dividend but rather would pay one final dividend for the short financial period. Accordingly, the Board has proposed an increased dividend of 2.25p per share in line with the strong financial performance throughout the 9 month period. As a Board we appreciate the value of dividends to our shareholders and continue to endeavour to deliver in this regard.

LTIP

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 Company consulted with certain of its larger institutional shareholders on the VCP.

The VCP is a value creation plan based on delivering value above the current Argentex equity value over the next four financial years. The Plan provides the potential for participants to earn meaningful value on the basis of strong company and share price performance with the hurdles being:

- compound annual total shareholder return of 10% including dividends paid or declared; and
- 15% revenue CAGR over the performance periods.

Subject to these hurdles being met, plan participants will earn up to 10% of value created above the shareholder return hurdle. The Plan will be performance tested and awards vest based on the average share price over 20 trading days following the publication of full year December 2025 and December 2026 results based on the following split:

- 50% of awards tested, vest around April 2026; and
- 50% of awards tested, vest around April 2027.

30% of the awards will be granted to Argentex's three most senior executives which is split 12% to each of the CEO and COO and 6% to the CFO. Initial allocations to a further 39 employees across different seniority levels are being made as one off awards with a small number of new joiners to be awarded an allocation in the first few months after the LTIP's implementation.

APPOINTMENT OF CHIEF COMPLIANCE AND RISK OFFICER

The Board approved the recommendation of the appointment of David Winney as Chief Compliance and Risk Officer. David has a clear remit to deliver a strong compliance and risk framework to underpin Argentex's future growth strategy, supporting the UK businesses as well as new opportunities in the Netherlands, Australia and beyond. The decision to appoint for the role of Chief Compliance and Risk Officer is key to ensuring this approach underscores the Group's business strategy.



At Argentex, sustainability is a long-term strategic driver.



Our vision

“Our impact goes beyond our direct actions and choices, and our sustainability strategy must extend across the entire value chain to include customers, suppliers and investors”

Jo Stent

Chief Financial Officer

Our growth strategy is supported by clear sustainability goals under the three pillars of Planet, People and Partners.

We are committed to putting the right focus on sustainability, encompassing environmental, social and governance (ESG) issues to support our growth and gain greater business benefits by transitioning towards a sustainable business model. Last year, we identified our three key pillars which underpin the Sustainability strategy. This year we embarked on various initiatives within each Pillar as highlighted in this report.

The Three Pillars:



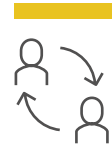
Planet.

Our approach to Planet is a two-fold initiative: 1) measuring our operational footprint and making improvements 2) Partnering with relevant organisations to amplify our impact while ensuring our ability to measure improvements over time.



People.

We believe that a focus on diversity, inclusion and belonging enhances our business performance and support a balanced approach to risk.



Partner.

Our impact goes beyond our direct actions and choices, and our sustainability strategy must extend across the entire value chain to include customers, suppliers and investors.

Planet.

Argentex will continue to determine and measure our operational carbon footprint by maintaining its Planet Mark certification which it has done now for two years showcasing a reduction in its carbon footprint.

We have chosen to partner with organisations in a meaningful way to create positive change beyond our direct operational footprint.

To this end we have identified Earthly as an appropriate partner. This partnership aligns our chosen objective of replenishing biodiversity loss, said to be one of the most significant potential risks to the global economy. Specifically, we support a local conservation program in Kenya. The project intends to make a lasting impact by focusing on elements such as hiring local leadership for project management and providing training on technology for monitoring and climate-resilient farming. For every trade a customer places with Argentex, a tree is planted. From April 2022 to December 2022, we have planted circa 44,000 trees and 1721.65 CO₂t removed in the reported period. Each tree planted through this programme TIST generates \$8 in real benefits for farmers*.

Going forward, there will be continued commitment through our Earthly partnership to plant one tree per trade across a number of projects while we determine our path to net zero.



PLANET MARK

Planet Mark has helped Argentex measure and determine our direct operational carbon footprint impact allowing us to maintain our Planet Mark Certification.



EARTHLY

Earthly is a platform that showcases high integrity nature based solution that removes carbon, restore biodiversity and support frontline communities. Argentex has identified Earthly as an appropriate partner in support of our wider objective to replenish biodiversity loss.

*The International Small Group and Tree Planting Program (TIST) project: www.earthly.org/projects

People.

A CULTURE OF BELONGING:

We believe that a focus on diversity, inclusion and belonging enhances our business performance and support a balanced approach to risk.

A culture of belonging is central to the journey of our people, and to our ability to remain competitive when retaining and attracting the best talent. Developing a truly inclusive workforce calls for an organisation to evaluate its practices, people, and take concerted, meaningful and intentional action for positive change. We are committed to building on what already makes Argentex a great place to work and staff input is invaluable.

**S _ CIAL
M _ OBILITY
F _ UNDATION®**

SOCIAL MOBILITY FOUNDATION:

The business understands the challenges surrounding the perception of financial services being notoriously inaccessible. For many young people, embarking on a career within the industry can appear unattainable. We are well-positioned to support

a change in this narrative by encouraging and supporting talented and ambitious students from diverse backgrounds to choose a career at Argentex.

In support of our focus on diversity, inclusion and belonging, we partnered with the Social Mobility Foundation (SMF). They support over 2000 high-achieving young individuals and their aim is to make practical improvements in social mobility for young people from low-income backgrounds through SMF's Aspiring Professional Programme (APP), their Social Mobility Index, their advocacy and their campaigning arm, the Department of Opportunities (DO) to help us deliver on this core objective. This partnership with SMF marks the start of our Argentex Academy program which launched in the summer of 2022. Our first cohort of 6 students participated in a 4 week programme which gave them the opportunity to work across all sectors of the business, gaining a thorough insight into the industry and our organisation. This initiative was hugely successful for both parties, and one with which we will continue to engage.



“To have the opportunity to work across all disciplines of the Argentex business gave me a thorough understanding of the organisation and the sector. It was the most useful work experience I have had.”

SMF Intern



“Time was taken to explain the roles and responsibilities of the organisation. There was an inclusive culture that made us feel at ease and only added to the learning experience.”

SMF Intern

Partner.

Our workforce represents 14 different ethnicity groups and 7 different religious beliefs. Our culture of belonging program has commenced with surveys, suggestion boxes and a culture committee formed. It is made up of a diverse cross section of the business to drive meaningful action across the Group. It is a forum where ideas are shared and actions taken to maintain a positive, inclusive and thriving working environment which is particularly important as the business scales towards a truly global organisation.

Further, Argentex remains committed to employee wellness and provides a number of facilities orientated towards both physical and mental wellbeing.

Our impact goes beyond our direct actions and choices, and our sustainability strategy must extend across the entire value chain to include customers, suppliers and investors.

Our aim is to be a sustainable business that takes responsibility for how we manage the impact we have on the environment and climate change. Last year we recognised that for us to fully determine our path to net-zero, we needed to understand and evaluate our impact across our value chain and be able to measure the indirect impact of doing business. As a starting point, we have received an ESG Risk rating from a third party ratings agency, Integrum ESG, who have conducted a thorough ESG risk analysis, provided Impact data, and real-time ESG sentiment tracking. Argentex has been awarded a B-Good score. We intend to expand our focus within this pillar in 2023 to determine our path to net zero.



As we continue to expand and advance our commitments to key environmental, social, and governance (ESG) issues, we recognise that our sustainability strategy is a fundamental requirement for our stakeholder community and that it will be a driver of long term superior financial performance moving forward.

*ESG Grade B with a score of 2.8: Grade B indicates that the organisation has a good overall approach to ensuring the company acts in line with the expected standards for environmental, social and corporate governance matters – Integrum 2022

Our Framework in Practice



"Argentex places risk management at the core of its business, integral to our resilient growth and aligned to our clients' needs."

David Winney
Chief Compliance and Risk Officer

Operating an effective and efficient risk management framework, in an environment where threats are evolving and changing, and having a robust governance framework that provides structure to the identification and management of risk, which is wholly aligned to business strategy, has never been more important.

Our risk management framework supports our growth strategy whilst putting our clients' interests at the heart of what we do.

REFLECTING ON 2022

As the macroeconomic uncertainties remained elevated throughout 2022, we continued to mitigate these threats and control our risks, successfully avoiding any negative outcomes for our clients and the wider financial markets..

This year we achieved a number of milestones and we continued to develop our risk management tools and controls to ensure we are equipped to scale our business in a safe and compliant manner:

- Ensuring our capital and liquidity management processes and controls are effective, and enable us to forecast future capital and regulatory requirements that supports our growth strategy.
- Focusing on our prudential risk management and regulatory compliance processes, including regulatory horizon scanning enabling the Group to be sufficiently prepared for upcoming requirements and changes.
- Implementing systems improvements to raise the quality of the client journey and services.
- Carrying out assessments and building process maps in relation to our operational resilience, reviewing our important and

critical business services, and reducing the risks of causing intolerable harm to our clients, the Group and the markets.

- Investing in technology resilience and reinforcing robust data security, improving automation to lessen the time taken on operational processes and ensure our recovery times are improved.
- Continuing to support flexible working practices while ensuring we retain our culture and deliver high standards of conduct.

LOOKING AHEAD TO 2023

- Becoming operational in Amsterdam, our European hub, and Australia, and managing the differences between the UK, EU and Australian regulatory requirements.
- Enriching the quality of our data to support improving management information so we can take informed decisions and ensure risks are mitigated to the maximum extent.
- Strengthening scenario stress testing and business and operational resilience programmes to ensure we are fully capable of managing any macroeconomic uncertainties.

OUR RISK MANAGEMENT STRATEGY

Argentex has established a robust corporate and risk governance framework which fosters a strong risk culture.

The risk governance structure is developed based on the following key considerations:

- Proportionate and appropriate: The risk governance structure is reflective of the nature, scale and complexity of activities and is aligned to the Group's

strategy, risk appetite, risk profile, regulatory requirements, and established industry practices. It also reflects the nimble and adaptive nature of the business model and enables prompt decision making while avoiding duplication of efforts.

