MAREX

Diversified. Resilient. Dynamic.

Marex Group plc
Annual report 2022

05613060

Marex is a diversified global financial services platform, providing essential liquidity, market access and infrastructure services to clients in the energy, commodities and financial markets.

With 29 offices, access to all major exchanges, and technology-powered data and advisory services, Marex is your essential partner.

Diversified. Resilient. Dynamic.

2022 Highlights

Our diversified and resilient business model combined with proactive risk management enabled us to successfully support our clients during significant market turbulence

Strong financial performance driven by client activity on our platform

Reported revenue
$1,344m (+21%)

Reported profit before tax
$122m (+74%)

Net revenue
$702m (+29%)

Adjusted operating PBT
$122m (+53%)

Successful $100m Additional Tier 1 issuance, strengthening our balance sheet and capital position to support future growth

Investment grade credit ratings affirmed by S&P Global and Fitch

Progressing our sustainability strategy, developing our environmentals product offering and innovative carbon sequestration project

Acquired ED&F Man Capital Markets division, expanding our global footprint in the US, APAC and the Middle East

Marex's KPIs include non-statutory alternative performance measures ('APMs') as defined by the European Securities and Markets Authority ('ESMA'). We provide these to offer additional insights into the Group's financial results. Where a non-statutory financial measure of performance is used, a reconciliation to the most directly related statutory measure is provided in note 6 to the financial statements.

At a Glance

Marex is an efficient, diversified and scalable platform offering essential liquidity, market access and hedging services to clients across a broad range of asset classes. We are thoroughly embedded in the global commodity and financial markets.

Our values

Integrity

We pride ourselves on our honesty and high ethical standards. We apply these values when working with all our clients, colleagues and other stakeholders.

Respect

Our people and our clients are at the heart of our business. We always act respectfully and treat people fairly in everything we do.

Developing our people

Our people are the basis of our competitive advantage. We look to 'grow our own' and make Marex the place ambitious, hardworking and talented people choose to build their career.

Adaptable and nimble

We are proactive. We embrace change as markets evolve to constantly increase our efficiency and create innovative solutions for our clients.

Collaborative

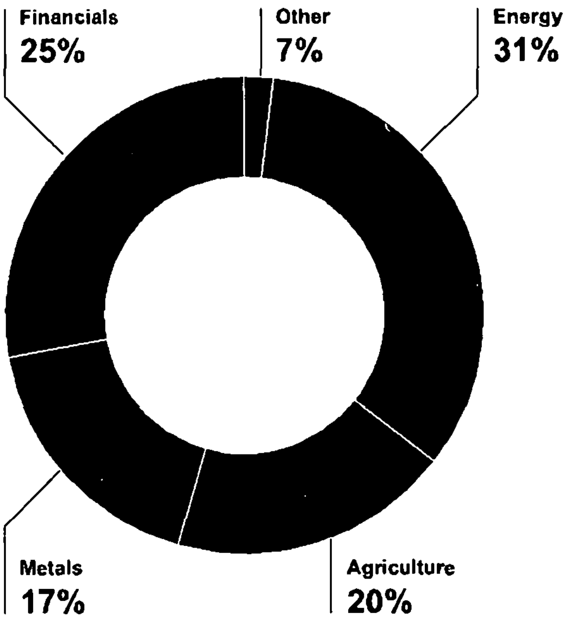
By working together across the organisation, we foster teamwork, can better respond to challenges and successfully deliver for our clients.

How we operate

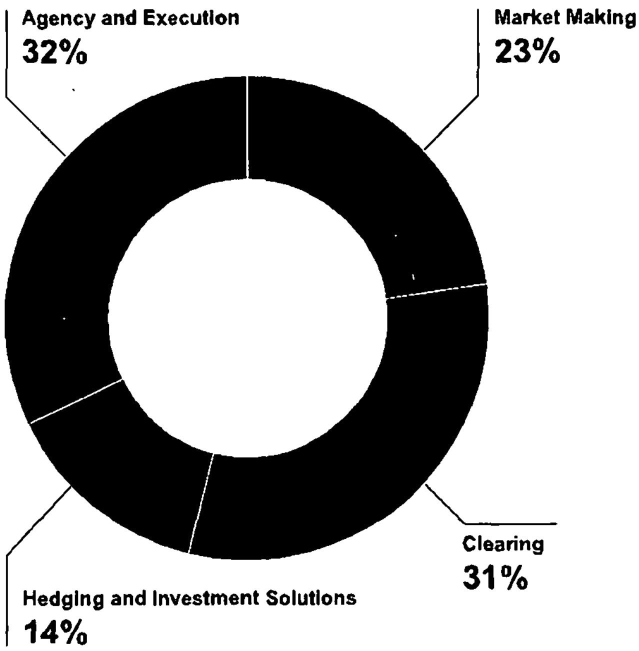
Our Business Model
Read more on pages 4 - 5