- Sound risk governance: Risk governance is designed in adherence to the 'three lines of defence' model. This ensures a clear delineation of responsibilities between day-to-day operations, and independent monitoring, oversight & assurance.
- Risk coverage: The risk governance structure is reflective of the universe of material risks that Argentex is exposed to and supports the Firm in effective risk management.
- Client-focused: The risk governance structure seeks to ensure that customer interests and needs are protected and there is appropriate accountability for business conduct.

OUR RISK MANAGEMENT FRAMEWORK

Our risk management framework supports an effective and strong risk culture. The framework helps us identify and manage our risks, and sets out the associated risk appetite.

Argentex uses 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 teams challenge, monitor and report in relation to the effectiveness of risk management practices.
- The third line of defence consists of internal audit and the advisory reviews which regularly review both the business front lines and the oversight functions to ensure that they are carrying out their responsibilities in a competent and effective manner.

OUR RISK GOVERNANCE

In addition to our Audit and Risk Committee, our risk management framework includes a number of smaller functioning committees across the organisation, that assess and manage the day-to-day risk matters on a daily, monthly and quarterly basis, before reporting or escalating if warranted.

OUR RISK CULTURE

Our risk culture is reinforced through the leadership of our senior management teams. This is done via 1) encouraging employee training to ensure the staff are made aware of the risks faced by the Group and are trained in their personal responsibility for owning the specific aspects and component of risk relevant to the roles; and 2) ensuring the right incentivisation is in place to avoid excessive risk taking.

Strategic Risk

DESCRIPTION and potential impact:

The risk that we are not able to carry out our strategy and achieve our objectives and growth plans.

↔ NO CHANGE IN RESIDUAL RISK

MITIGATION

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

RATIONALE

Given the success of the last year, achieving both performance targets and delivering on plans to invest in people, technology and growth over 2022, we believe there has been no change to the residual risk this period.

- 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 (typically 3-5% of the value of the contract with a client) before a margin call will be made;
- timely collection of margin calls or early settlement of client contracts to reduce or eliminate credit exposures;
- regular stress testing of exposures, both routine and event driven to provide visibility on potential future exposures in a range of market scenarios.

RATIONALE

Given the ongoing Russia Ukraine War, the cost-of-living crisis, rising interest rates and the likely recession to follow, we believe there is likely to be an increase to credit risk more generally, as we start seeing the effects of these stresses unfold within the economy, which is amplified as businesses face increased volatility and uncertainty. The Group will continue to monitor these risks accordingly, including monitoring the credit worthiness of new and existing clients on a case by case basis. Although we are being conservative in our estimation of this risk, it's important to note that the Group has not experienced any material credit risk exposure.

accounts. Counterparty Credit risk reflects the risk that the Group may incur losses as a result of institutional counterparty failure.

↔ NO CHANGE IN RESIDUAL RISK

MITIGATION

To reduce counterparty credit risk to acceptable levels, Argentex only trades with leading counterparties such as fully regulated international banks 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. 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; however the Group continues to review the composition of its institutional counterparty base to ensure that there is sufficient redundancy in its liquidity offering.

RATIONALE

The Group regularly evaluates its exposures to its banking counterparties and is satisfied that capital and prudential buffers held by them are sufficient to operate in the current economic climate, as well as withstand further shocks.

Financial Risks

Credit Risk – Clients

DESCRIPTION and potential impact:

Credit risk reflects the risk that the Group is unable to realise the cash value of its assets. The Group is exposed to credit risk if 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

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

Credit Risk – institutional counterparties

DESCRIPTION and potential impact:

Argentex relies on third party institutions in order to trade and clear settlement funds through client

Capital Risk

DESCRIPTION and potential impact:

The risk that we have insufficient capital to support our business activities and to meet our regulatory capital requirements.

↔ NO CHANGE IN RESIDUAL RISK

MITIGATION

Analysis and reporting of the capital

required under the UK Investment Firm Prudential Regime and EU Investment Firm Directive/Investment Firm Regulations.

RATIONALE

The Group continues to be well capitalised and ensures this is considered when developing new products, entering new jurisdictions and therefore believes there has been no change to the residual risk this period.

will never remit funds to the client prior to receiving cleared funds in the sell currency.

RATIONALE

The Group continues to monitor liquidity requirements dynamically in response to the numerous macroeconomic events of the period. As a result, the Group believes there has been no change to the residual risk this period.

Conduct, Regulatory and Compliance risk

DESCRIPTION and potential impact:

Regulatory and Compliance risk is 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 is the risk of creating detriment to a customer, counterparty, or market arising from inappropriate conduct of business 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 License Firm). Furthermore, the Group must abide by the AIM rules and other significant legislation including 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

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 engage with RegTech providers to leverage the rapidly growing solutions which assist with risk monitoring and mitigation. The

Liquidity Risk

DESCRIPTION and potential impact:

Liquidity risk is the risk that the Group has insufficient cash resources to meet its obligations or can only do so at an unsustainable cost.

↔ NO CHANGE IN RESIDUAL RISK

Liquidity risk is primarily driven by:

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

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 subject to frequent review and stress testing 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

Market Risk

DESCRIPTION and potential impact:

Market Risk is the risk that the value of the Group's income, liabilities, assets or costs may experience adverse changes due to changes in the value of financial market prices.

↔ NO CHANGE IN RESIDUAL RISK

MITIGATION

As Argentex acts in a riskless principal capacity, market risk is hedged and therefore limited to the Group's own funds in foreign currency. These currency amounts are regularly reviewed to ensure no unnecessary FX exposures are held. The Group holds no other exposures which bear market risks.

RATIONALE

Significant increased volatility in financial markets in the period caused by the extended impact of Covid-19, the Russia-Ukraine war, and to some extent the residual effects of Brexit, which has meant the Group's monitoring and review of the impact and potential threats to the risk environment have evolved accordingly as these events continue to unfold. The Group is satisfied that existing processes and procedures in place to monitor these potential threats are adequate.

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

RATIONALE

UK, EU and global financial regulation continues to develop, bringing increased obligations on the Group. The Group has grown its compliance and risk teams over 2022, not only in the UK, but also in its new jurisdictions, and uses external advisors to stay ahead of any impending regulatory change and ensures we are fully capable to scale our business, therefore there has been no change to the residual risk this period.

People risk

DESCRIPTION and potential impact:

The loss of key senior employees could increase the risk of not winning repeat work or missing out on significant new contracts, which could result in a material adverse effect on the Group's financial results.

↔ NO CHANGE IN RESIDUAL RISK

MITIGATION

Remuneration is reviewed annually, and a proportion of the Group's employees participate in the Group's share-based incentive plans. The Group has a successful track record of retaining senior employees and the recruitment of additional key personnel provide assurance that there is appropriate breadth of management and competence across the organisation. Succession planning is assessed annually by the Nomination committee. The Group has comprehensive keyman person insurance policy in place. All key

management have entered into service contracts which provide notice periods for the Group's protection.

RATIONALE

The Board continues to invest in the strength of the leadership team and other key personnel. In 2022, Argentex announced the Long term Incentive Plan "LTIP" to ensure retention of senior leaders and has strengthened our succession planning. In addition, focus on training and internal development more broadly across the workforce mitigates people risk across the business.

IT and System risk

DESCRIPTION and potential impact:

The current or prospective risk to Argentex's earnings and own funds arising from inadequate IT, processing and systems. Total failure of either the system or its hosting environment would be detrimental to both the Group and its clients.

↔ NO CHANGE IN RESIDUAL RISK

MITIGATION

The Group maintains business continuity and operational resilience arrangements which are periodically tested and enhanced as required i.e. as our products and services expands. These include the applicable policies, processes, training, infrastructure, governance, and tools to ensure the business can recover from a range of business interruption scenarios. Additionally, the Group maintains robust levels of insurance to cover losses in such a scenario should they materialise, meaning financial impact of the event should be restricted to costs for support and remedial works if needed.

The Business Continuity Policy also provides guidelines for developing, maintaining and exercising Argentex's Business Continuity Management (BCM) and IT Disaster Recovery (DR). Over 2022, the business updated its Business Impact Analysis, and included an assessment of the macro-economic environment, i.e. potential impacts from the Russia Ukraine war, physical disruptions given the central location of the offices, and highlighted focus areas which will be developed and implemented over the course of 2023, reinforcing Argentex's commitment to the continued development and investment to resilient systems.

RATIONALE

The Group is able to maintain seamless working capabilities between remote and office working or a hybrid. Furthermore, the majority of the Group's infrastructure utilises cloud – based infrastructure, supporting the digital strategy and ensuring IT and systems are scalable to support the growth strategy, thereby ensuring the risk is adequately mitigated.

Cyber risk

DESCRIPTION and potential impact:

Cyber risk is a continual pervasive threat which we define as the risk of losses arising from being targeted by hackers resulting in significant disruption to its operations and ability to service customers.

↔ NO CHANGE IN RESIDUAL RISK

MITIGATION

The Group maintains and continues to enhance its information security management framework which are systemically tested against evolving

threat vectors as they develop and continually enhanced as our products and services expand. These include relevant policies, tools and processes and employee training on security and fraud related matters like phishing and ransomware, which are then periodically tested by external third parties. Additionally, all 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. Additionally, we monitor the web and dark web for any threats and have appropriate incident management and expertise in place to react to any threat as they may emerge. The Group maintains robust levels of insurance to cover losses in such a scenario should they materialise, meaning financial impact of the event should be restricted to costs for support and remedial works if needed. Staff are trained regularly on password security, fraud, ransomware and phishing threats, and management put emphasis on robust IT and systems to our overall strategy.

RATIONALE

The pervasive threat of cybercrime remains a high risk however there have been no significant developments in the current period to elevate the assessment. Additionally in light of the investment in technology and the Group's digitalisation strategy, as further explained on pages 40-42 of this report, the investment in security related tools, processes and people further supports our assessment that there the residual level of this risks remains unchanged.

Operational risk, including execution risk

DESCRIPTION and potential impact:

Operational risk 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. Execution risk is the risk accompanied by either having too many projects or failing to adequately define scope of projects thereby not achieving what was initially intended or needed from a business, client or regulatory perspective.

↑ INCREASE IN RESIDUAL RISK

MITIGATION

Argentex mitigates operational risks having established a clear control framework with supporting policies, procedures and business continuity planning alongside ongoing embedding of operational risk management and processes. Additionally, the roles and responsibilities are clearly defined across business and control functions. Where the Group is unable to wholly mitigate a risk (for example cyber threats) it has taken out extensive insurance to cover any consequential losses and ensure that the Group is able to continue in operation with little to no financial detriment to itself or its clients. For execution risk, Argentex has continued to invest in systems and change management processes, creating a project management office to ensure the risk of failing to deliver or execute is mitigated and to embed and efficient product development process.

RATIONALE

As the Group moves to a business-as-usual state, following the period of significant investment in its people, technology and growth, processes and controls remain tightly monitored. Saying that, the Group believes a conservative approach would be to expect a marginal increase in the residual risk level this period as we expand and execute on the projects in 2023.

Macro-economic risk

DESCRIPTION and potential impact:

The risk that deterioration in the business and economic environment, or an increase in political instability, could adversely affect the financial condition and prospects of our business. With the ongoing threat from the Ukraine Russia War, cost of living crisis and inflation are all contributing factors to macroeconomic uncertainty.

↑ INCREASE IN RESIDUAL RISK

MITIGATION

The Group's primary responsibility is the safety and welfare of its staff. The Group 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 as well as the commendable attitudes of its staff afforded the Group the agility to continue to offer minimal disruption to clients whilst simultaneously ensuring a safe working environment for all staff, whether working remotely or in the office when available.

RATIONALE

The Group continues to monitor the ongoing impact adverse events across many industry sectors. The Group continues to be focused on robust financial controls and maintaining balance sheet strength, and although considered well prepared, given that threats are continuously evolving, its deemed prudent to expect a marginal increase in the residual risk level this year.

Reputational risk

DESCRIPTION and potential impact:

The risk that a 'primary' risk materialises ultimately leading to clients and or regulators questioning our integrity. This could materialise from a significant negative impact to our revenue, regulatory sanction, litigation, negative publicity, difficulty in attracting new talent to the business.

↔ NO CHANGE IN RESIDUAL RISK

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.

RATIONALE

Given the performance and the growth over the period, the Group believes there has been no change to the residual risk for this period.





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Hechinger Ltd (CRN27618)
[Switch company](#)

Welcome

You are now logged into the Argentex online portal.
Should you have any issues please see the contact details below for dealing and settlements.



Total balance in
GBP

£14,404.80

Account balances

CURRENCY

AMOUNT



GBP

5,000.00 GBP
5,000.00 GBP



USD

0.00 USD
0.00 GBP



CAD

16,000.00 CAD
9,404.80 GBP



CHF

0.00 CHF
0.00 GBP





Board of Directors.



Lord Digby Jones Kb.
Non-executive Chairman

Lord Jones spent 20 years in corporate law before his appointment as Director General of the CBI in 2000. In 2007 he became Minister of State for UK Trade and Investment, becoming a life peer but not joining the party of government. Lord Jones is Non-Executive Chairman of Triumph Motorcycles Ltd & Thatchers Cider Co Ltd.



Harry Adams
Chief Executive Officer,
Co-Founder

Harry is a founding partner of Argentex. As CEO, Harry is responsible for the strategic direction of the Business. Harry oversees the front office including the Business development and revenue generation of Argentex. With over 15 years' experience in the deliverable foreign exchange market he ensures the organisation is abreast of technical and fundamental market changes, product governance, suitability and client classification. Harry also sits on the Advisory Board of a company that delivers market leading streaming and live broadcasts.

**Jo Stent**

Chief Financial Officer

Jo joined Argentex in February 2021 with over 25 years' experience. At Argentex she is responsible for financial strategy of the Group and the entire finance function as well as legal and corporate governance matters across the Group. In addition, she is responsible for the Group's sustainability strategy. She has held a number of senior financial leadership positions in large blue chip multinationals across a number of geographies. She brings considerable experience in international scaling, business transformation and innovation. She qualified as a Chartered Accountant in 2000 with EY.

**Lena Wilson CBE FRSE**

Senior Independent Director and Independent Non-executive Director

Lena brings extensive experience to Argentex, from an international career spanning over 60 countries. She currently serves on the Group Board of NatWest Group, and is Chair of Picton Property Income Ltd and Chair of AGS Airports Ltd. She is a Visiting Professor at the University of Strathclyde Business School. Lena was Chief Executive of Scottish Enterprise from November 2009 until October 2017. Prior to this, Lena was Senior Investment Advisor to The World Bank. Lena Wilson stepped down from her role as Senior Independent Director and Independent Non-executive Director on 28 February 2023.

**Nigel Railton**

Independent Non-Executive Director

Nigel recently stepped down as the CEO of Camelot UK Lotteries Ltd having held the position since June 2017. Nigel previously served as Financial & Operations Director and Finance Director of Camelot Group PLC. Prior to Camelot, he served as Senior Management Accountant of Daewoo Cars Ltd, beginning his career at British Rail. Nigel is a Qualified Accountant. Nigel is Chair of the Audit and Risk Committee.



Henry Beckwith

Non-executive Director

Henry is a director of Pacific Investments Ltd, the original backers of Argentex, 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.



Jonathan Gray

Independent Non-executive Director

Jonathan has considerable financial services experience having worked in senior roles at HSBC, UBS and NCB. Jonathan has substantial public company experience having worked on numerous flotations, including companies such as Property Fund Management, Cleveland Trust and CLS Holdings. Jonathan is Chair of the Remuneration Committee.



Directors' Report.

The Directors have the pleasure of presenting their report including reports from the Board Committees and Consolidated Financial Statements for Argentex Group PLC for the period ended 31 December 2022.

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

PRINCIPAL ACTIVITY

The principal activity of the Company is that of a holding company. The principal activities of the main trading subsidiary undertaking are that of foreign exchange services, primarily the provision of foreign exchange execution and advisory services to corporate and institutional clients.

BUSINESS REVIEW AND RESULTS

The review of the business, operations, principal risks and outlook are included in the Strategic Report on pages 34 to 36. The Group's profit after taxation for the period was £7.0m as set out in the Consolidated Statement of Profit or Loss on page 110.

DIVIDENDS

For the year ended 31 March 2022, the Group declared and paid a final dividend of 1.25p per share, totalling £1.5m. In light of the Company's performance in the 9 months to 31 December 2022, the Directors are declaring a final dividend of 2.25p per share resulting in a total amount of £2.5m.

Full particulars of the dividends are contained within the Financial Review on pages 56 to 59.

DIRECTORS

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

- Harry Adams
- Jo Stent
- Lord Digby Jones Kb.
- Lena Wilson CBE FRSE
- Nigel Railton
- Jonathan Gray
- Henry Beckwith

Biographies of the Directors including their committee memberships are set out on pages 78 to 80.

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 92 to 95. 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.

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.

DIRECTORS' INDEMNITY

All Directors and Officers of the Company have the benefit of the indemnity provision contained in the Company's Articles of Association and have received a deed of indemnity from the Company. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors and Officers.

POLITICAL DONATIONS

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

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.

EMPLOYEE INVOLVEMENT

The Group continues to involve its staff in the future development of the business, and provide working conditions to engender high performance and 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.

SUBSTANTIAL SHAREHOLDINGS

At 31 December 2022, 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
Pacific Investments	15,442,694	13.64
Gresham House (London)	11,265,893	9.95
Mr Andrew Egan	6,443,418	5.69
Interactive Brokers	5,642,929	4.98
Hargreaves Lansdown Asset Management	5,491,050	4.85
FIL Investment International (London)	4,628,482	4.09
AXA Investment Managers	4,350,000	3.84
JM Finn & Co	4,142,890	3.66

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 Statement on pages 60 to 61 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, which are outlined earlier in this report on pages 64-67.

ANNUAL GENERAL MEETING

The AGM will take place on 21 June 2023 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.

FINANCIAL INSTRUMENTS AND RISK

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

CORPORATE GOVERNANCE

A full review of Corporate Governance appears on pages 82 to 100.

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 21 June 2023.

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 Director's 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.

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; and
- 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; and
- 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; and
- 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.

On behalf of the Board



Jo Stent

Chief Financial Officer

11th April 2023

Corporate Governance Report.



Lord Digby Jones Kb.
Non-Executive Chairman

Dear Shareholder,

The following chapter details our Corporate Governance Report, which outlines the Group's governance framework. This is responsible for promoting the sustainable success of the Group and generating value for the Company's shareholders over the long-term, and provides an overview of the activities of the Board and its Committees during the period under review.

As an AIM quoted business, Argentex's governance framework is based on the QCA Corporate Governance Code (the Code). Details of how we have applied the principles of and complied with the provisions of the Code during 2022 are set out in this report and the Remuneration Committee Report.

Best practice is adopted wherever possible to facilitate robust risk management and the promotion of a

strong governance environment. The Board has reviewed the Corporate Governance disclosures set out in the following pages and believes that the Group complies with the principles and disclosure requirements of the Code in full.

How we do business has not changed over the last year - a compliance and risk monitoring program is embedded throughout the Company and provides the Executive Directors with information on the control and reporting of risks as well as the effectiveness of risk controls. This information is relayed to the Board for consideration and review.

The Board remains committed to develop best practices throughout the Company and will continue to lead the Company by setting standards for behaviours expected by all staff in their actions within the Company and in dealing with our external shareholders.

A handwritten signature in dark ink, appearing to read 'Digby Jones', with a stylized flourish at the end.

Lord Digby Jones Kb.
Non-Executive Chairman

The QCA Corporate Governance Code.