Our Strategy
Read more on pages 6 - 8

Net revenue by asset class

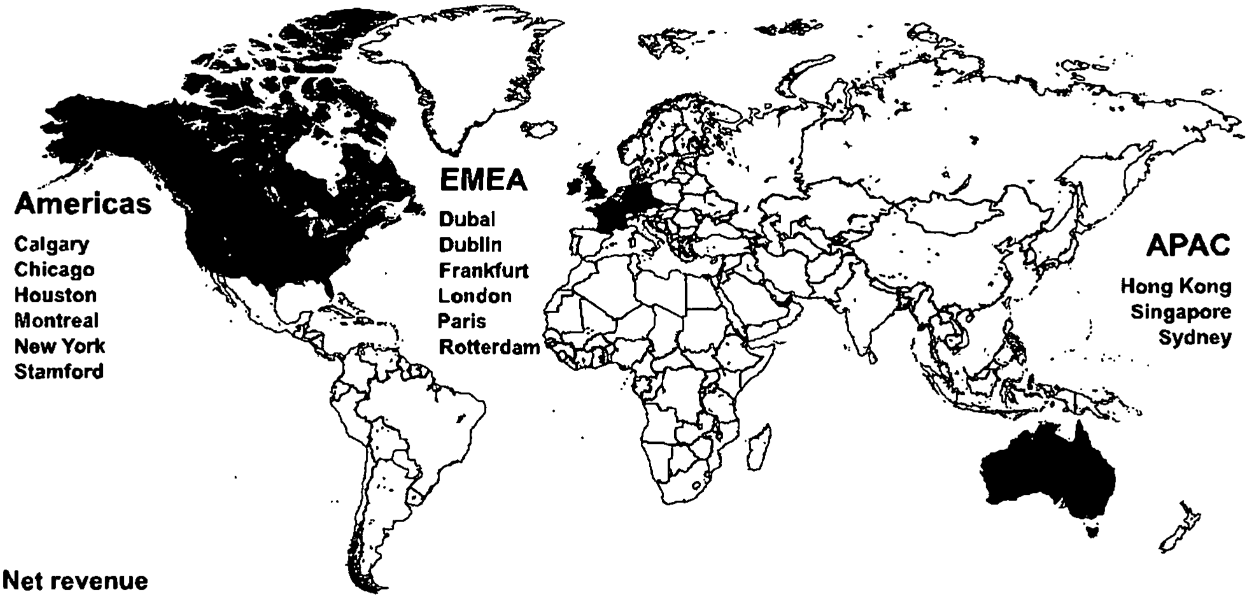


Net revenue by service

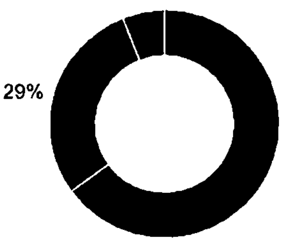


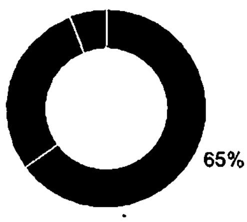
Read more about our services on pages 24 - 31

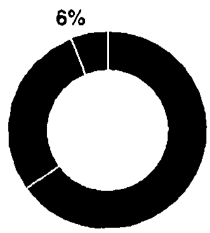
Marex Worldwide Locations



Net revenue







- EMEA
- Americas
- APAC

- EMEA
- Americas
- APAC

- EMEA
- Americas
- APAC

Marex in numbers

More than
1,600
employees at year end

Servicing more than
9,000
clients

With
29
offices across EMEA, the Americas and APAC

Providing global connectivity to
57
exchanges

Leading positions in our core markets

Investment grade credit ratings from S&P Global and Fitch

Our Business Model

Our business model shows how we transform our resources and relationships into long-term value for all our stakeholders.