- 
1. Establish a strategy and business model which promotes long-term value for shareholders.

30 Strategic Report

2. Seek to understand and meet shareholder needs and expectations.

33 Investor / Shareholders

152 Shareholder communications

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.

60 Section 172 Statement

64 Sustainability Initiative

33 Other Stakeholders

4. Embed effective risk management, considering both opportunities and threats throughout the organisation.

70 Principal Risks & Uncertainties

70 Internal Controls & Assessments of Business Risk

5. Maintain the Board as a well-functioning balanced team led by the Chair.

78 Board of Directors

83 Corporate Governance Statement

6. Ensure that between them the Directors have the necessary up to date experience, skills and capabilities.

78 Board of Directors

90 Board of Effectiveness

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

90 Board of Effectiveness

92 Remuneration Committee Report

8. Promote a corporate culture that is based on ethical values and behaviours.

83 Corporate Governance Statement

98 Audit and Risk Committee Report

64 Sustainability Strategy

92 Remuneration Committee Report

96 Nomination Report

27 Argentex Collective

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

44 Clients

26 Business Culture, Behaviour & Ethics

26 Culture

64 Sustainability Strategy

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

83 Corporate Governance Statement

GOVERNANCE INTRODUCTION AND THE BOARD COMPOSITION

The Board is responsible to shareholders for the long-term success of the Business. 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 two Executive Directors and four Non-Executives, including the Chairman. The Board believes that the size, skill sets, and experience are 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.

The Board is responsible for the proper management of the Company by formulating, reviewing and approving the Company's strategy, budgets and corporate activity.

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

The Board meets at least quarterly every 12 months, and additional meetings are held as required. The Board is the principal forum for directing the business of the Group.

CHANGES TO THE BOARD

Lena Wilson stepped down from her role as Senior Independent Director and Independent Non-executive Director on 28 February 2023. The Board thanks Lena for the significant contribution made during her three-year tenure.

HOW THE BOARD OPERATES

The Board is responsible for the proper management of the Group by formulating, reviewing and approving the Group's strategy, budgets and corporate actions. 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 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

BOARD MEETINGS

The Board met five times during the reporting period and Non-Executive Directors communicate directly with Executive Directors and Senior Management between formal meetings. 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 roles of the Chair and Chief Executive are distinct with clear division of responsibilities. The Chair'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.

Directors are expected to attend all Board meetings, and the Committee meetings on which they are members. The table on page 91 outlines the scheduled Board and Committee meetings with attendance of each Board Member.

THE BOARD COMMITTEES

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 Committee also oversees the deployment and any findings of the Internal Audit function who have a direct line into the Committee.

The Audit Committee is comprised of Nigel Railton (Chair), Jonathan Gray and Henry Beckwith 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 industry-wide themes such as cyber-security to risk processes or regulatory change.

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 and, within the terms of the agreed framework, 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 Chairperson and the Executive Directors. No Director will 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 shall 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 all of the Non-Executive Directors and Jonathan Gray is Chair. The Remuneration Committee will meet at least twice a year and otherwise as required.

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 Lena Wilson CBE FRSE is Chair however, due to Lena's resignation this responsibility ceased in March 2023. The Nominations Committee will meet at least twice a year and otherwise as required.

BOARD EFFECTIVENESS

The Board reviews its effectiveness by reference to financial performance, continuing adherence to risk and compliance frameworks and the overall growth of the Group. The Board takes account of the opinions and

insights of its advisers, including NOMAD, auditors, and legal advisers. The method of assessing Board effectiveness and performance is also reviewed on a regular basis, and recommendations regarding changes to the composition of the Board will be evaluated fully. The Chairman carries out appraisals of the Board, the Committees and the individual Directors and includes a review of the fees paid to Non-Executive Directors including the fee for the Chairman. The formal evaluation process takes place on an annual basis and is supported by regular communication between the Chairman and the other Directors to allow any matters to be addressed.

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.

Appraisal of the Chairman is undertaken annually by the Nominations Committee Chair, in collaboration with the other Executive and Non-Executive Directors.

The review of fees paid to Non-Executive Directors was reported to the Board and details are included in the Remuneration Committee’s Report.

INTERNAL CONTROL AND RISK MANAGEMENT

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.

SHAREHOLDER COMMUNICATIONS

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

All Directors will normally attend each AGM and shareholders are given the opportunity to ask questions. In addition, the Chief Executive and Chief Financial

Officer welcome dialogue with individual institutional shareholders to understand their views and feed these back to the Board. General presentations are also given to analysts and investors covering the Annual and Interim Results.

OTHER STAKEHOLDERS

Other key stakeholders aside from shareholders are the Group's staff, its clients and its key suppliers. Delivering client focused outcomes ensures the long-term viability of the Argentex business model, and maintaining client confidence and trust requires full commitment to the Argentex culture by its staff. The client journey involves all facets of the Argentex model, from front office client acquisition and relationship management,

through to payment execution and ongoing compliance undertaken by the back office. Argentex's growing client base and ever growing staff number demonstrate Argentex's commitment to the same model that drove the early success of the Business and continues to deliver for the Business. The Board actively encourages and gives opportunities for its 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. Argentex is also committed to using domestic supply chains where possible, in order to maintain a modest environmental footprint and have access to domestically located support, opposed to solutions outsourced overseas.

● Attended meeting ○ Absent
● Not a committee member ● Not a board member at time

	Digby, Lord Jones Kb.	Nigel Railton	Jonathan Gray	Lena Wilson CBE FRSE	Henry Beckwith	Harry Adams	Jo Stent
Board Meetings							
	●	●	●	●	●	●	●
	●	●	●	○	●	●	●
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
Audit and Risk							
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
Remuneration							
	●	●	●	●	●	●	●
	●	●	●	●	●	●	●
Nominations							
	●	●	●	●	●	●	●

Remuneration Committee Report.



Jonathan Gray
Chair of the Remuneration Committee

I am pleased to present the Remuneration Report for the nine month period ending 31 December 2022 which 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. 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 91 and is made up entirely of the Group's Non-Executive Directors. 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 has met twice during the shortened financial period.

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.

The annual salaries of our CEO and CFO remained unchanged during the period at £350,000 and £270,000 respectively.

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 our Chairman was £56,250 for the period and for our non-executive directors was £41,250 for the period. On an annualised basis the fee for our Chairman was £75,000 and for our non-executive Directors it was £55,000. 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.

This has been an exciting period of growth for the Group with nine month revenues of £41.0m, a 63% increase compared to the same period last year. Consequently, the Remuneration Committee has determined to award bonuses to the Executive Directors as set out in the table below. The annual bonus paid to our CEO represents 250% of salary paid in the period, and to our CFO, 175% of salary.

Long-term incentive plans

The Committee recognises the importance of ensuring that senior employees of the Company are effectively and appropriately incentivised. With the assistance of its external advisors, the Committee undertook an overhaul of share-based rewards and implemented a new long-term share incentive plan that aligns remuneration of senior employees to the strategic objectives of the Group and shareholder interests 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 features of the plan are as follows:

- 50% of all awards have a minimum three-year, 4 months performance vesting period, with the remaining 50% of awards subject to a four-year, 4 months performance and vesting period. All awards made to Executives are subject to a five-year holding period after the date awards were made;
- Every award is subject to a 'malus' clause and has clawback criteria that can be exercised at the discretion of the Committee. These provisions cover both financial and non-financial issues that may come to light after the award;
- Awards are linked to share price performance with the hurdles being:
 - compound annual total shareholder return of 10% including dividends paid or declared; and
 - 15% revenue CAGR over the performance periods.
- The value delivered to participants is based on share price performance.
- Subject to the hurdles above being met, plan participants will earn up to 10% of value created above the shareholder return hurdle. The plan will be performance tested as to 50% of the awards based on the average share price following the publication of full year December 2025 results and 50% following the publication of the December 2026 results.
- The Committee has therefore applied a value cap of £35m and a limit of total dilution arising at 6.5% of current issued ordinary shares, with the ability to waive these caps in exceptional circumstances.

The VCP was implemented by way of an issue of growth shares in a wholly owned subsidiary of Argentex whereby these growth shares will be 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 but have retained their share options under the Company's original share option plan ("CSOP"). All participants under the VCP that had options under the CSOP have surrendered their options. The current awards under both plans are as follows:

	Number of Options/ Growth Shares	Recipients
VCP	* 18,600	42
CSOP	996,226	3
Total	1,014,826	45

* At the date of grant there were 20,000 shares to be awarded to staff however, a small number of shares have been reserved to allow for awards to new joiners where deemed appropriate.

30% of the awards were granted to Argentex's three most senior executives which is split 12% to each of the CEO and COO and 6% to the CFO. 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 are shareholders.

SERVICE CONTRACTS

Executive Directors have contracts of employment that are subject to notice of six months for both Company and individual.

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.

31 December 2022	Basic salary/ 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
Jonathan Gray	41,250	-	-	41,250
Nigel Railton	41,250	-	-	41,250
Dr Lena Wilson	41,250	-	-	41,250

31 March 2022	Basic salary/ Fixed profit shares	Performance related bonus in respect of year to 31 March 2022	Other amounts	2021/22 Total
Executive Directors				
Harry Adams	350,000	280,000	-	630,000
Carl Jani ¹	56,426	-	113,890	170,316
Jo Stent	270,000	160,000	-	430,000
Non-Executive Directors				
Lord Digby Jones	67,500	-	-	67,500
Henry Beckwith	50,000	-	-	50,000
Jonathan Gray	50,000	-	-	50,000

¹ To July 2021

Nigel Railton	50,000	-	-	50,000
Dr Lena Wilson	50,000	-	-	50,000

DIRECTORS' REMUNERATION

This table summarises the gross aggregate remuneration of the Directors who served during the period to 31 December 2022.

AGM

Our Remuneration Report for the year ended March 2022 was put to an advisory resolution at our AGM on 22 August 2022 and was supported by 99.97% of votes cast.