Marex resources and relationships

Our people and culture

Our success is down to our culture, coupled with unwavering commitment from our employees in delivering excellent service and positive outcomes for our clients. We value personal integrity, respect and an inclusive collaborative mindset in building relationships across our businesses. This gives us the agility to respond to changes in our markets, seize new opportunities and continually meet our clients' needs.

Our broad service offering

Marex is a full-service platform, providing liquidity, market access and bespoke hedging and investment solutions to its clients. This sets us apart from many of our competitors, particularly in the more fragmented energy and commodity markets. It allows us to provide an end-to-end service offering for market participants looking to trade, clear on-exchange and hedge their exposures to particular asset classes.

Our geographic reach

As markets and supply chains have become increasingly interconnected across the globe, Marex has extended its geographic footprint to service its increasingly global client base and increase the number of products and markets on our platform. We continue to build out our operations in North America and APAC to provide global coverage to our clients in the energy, commodities and financial markets.

Our technology platform

Our Neon client platform has been developed in-house to improve the Marex user experience and provide access to our full range of value-added services. Neon facilitates onboarding, allows clients to execute trades, monitor risk in real time, and access our research and market insights. We continue to invest in, and develop, the platform which will in turn support future growth for Marex.

Our four service segments

MARKET MAKING

- Provides liquidity by leveraging extensive market connectivity
- Acts as principal
- Limited market risk and overnight exposure

CLEARING

- On-exchange clearing
- Acts as principal
- Providing access to 57 exchanges

HEDGING AND INVESTMENT SOLUTIONS

- Bespoke hedging solutions for producers, consumers and market participants
- Bespoke investment solutions for individuals and asset managers

AGENCY AND EXECUTION

- Acts as agent and not party to the transaction
- Utilising broad market connectivity to match buyers and sellers

Foundations that underpin our offering to clients

We provide direct liquidity to our clients across a variety of products, primarily in the energy, metals and agriculture markets, generating revenue through a spread between buying and selling prices	% of Net revenue 23%
We provide Clearing services across the full range of energy, commodities and financial markets. We act as principal on behalf of our clients and generate revenue on a commission per trade basis. We hold collateral to manage credit risk, which generates interest and investment income	31%
We provide bespoke hedging and investment solutions for our clients with revenue generated via a return built into pricing of the product. The structured notes portfolio which underpins our investment solutions also provides an important source of liquidity for the Group.	14%
Marex provides essential liquidity and execution services to our clients *primarily in the energy and* financial securities markets, generating revenue based on commission per trade	32%

- Strong capital and liquidity with investment grade credit rating
- Ability to trade as principal and provide direct liquidity to clients
- Technology-driven service offering through our Neon client platform

The value we create for our stakeholders

Our people

Our people are our most important resource, working as a team to serve our clients. We want our colleagues to feel that Marex is a great place to work. Our 2022 employee engagement survey showed improvement in engagement scores across the Group and eliminated the engagement score gap between men and women.

Staff turnover 17% (industry average 20%[1])

Clients

Our clients are at the heart of everything we do at Marex - we strive to provide quality service and innovative solutions to help them run their businesses more effectively. Our growth strategy centres on attracting new clients onto our platform and increasing the business we do with all our clients over time.

> 9,000 active clients

Our communities and environment

We are committed to driving change in the commodities markets for a more sustainable future; serving our clients, supporting employees with charitable endeavours, and engaging with local communities as a responsible business. In 2022 we achieved carbon neutral status, expanded our green product offering and were recognised as 'Emissions House of the Year' at the Energy Risk Awards.

Social contribution - donated more than $235,000 to charitable causes

Investors

Marex is a diversified and resilient business capable of delivering sustainable growth and strong returns over the long term. We believe this creates an attractive proposition for both debt and equity investors as we look for partners to support the future growth and evolution of the Group.

Over $400m new investment secured[2]

1 Source: Payscales staff turnover report for 2021
2 Includes AT1 issuance in Q2 2022 and inaugural senior debt issuance (Q1 2023)

Our Strategy

Marex aims to deliver high quality, sustainable growth by expanding its client base and deepening relationships with its existing clients.