DIRECTORS' SHARE INTERESTS

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

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.

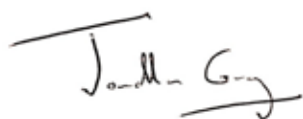
	Number of ordinary shares held in the Company at 31 December 2022	Number of ordinary shares held in the Company at 31 March 2022
Executive Directors		
Harry Adams	13,882,894	13,882,894
Jo Stent	37,500	37,500
Non-Executive Directors		
Lord Digby Jones	434,451	434,451
Henry Beckwith	7,675,247	7,675,247
Jonathan Gray	75,000	75,000
Nigel Railton	114,812	86,084
Dr Lena Wilson	12,500	12,500

SHARE OPTIONS

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

	Date of grant	Aggregate no. of growth shares issued under the new LTIP	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

Chair of the Remuneration Committee

Nominations Committee Report.



Lena Wilson CBE FRSE
Chair of the Nominations Committee

As Chair of the Nominations Committee, I am pleased to present the Nominations Committee report for the period ended 31 December 2022.

The Nominations Committee has a vital role in ensuring that the Board and its committees have the right balance of skills and experience and oversees the Board's development of succession planning to provide the Company and shareholders with continuity of talent at senior levels within the company.

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. 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 91. The Nominations Committee met once during the shortened financial period of nine months.

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. The key focus of the committee during the period included:

- reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- giving full consideration to succession planning for Directors and other senior executives into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future; and
- 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 to compete effectively in the marketplace.

COMMITTEE ACTIVITY

During the period, a key focus of the Committee was the internal review of Board effectiveness which was conducted by myself as Committee Chair. The review focused on the effectiveness of the Board across several key areas, including the Group's strategy, culture, values, ESG policy, risk management, shareholder engagement and corporate governance. The review highlighted the Board's strengths across these areas and recommended specific topics of focus that the Board could address in 2023 to further enhance its effectiveness. Some of these topics included a review of succession planning for key management roles in the Group, as well as talent development, a review of the Group's strategy for scale and the Company's pathway to Net Zero. The method of assessing Board effectiveness and performance will be reviewed on a continuing basis.

The Committee also reviewed the Board Composition through an update to the Board skills matrix to ensure that the Board maintained a full coverage of knowledge and skills. The matrix allows for an assessment of the balance, diversity, experience and skillset of the Board that is required to execute business strategy. The results demonstrated that the Board has the necessary depth and breadth of skills required to effectively discharge its responsibilities and will inform future role evaluation and succession planning. 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.

As announced in the Company January 2023 trading statement, I stepped down from the Board on 28 February 2023. The Committee will continue to play a key role in all new Board appointments and will undergo the search of a new Non-executive Director throughout the course of the 2023.

PRIORITIES FOR 2022/23

The Committee's focus for the next financial year will be on succession planning for the Board and senior executives, monitoring the review of talent within the Group and the evolution of the training and development plans. The Nominations Committee will continue to oversee the effectiveness of the Board and ensure that appointments are based on merit, considering fully the skills and experience required, as well as the benefits gained from all forms of diversity in future Board Composition.

Lena Wilson CBE FRSE

Chair of the Nominations Committee

Audit and Risk Committee Report.



Nigel Railton

Independent Non-Executive Director

On behalf of the Board, I am pleased to present the Audit and Risk Committee report for the period ending 31 December 2022.

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 members of the Committee are detailed on page 91. The Committee is comprised of only Non-executive Directors, and although not members of the Committee, the Executive Directors, Chief Compliance and Risk Officer and Group Finance Director are in attendance at Committee meetings. Other members of senior management are invited to attend where required. The Committee met four times in the period and also held meetings with the Company's external Auditors, Deloitte LLP. The Committee meets with the 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 or from the Company Secretary at the registered office address.

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

- Review of the 2022 audit plan and audit engagement letter
- The tender and appointment of a new internal audit function

- Reviewing the effectiveness of the external audit process
- Consideration of significant financial reporting judgement including the provision and methodology of the Group's Credit valuation adjustment which has been adopted within the period
- Monitoring the integrity of the financial statements of the Company and 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).

RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee has responsibility for assisting the Board in maintaining an effective internal control environment and risk management systems. 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 risk committee established at a management level, reports directly to the Audit and Risk Committee on a quarterly basis. The objective of the risk committee 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.

Key risks are outlined on pages 68-74 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.

EXTERNAL AUDITOR

The external Auditor, Deloitte LLP, were re-appointed as auditors to the Company at the Company's AGM on 22 August 2022. The Audit Committee monitors the relationship to ensure the auditor independence and objectivity are maintained.

The breakdown of fees between audit and non – audit function is provided in Note 7 of the financial statements.

INTERNAL AUDIT

In the period ended 31 March 2022 the Committee and Board agreed that the Company had grown to a level that necessitates the provision of an internal audit function over and above the existing compliance function. During the current period, the Committee oversaw the tender and appointment of a third-party internal audit function.

Management will work alongside the providers to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures based on the results of internal audits and provide regular reports to the Committee.

2023 PRIORITIES

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

1. Any emerging risks presented to the Group's operations such as cyber security and key financial controls
2. Reviewing the Group's ICARA and maturing the enterprise risk frameworks
3. Continued assessment of the Group's international expansion and controls framework supporting this growth
4. Scoping and assessing the workstream and effectiveness of the new internal audit function
5. Consideration of any other changes to the regulatory environment, business practises 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 2022, taken as a whole, is fair, balanced and understandable and provides the information necessary for model and strategy, and has reported on these finding to the Board.



Nigel Railton

Chair of the Audit Committee

Independent Auditor's Report.

1. In our opinion:

- the financial statements of Argentex Group plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the 9 month period to 31 December 2022;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- 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 parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows;
- the related consolidated notes 1 to 29; and
- the related parent company notes 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 parent 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 parent 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 period were: <ul style="list-style-type: none">— Accuracy of revenue recognition— Credit valuation adjustment for derivative financial assets Within this report, key audit matters are identified as follows: <ul style="list-style-type: none">— 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 £821,000 which was determined on the basis of 2% of revenue for the 9 month period to 31 December 2022 (year ended March 2022: 1.5%).
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 audit scope covers 100% of the group's revenue, 100% of the group's profit before tax and 99% of the group's total assets.
Significant changes in our approach	We identified the credit valuation adjustment for derivative financial assets as a key audit matter in the current reporting period, following a downturn in the UK economic environment resulting in an increase in credit risk. Presentation of derivative assets and liabilities is no longer considered a key audit matter in the current period as the classification of derivative assets and liabilities were appropriately presented in the financial statements according to IAS 32 Financial Instruments: Presentation. We used a higher percentage of revenue for our materiality than the prior year which was our first year under 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 parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing the group's financial projections, including those in stressed scenarios, and evaluating key assumptions and their impact on capital and liquidity;
- reading correspondence with regulators to understand the group's capital and liquidity requirements;
- assessing the historical accuracy of forecasts prepared by the group; and
- evaluating the adequacy of the disclosures made in the financial statements.

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 parent 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	<p>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 £41m for the 9 month period to 31 December 2022 (year ended 31 March 2022: £34.5m), as described in note 5.</p> <p>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.</p> <p>Therefore, we have identified a key audit matter in relation to the accuracy of revenue recognised by the group.</p>
How the scope of our audit responded to the key audit matter	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> — Obtained an understanding of the relevant controls over the revenue recognition process and tested the design and implementation of these controls; — 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: <ul style="list-style-type: none"> — 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; — for a sample of trades with multiple legs obtained evidence regarding the requirement for the draw/reversal leg from brokers and assessed this for appropriateness.
Key observations	<p>We are satisfied that the revenue for the period is accurately recorded.</p>

5.2. Credit valuation adjustment for derivative financial assets

Key audit matter description	<p>The group holds a large open book of forward trades and options. As at 31 December 2022 derivative financial assets totalled £66.5m (31 March 2022: £41.1m), as described in note 24 of the financial statements. In accordance with IFRS 9 and IFRS 13, at the reporting period end open derivative positions are required to be held at fair value and the directors must reassess the fair value of open trades, reflecting an assessment of the creditworthiness of counterparties.</p> <p>The level of default of the group's customers has historically been low with limited credit losses experienced in relation to the group's derivative asset positions. In response to an increase in credit risk resulting from the current economic environment, and as outlined in note 3.1 to the financial statements, the directors have recognised a credit valuation adjustment ("CVA") of £1.1m. The necessary CVA involves an assessment of the creditworthiness of customers, which requires a significant amount of judgement. More specifically, judgement is required by the directors in determining the probability of default ("PD") and loss given default ("LGD") inputs into the CVA adjustment for each customer. Given the significant value of derivatives at the period end and judgement involved, we identified the determination of these inputs to the CVA adjustment as a key audit matter.</p>
How the scope of our audit responded to the key audit matter	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> — Obtained an understanding of the relevant controls in the derivative valuation process, including controls over the model that directors use to calculate the CVA; — Evaluated the assumptions made by directors, specifically the LGD and PD; — With the involvement of our internal financial instruments specialists, assessed the methodology in accordance with relevant accounting standards and considering third party evidence; — For a sample of derivatives, tested the completeness and accuracy of data used in the model; — Assessed the creditworthiness of a sample of clients; and — Assessed the credit risk disclosures presented in the December 2022 period-end financial statements in accordance with the requirements of IFRS 7 Financial Instruments: Disclosures.
Key observations	We are satisfied that the credit valuation adjustment for derivative financial assets for the period is appropriate.

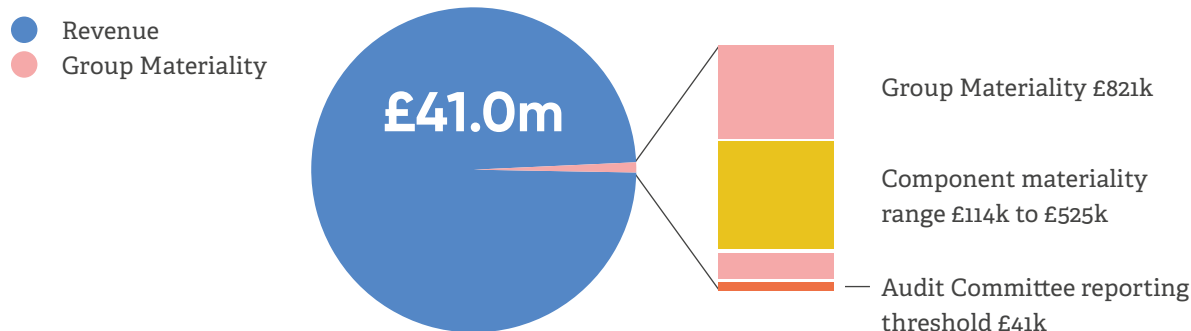
6. Our application of materiality

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	Parent company financial statements
Materiality	£821,000 (year ended 31 March 2022: £517,000)	£375,000 (year ended 31 March 2022: £235,000)
Basis for determining materiality	2% of 9 months revenue for the period to 31 December 2022 (year ended 31 March 2022: 1.5% of 12 months revenue).	Parent company materiality equates to 1% of net assets, (year ended 31 March 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. We increased the percentage applied to revenue in the period as this was our second year as auditors.	The parent company is not profit driven. The balance sheet is the key measure of financial health that is important to shareholders since the primary concern for the parent 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	Parent company financial statements
Performance materiality	65% (year ended 31 March 2022: 65%) of group materiality	65% (year ended 31 March 2022: 65%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> — The quality of the control environment; — The uncertain economic environment; and — The level of corrected and uncorrected misstatements identified in the prior year audit. 	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £41,000 (year ended 31 March 2022: £25,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit 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 parent company. We have considered reporting components based on their contribution to group (revenue, profit and total assets), as well as qualitative considerations. Our full scope audit procedures covered 100% revenue, 100% profit before tax and 99% total assets. The group engagement team is the statutory auditor for all material entities within the group and therefore performed all procedures for the purposes of the group audit.

7.2. Our consideration of the control environment

We tested internal controls over financial reporting where our scoping and risk assessment determined those controls to be relevant to the audit. This involved testing general IT controls, with the involvement of our internal IT specialists, process level controls and entity level controls at the group level. We have observed a

significant improvement in the overall control environment, with a number of observations raised in the prior year now improved upon. In other areas, remediation activity has commenced but requires further action or embedding.

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 64 to 67 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 parent 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 parent 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 committee about their own identification and assessment of the risks of irregularities;
- 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; and
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, financial instruments 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 the 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 frameworks 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, the Financial Conduct Authority, 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.

11.2. Audit response to risks identified

As a result of performing the above, we identified 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 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 and reviewing correspondence with regulators; and
- 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 period for which the financial statements are prepared is consistent with the financial statements; and
- 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 parent 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; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

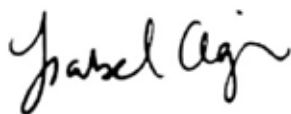
13.2. Directors' remuneration

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.



Isabel Agius

FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

11 April 2023

Consolidated Statement of Profit or Loss and other comprehensive income

for the period ended 31 December 2022

	Notes	9 months ended December 2022 £m	Year ended March 2022 £m
Revenue	5	41.0	34.5
Cost of sales		(1.8)	(0.6)
Gross profit		39.2	33.9
Administrative expenses		(30.2)	(22.9)
Adjusted operating profit		9.0	11.0
Non-adjusted expenditure	8	(0.8)	(0.4)
Share-based payments charge	23	(0.1)	(0.2)
Operating profit		8.1	10.4
Finance costs	11	(0.3)	(0.4)
Profit before taxation		7.8	10.0
Taxation	12	(0.8)	(2.6)
Profit for the period and total comprehensive income		7.0	7.4
Earnings per share			
Basic	13	6.2p	6.6p
Diluted	13	6.2p	6.6p
<i>Adjusted - Basic</i>	13	6.8p	7.0p
<i>Adjusted - Diluted</i>	13	6.8p	7.0p

Consolidated Statement of Financial Position

as at 31 December 2022

	Notes	31 December 2022 £m	31 March 2022 £m
Non-current assets			
Intangible assets	14	2.5	2.2
Property, plant and equipment	15	7.9	8.3
Derivative financial assets	24	8.8	3.1
Deferred tax asset	12	0.5	-
Total non-current assets		19.7	13.6
Current assets			
Trade and other receivables	16	1.0	0.6
Cash and cash equivalents	17	29.0	37.9
Other assets	18	10.0	7.2
Derivative financial assets	24	57.7	38.0
Total current assets		97.7	83.7
Current liabilities			
Trade and other payables	19	(25.9)	(34.2)
Derivative financial liabilities	24	(42.0)	(21.6)
Total current liabilities		(67.9)	(55.8)
Net current assets		29.8	27.9
Non-current liabilities			
Trade and other payables	19	(5.5)	(6.0)
Derivative financial liabilities	24	(5.2)	(2.3)
Total non-current liabilities		(10.7)	(8.3)
Net assets		38.8	33.2

Consolidated Statement of Financial Position (continued)

as at 31 December 2022

	Notes	31 December 2022 £m	31 March 2022 £m
Equity			
Share capital	21	0.1	0.1
Share premium	22	12.7	12.7
Share option reserve	23	0.5	0.4
Merger reserve	22	4.5	4.5
Retained earnings	22	21.0	15.5
Total Equity		38.8	33.2

The financial statements of Argentex Group PLC were approved by the Board of Directors on 11 April 2023 and were signed on its behalf by:



Harry Adams

Director

Registered number 11965856

Consolidated Statement of Changes in Equity

for the period ended 31 December 2022

	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 1 April 2021	0.1	12.7	0.2	4.5	11.2	28.7
<i>Comprehensive income for the year</i>						
Profit for the year	-	-	-	-	7.4	7.4
Total comprehensive income for the year	-	-	-	-	7.4	7.4
<i>Transactions with owners:</i>						
— Dividends paid	-	-	-	-	(3.1)	(3.1)
— Share-based payments charge	-	-	0.2	-	-	0.2
Balance at 31 March 2022	0.1	12.7	0.4	4.5	15.5	33.2
<i>Comprehensive income for the period</i>						
Profit for the period	-	-	-	-	7.0	7.0
Total comprehensive income for the period	-	-	-	-	7.0	7.0
<i>Transactions with owners:</i>						
— 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

Consolidated Statement of Cash Flows

for the period ended 31 December 2022

	Notes	9 months ended December 2022	Year ended March 2022
		£m	£m
Profit before taxation		7.8	10.0
Taxation paid		(2.5)	(2.2)
Net finance expense		0.3	0.4
Depreciation of property, plant and equipment		0.3	0.5
Depreciation of right of use assets		0.6	0.8
Amortisation of intangible assets		1.1	1.2
Share-based payment charge		0.1	0.2
(Increase) in trade receivables		(0.4)	-
(Decrease)/increase in payables		(7.0)	5.8
(Increase)/decrease in derivative financial assets		(25.4)	1.4
Increase/(decrease) in derivative financial liabilities		23.3	(5.3)
(Increase)/decrease in other assets		(2.8)	4.4
Net cash (used in)/generated from operating activities		(4.6)	17.2
Investing activities			
Purchase of intangible assets	14	(1.4)	(1.7)
Purchases of plant and equipment	15	(0.5)	(0.4)
Net cash used in investing activities		(1.9)	(2.1)

Consolidated Statement of Cash Flows (continued)

for the period ended 31 December 2022

	Notes	9 months ended December 2022 £m	Year ended March 2022 £m
Financing activities			
Payments made in relation to lease liabilities	20	(0.9)	(0.9)
Dividends paid	10	(1.5)	(3.1)
Net cash used in financing activities		(2.4)	(4.0)
Net (decrease)/increase in cash and cash equivalents		(8.9)	11.1
Cash and cash equivalents at the beginning of the period		37.9	26.8
Cash and cash equivalents at the end of the period	17	29.0	37.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 nine month period ended 31 December 2022 and the year ended 31 March 2022 comprise the financial statements of the Company and its subsidiaries (together, “the Group”). The Group has changed its year end date from 31 March to 31 December to align with the calendar year in order to provide more meaningful information to shareholders and prospective investors. Therefore, the Group has presented a shortened period of nine months 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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS accounting standards). 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 months 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.

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 24.3 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). In line with the Group, the subsidiaries have also changed year end dates to 31 December and the subsidiaries will be incorporated at this date each year (previously prepared to 31 March 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.	Pending regulatory authorisation	Netherlands
Argentex PTY Ltd	Pending regulatory authorisation	Australia

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 currency options, the Group recognises the net option premium receivable as revenue on the date that the option 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.

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 forward and 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 forward and 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 and brokerage 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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 using the effective interest rate method, where applicable. 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.

Subsequent Measurement

Initial recognition consists of fair value minus transaction costs. 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

Cash held as collateral with banking counterparties is shown as other assets on the Consolidated Statement of Financial Position.

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 disclosed within trade and other payables on the Consolidated Statement of Financial Position. 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 Profit or Loss 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.

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.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 & 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

Non-derivative 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 and brokerage 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 on the face of the Consolidated Statement of Comprehensive Income. 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.

Adjusted operating profit also excludes the share-based payments charge due its non-trading nature.

2.16. Employee benefits

(i) Short-term benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered if material.

(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 are classified as a liability and 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that 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.

3.1. Accounting judgements

(i) Capitalisation of costs to intangible assets

The extent to which costs should be capitalised to intangible assets is a key judgement. The Group capitalise 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 PDs would result in decreased operating profit of £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

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 £0.7m (March 2022: £0.7m), decreasing the estimated useful life from 3 years to 2 years would result in decreased operating profit of £1.3m (March 2022: £1.6m).

4. Segment reporting

The Directors consider that the Group consists of a single operating segment (being Argentex LLP's foreign currency dealing business) and that it operates in a market that is not bound by geographical constraints.

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

5. Revenue

An analysis of the Group's revenue is as follows:

	9 months ended 31 December 2022	Year ended 31 March 2022
	£m	£m
Spot foreign exchange contracts	9.3	6.4
Forward foreign exchange contracts	27.9	27.2
Structured solutions	3.8	0.9
	41.0	34.5

6. Operating profit

Operating profit for the period is stated after charging:

	9 months ended 31 December 2022	Year ended 31 March 2022
	£m	£m
Depreciation of plant and equipment	0.3	0.5
Depreciation of right of use assets	0.6	0.8
Amortisation of intangibles	1.1	1.2
Staff costs (see note 9)	20.2	15.2
Net foreign exchange (gains)	-	(0.2)

7. Auditor's remuneration

	9 months ended 31 December 2022	Year ended 31 March 2022
	£m	£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	0.3	0.2
Other assurance and advisory services	-	0.1

8. Non-adjusted expenditure

The Directors have classified certain costs as non-adjusted in accordance with the accounting policy set out in note 2.15. These costs amount to £0.8m (March 2022: £0.4m) and for the nine month period to December 2022 relate to: costs 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.

In the year to March 2022, non-adjusted expenditure related to: i) costs related to the creation of and regulatory applications for overseas operations and ii) fees incurred in the year in relation to Director changes in the Group.

Costs relating to the creation of overseas operations are infrequent despite inclusion in both periods as these costs will not be recurring once the operations are fully functional.

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9. Staff costs

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

	9 months ended 31 December 2022 No.	Year ended 31 March 2022 No.
Directors	7	8
LLP members (excl. executive directors)	5	6
Sales and dealing	66	45
Operations	47	27
	125	86

	9 months ended 31 December 2022 £m	Year ended 31 March 2022 £m
Staff costs for the above persons were:		
Wages and salaries	12.7	8.4
Social security costs	1.4	0.9
Pension costs	0.1	0.1
Share based payments	0.1	0.2
LLP members' remuneration*	4.2	4.1
Directors remuneration	1.7	1.5
	20.2	15.2

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

*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

	9 months ended 31 December 2022 £m	Year ended 31 March 2022 £m
Amounts recognised as distributions to equity holders:		
Final dividend for the year ended 31 March 2022 of 1.25p per share (March 2022: dividend for the year ended 31 March 2021 of 2p per share)	1.5	2.3
Interim dividend declared nil (March 2022: 0.75p per share)	-	0.8
	1.5	3.1
Proposed final dividend for the period ended 31 December 2022 of 2.25p per share (March 2022: 1.25p per share)	2.5	1.5

11. Finance costs

	9 months ended 31 December 2022 £m	Year ended 31 March 2022 £m
Interest on lease arrangements	0.3	0.4

12. Taxation

	9 months ended 31 December 2022 £m	Year ended 31 March 2022 £m
Current tax		
In respect of the current period	1.3	2.6
Total current tax	1.3	2.6
Deferred tax		
Deferred tax (credit) in relation to timing on fixed assets	(0.5)	-
Total deferred tax	(0.5)	-
Total tax expense	0.8	2.6

Tax has been calculated using an estimated annual effective tax rate of 19% (March 2022: 19%) on profit before tax. The UK main rate of corporation tax is set to increase to 25% from 01 April 2023.

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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:

	9 months ended 31 December 2022	Year ended 31 March 2022
	£m	£m
Profit before taxation	7.8	10.0
Tax on profit on ordinary activities at standard UK corporation tax rate of 19%	1.5	1.9
Effects of:		
Other amounts charged	0.2	0.6
Adjustments in respect of prior period	(0.4)	0.1
Total tax on ordinary activities	1.3	2.6

Other items charged relate to adjustments for tax purposes including non-allowable expenses and capital allowances.

	31 December 2022	31 March 2022
	£m	£m
Deferred tax		
Assets		
At 1 April	-	-
Tax credit relating to future periods	0.5	-
Total deferred tax asset	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 of 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.

	9 months ended 31 December 2022	Year ended 31 March 2022
	£m	£m
Earnings		
Earnings for the purposes of basic and diluted earnings per share		
— basic and diluted	7.0	7.4
<i>Adjustments for:</i>		
Non-adjusted expenditure	0.8	0.4
Share based payments	0.1	0.2
Tax impact	(0.2)	(0.1)
Adjusted earnings (basic and diluted)	7.7	7.9

9 months ended
31 December 2022

Year ended
31 March 2022

Number of shares

The calculation of basic and 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	0.2
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	113.3	113.4

Earnings per share

Basic	6.2p	6.6p
Diluted	6.2p	6.6p
Adjusted - Basic	6.8p	7.0p
Adjusted - Diluted	6.8p	7.0p

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 1 April 2021	5.7
Additions	1.7
At 31 March 2022	7.4
Additions	1.4
At 31 December 2022	8.8

Amortisation

At 1 April 2021	4.0
Charge for year	1.2
At 31 March 2022	5.2
Charge for 9 month period	1.1
At 31 December 2022	6.3

Net book value

At 31 December 2022	2.5
At 31 March 2022	2.2

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15. Property, plant and equipment

	Leasehold improvements £m	Right of use asset £m	Office equipment £m	Computer equipment £m	Total £m
Cost					
At 1 April 2021	1.7	7.2	0.6	0.6	10.1
Additions	0.1	0.1	0.2	0.1	0.5
Disposals	-	-	-	-	-
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
Depreciation					
At 1 April 2021	0.1	0.7	-	0.2	1.0
Charge for the year	0.2	0.8	0.1	0.2	1.3
Disposals	-	-	-	-	-
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
Net book value					
At 31 December 2022	1.4	5.2	1.1	0.2	7.9
At 31 March 2022	1.5	5.8	0.7	0.3	8.3

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

16. Trade and other receivables

	31 December 2022 £m	31 March 2022 £m
Current		
Other receivables	-	0.1
Prepayments	1.0	0.5
Trade and other receivables	1.0	0.6

17. Cash and cash equivalents

	31 December 2022	31 March 2022
	£m	£m
Cash and cash equivalents	29.0	37.9

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 £12.8m (March 2022: £24.9m) 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.

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 2022	31 March 2022
	£m	£m
Other assets	10.0	7.2

Other assets is made up of collateral with banking and brokerage counterparties. Client margins received and disclosed within client balances payable are used to service margin calls with counterparties.

19. Trade and other payables

	31 December 2022	31 March 2022
	£m	£m
Non-current		
Provisions	0.2	0.2
Lease Liability (note 20)	5.3	5.8
Trade and other payables	5.5	6.0
Current		
Amounts payable to clients	12.8	24.9
Other creditors	-	0.1
Corporation tax	0.7	1.9
Amounts due to members and former members of Argentex LLP	4.4	2.8
Trade payables	0.4	-
Accruals	6.1	3.4
Other taxation and social security	0.7	0.3
Lease liability (note 20)	0.8	0.8
Trade and other payables	25.9	34.2

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20. Leases

In May 2020, the Group signed a ten-year lease for its head office premises at Argyll Street, London. 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 rent is subject to a rent review after five years and contains a break clause at this same anniversary. The rate implicit in the lease is not evident and so the Group's incremental borrowing rates have been used. Management have assessed the incremental borrowing rate to be 6% (March 2022: 6%). Information about the lease liability is presented below:

	31 December 2022	31 March 2022
	£m	£m
Lease liability at beginning of financial period	6.6	6.9
Additions	-	0.1
Payments made in the period	(0.9)	(0.9)
Unwinding of finance costs	0.4	0.5
Lease liability at end of financial period	6.1	6.6
<i>Of which</i>		
Current (note 19)	0.8	0.8
Non-current (note 19)	5.3	5.8

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

	9 months ended 31 December 2022	Year ended 31 March 2022
	£m	£m
Depreciation charge on right of use assets (note 15)	0.6	0.8
Interest on lease liabilities (note 11)	0.3	0.4

21. Share capital

Allotted and paid up	Ordinary shares	Management shares	Nominal value
	No.	No.	£m
At 1 April 2022 and 31 December 2022	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 Profit or Loss, 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 Profit or Loss, less amounts distributed to shareholders.

23. Share based payments

The cost of group 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 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

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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 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.

The total share-based payment reserve at 31 December 2022 is £0.5m (31 March 2022: £0.4m). The Group has recognised a total expense of £0.1m (31 March 2022: £0.2m) based on the estimated number of share options expected to vest across all parts 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 2022		31 March 2022	
	Average exercise price (£)	Number of options outstanding	Average exercise price (£)	Number of options outstanding
At beginning of period	1.34	4,726,407	1.34	4,754,708
Granted	-	-	-	-
Forfeited	1.34	(3,730,181)	1.06	(28,301)
Exercised	-	-	-	-
At end of period	1.35	996,226	1.34	4,726,407

The share-based payment charge in relation to the above scheme in the period ended 31 December 2022 is £0.1m (March 2022: £0.2m).

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 3 year and 4-month period and Growth B shares vest over a 4 year and 4-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 2022 was £nil (31 March 2022: £nil).

Growth Shares

	31 December 2022	31 March 2022
	Number of options outstanding	Number of options outstanding
Outstanding at beginning of period	-	-
Granted in period	20,000	-
Forfeited in period	-	-
Exercised in period	-	-
Outstanding at end of period	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.

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; liquidity risk; market risk, including interest rate risk and foreign exchange risk.

24.1. Capital management

Capital risk is the risk that there is 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 as going concerns 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 seeks to maintain a healthy excess. The Group manages its capital resources with references to both the business and the regulatory requirements. This process also ensures there is adequate capital and liquidity to either absorb losses or to ensure there is adequate levels to perform an orderly wind-down without causing undue harm to its clients, counterparties, or the market. The level of capital is more than the capital requirement set by the authorised regulators.

24.2. 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 2022	31 March 2022
	£m	£m
Financial asset instruments		
Measured at FVTPL		
Non-current		
Derivative financial assets	8.8	3.1
Derivative financial assets	57.7	38.0
Total derivative financial assets	66.5	41.1

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	31 December 2022	31 March 2022
	£m	£m
Measured at amortised cost		
Current		
Other receivables	-	0.1
Cash and cash equivalents	29.0	37.9
Other assets	10.0	7.2
Total amortised cost assets	39.0	45.2
	31 December 2022	31 March 2022
	£m	£m
Financial liability instruments		
Measured at FVTPL		
Non-current		
Derivative financial liability	5.2	2.3
Current		
Derivative financial liability	42.0	21.6
Total derivative financial liabilities	47.2	23.9
Measured at amortised cost		
Amounts payable to clients	(12.8)	(24.9)
Other creditors	(1.1)	(1.9)
Amounts due to members and former members of Argentex LLP	(2.9)	(2.8)
Accruals (excluding non-financial instruments)	(1.0)	(1.2)
Lease liabilities	(6.1)	(6.6)
Non-derivative financial liabilities	(23.9)	(37.4)

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 uncertain 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 and brokerage counterparties and the amounts are disclosed in note 18.

	31 December 2022	31 March 2022
	£m	£m
Amounts with counterparties subject to Master Netting agreements:		
Derivative financial assets	29.5	17.4
Derivative financial liabilities	31.3	12.7

24.3. 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.

	31 December 2022	31 March 2022
	£m	£m
10% weakening in the GBP/EUR exchange rate	1.2	0.8
10% strengthening in the GBP/EUR exchange rate	(1.0)	(0.6)
10% weakening in the GBP/USD exchange rate	1.5	1.1
10% strengthening in the GBP/USD exchange rate	(1.2)	(0.9)

Interest rate risk affects the Group to the extent that forward foreign exchange contracts and foreign exchange options 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 it 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.

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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

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

31 March 2022	0-3 months	3-6 months	6-12 months	12 months +	Total
	£m	£m	£m	£m	£m
Derivative financial assets	908.1	436.5	700.9	232.3	2,277.8

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

31 March 2022	0-3 months	3-6 months	6-12 months	12 months +	Total
	£m	£m	£m	£m	£m
Derivative financial liabilities	902.9	433.7	693.7	230.9	2,261.2

Other Financial Liabilities

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

31 December 2022	Up to 1 year	1 year +	Total
	£m	£m	£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
31 March 2022	Up to 1 year	1 year +	Total
	£m	£m	£m
Amounts payable to clients	24.9	-	24.9
Other payables	8.0	-	8.0
Lease liabilities	1.2	7.1	8.3
	34.1	7.1	41.2

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.

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 each trade debtor 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.

24.4. 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 2022, 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 has recorded a CVA of £1.1m (March 2022: £nil) 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 which means that the withdrawal of services from a banking provider will have a negligible effect on the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2022	31 March 2022		
Foreign exchange forward and option contracts	Assets £66.5m; and Liabilities £47.2m	Assets £41.1m; and Liabilities £23.9m	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.

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

Included in other creditors is £nil (March 2022: £0.1m) owed to Pacific Investments Management Limited, the former owner of Argentex Foreign Exchange Limited, as the Group repaid its loan in the period.

27. Contingent liabilities

As at 31 December 2022 there were no capital commitments or contingent liabilities (March 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

The UK main rate of corporation tax is set to increase to 25% from 01 April 2023. The increase is not expected to have a material impact on the Group's deferred tax asset.





Company Statement of Financial Position

as at 31 December 2022

	Notes	31 December 2022 £m	31 March 2022 £m
Non-current assets			
Investment in subsidiaries	6	120.1	118.4
Total non-current assets		120.1	118.4
Current assets			
Trade and other receivables	7	8.7	4.0
Total current assets		8.7	4.0
Current liabilities			
Other payables	8	(5.3)	(2.4)
Total current liabilities		(5.3)	(2.4)
Net assets		123.5	120.0
Equity			
Share capital	9	0.1	0.1
Share premium	10	12.7	12.7
Share option reserve	10	0.5	0.4
Merger reserve	10	106.0	106.0
Retained earnings	10	4.2	0.8
		123.5	120.0

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The profit for the period was £4.9m (March 2022: £0.7m).

The financial statements of Argentex Group PLC were approved by the Board of Directors on 11 April 2023 and were signed on its behalf by:

Harry Adams

Director

Registered number 11965856



Company Statement of Changes in Equity

for the period ended 31 December 2022

	Share capital	Share premium	Share option reserve	Merger reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 31 March 2021	0.1	12.7	0.2	106.0	3.2	122.2
Total comprehensive income for the year	-	-	-	-	0.7	0.7
<i>Transactions with owners:</i>						
Dividends paid	-	-	-	-	(3.1)	(3.1)
Share-based payments charge	-	-	0.2	-	-	0.2
Balance at 31 March 2022	0.1	12.7	0.4	106.0	0.8	120.0
Total comprehensive income for the period	-	-	-	-	4.9	4.9
<i>Transactions with owners:</i>						
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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

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 has changed its year end date from 31 March to 31 December and therefore has presented a shortened period of nine months.

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); and
 - 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. Management have reviewed the Group and subsidiaries’ financial position and believe the subsidiaries are not impaired in accordance with IAS 36.

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 deemed there to be no objective evidence for impairment.

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

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 01 April 2021	118.2
Additions	0.2
At 31 March 2022	118.4
Additions	1.7
At 31 December 2022	120.1

NOTES TO THE COMPANY FINANCIAL STATEMENTS

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
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 B.V.	Pending regulatory authorisation	Netherlands	Herengracht 54, 1015 BN Amsterdam, The Netherlands
Argentex PTY Ltd	Pending regulatory authorisation	Australia	17 One International Towers Sydney Barangaroo, NSW 2000

All subsidiaries are 100% owned either directly or indirectly owned by the company.

7. Trade and other receivables

	31 December 2022	31 March 2022
	£m	£m
Other receivables	0.1	0.1
Amounts due from group companies	8.6	3.9
	8.7	4.0

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 2022	31 March 2022
	£m	£m
Trade payables	0.1	-
Amounts owed to group companies	5.2	2.4
	5.3	2.4

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

	Ordinary shares No.	Management shares No.
<i>Allotted and paid up</i>		
Ordinary shares of £0.0001 each	113,207,547	-
Management shares of £0.0025 each	-	23,589,212
At 31 March 2022 and 31 December 2022	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, 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.

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 1.25p per ordinary share for the year to 31 March 2022 amounting to £1,415,094.33 which was paid in the period.

11. Events after the Reporting Date

On 22 February 2023, the Company's subsidiary, Argentex Capital Limited, declared a dividend of £2.0m payable to the Company.



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.

OTC – Over the counter. A transaction agreed directly between two parties without the use of a central clearing house or exchange.

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.

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.

Directors – individuals which hold either executive or non-executive office in Argentex Group PLC.

Revenue – The sum total in pounds sterling of all profits made through spread during the financial period.

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 the 25th June 2019.

Spot – An FX trade between two parties, who exchange currencies two business days following the agreement of the trade.

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.

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.

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.

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.

CAGR – Compound annual growth rate.

CSOP – Company Share Options Plan.

VCP – Value Creation Plan.

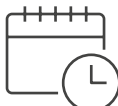
Year end / Period end – 31st March/31st December.

Shareholder information.



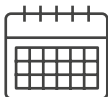
Shareholder enquiries

→ investorrelations@argentex.com



Dividend dates

- 21 June 2023 – Final dividend approved
- 29 June 2023 – Ex-dividend date
- 30 June 2023 – Final dividend record date
- 4 August 2023 – Final dividend payment date



Annual shareholder calendar

- 31 December 2022 – Financial period end
- 12 April 2023 – Period results announcement
- 21 June 2023 – AGM
- 30 June 2023 – Half year end
- September 2023 – Half year results announcements
- 31 December 2023 – Financial year end

Company information.

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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 Gowling WLG, 4 More Riverside, London, SE1 2AU on 21 June 2023 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 12 as ordinary resolutions and resolutions 13 and 14 as special resolutions):

ORDINARY BUSINESS

Ordinary Resolutions

1. To receive and adopt the Annual Report and Accounts of the Company for the financial period ended 31 December 2022 together with the Directors' Report and Auditor's Report thereon.
2. To approve the Directors' Remuneration Report for the financial period ended 31 December 2022.
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 Harry Adams, 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 Jo Stent, who retires as a Director in accordance with the Articles and being eligible to do so offers herself for re-election as a Director, be elected as a Director of the Company.
6. 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.
7. 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.
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 auditor's 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 maximum 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 11 April 2023) 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 2024 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.
12. That a final dividend of £2,547,169.81/2.25 pence per Ordinary Shares for the period ended 31 December 2022 be declared.

Special Resolutions

13. That, subject to the passing of resolution no. 12, 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. 12 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 11 April 2023), 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 2024 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.

14. 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 11 April 2023;

- (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 4 August 2024 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

11 April 2023

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.

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 19 June 2023 (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 19 June 2023 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 11 April 2023, being the latest practicable date before the publication of this notice of AGM, the Company's issued share capital consisted of 113,207,547 Ordinary Shares each carrying one vote. Therefore, the total voting rights in the Company as at 11 April 2023 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 12 April 2023 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.
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 Financial Statements 2022.
2. **Resolution 2** – the Directors' are required to approve the Remuneration Report for the financial period.
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 77 and 79 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 11 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 2024 and 30 June 2024 (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 11 April 2023 (the latest practicable date prior to the publication of this document)).
6. **Resolution 12 – declaration of final dividend** – under the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. This final dividend shall be paid on 4 August 2023 to holders of Ordinary Shares on the register of members at the close of business on 30 June 2023.

7. **Resolution 13 – *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 14 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 11 April 2023, 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 2024.
8. **Resolution 14 – *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 11 April 2023 (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 2024.



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