We execute our strategy by broadening our product offering and expanding our geographic footprint into adjacent markets or asset classes, particularly in North America and Asia, which increases the number of clients we can bring onto our platform. We have created a well-invested scalable platform to support growth and deliver excellent service to our clients.

Products Clients Geography

Our client-centric growth strategy is underpinned by our well-invested platform and prudent balance sheet. The strategy is to diversify our business and create high-quality sustainable earnings growth to ensure Marex is resilient regardless of market conditions.

The majority of our growth over the last five years has been driven organically, through a combination of three key factors. Firstly, opening new offices to expand our geographic footprint and increasing front office headcount to expand our distribution network. Secondly, increasing expertise in adjacent product areas; for example, we have expanded our market making capabilities to include coverage of energy and shipping markets and added small cap equities to our financial markets coverage. Thirdly, cross-selling additional services to existing clients, such as introducing additional clearing or hedging solutions to existing market making clients.

Successful execution of this strategy over the last five years has created a highly resilient business which generates high quality sustainable earnings growth irrespective of external market conditions.

Products

Focusing on our four core services, we look to expand our product offering into adjacent markets or asset classes where there is overlap with our exisitng client base.

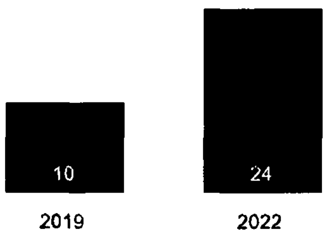
Recent progress

Since 2018, we have gradually built out our product offering and expanded the asset classes we cover. This includes adding broader coverage of the full spectrum of energy products and small cap equities to our market making capabilities, providing bespoke commodity hedging solutions for clients that are producers or consumers of commodities, and expanding our renewables offering by adding recycled metals capabilities and carbon offsets coverage to support clients in their efforts to reduce their environmental impact.

Looking ahead

With a strong legacy in the energy and commodity markets which have historically accounted for 75% of the Group's revenues, the acquisition of the ED&F Man Capital Markets division is highly complementary and increases our clearing and liquidity capabilities in financial securities, including equities, fixed income and foreign exchange (FX).

Environmentals Net revenue ($m)



Clients

We provide a competitive breadth of specialist services, essential for our clients to run their businesses effectively. We consistently increase our client base and deepen relationships with our existing clients.

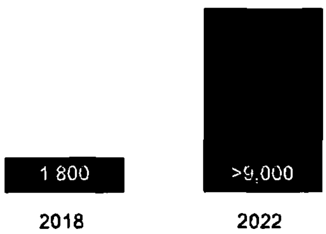
Recent progress

We have been highly successful in bringing new clients to our platform. The total number of clients increased from 1,800 in 2018 to over 9,000 at the end of 2022 as a result of both acquisition of clearing and market making businesses and onboarding significant numbers of new clients due to our commitment to client service and positive reputation. We have also increased the amount of business we do with our clients and our market share, seeing an increase in the number of clients that generate over $1 million of Net revenue from 43 in 2018 to 60 in 2022, and the Net revenue generated from our top 10 clients increasing from $45 million in 2018 to $73 million in 2022.

Looking ahead

We anticipate further growth in the number of clients we service on our platform due to the significant investments we continue to make to expand our distribution capabilities, geographic footprint and asset class coverage. This will make Marex more relevant and more accessible to a growing global client base.

Number of clients



Geography

Expand our presence beyond Europe, particularly in North America and APAC.

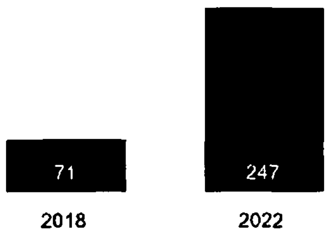
Recent progress

We have grown the Net revenue we generate outside of Europe from $71m in 2018 to $247m in 2022 and they now account for 35% of total Group Net revenue. This growth has been delivered through acquisition and strategic investments in front office trading and distribution capabilities. Our core US franchise provides clearing services to clients primarily in the commodities markets following the acquisition of RCG in 2019, liquidity provision in the energy and carbon credits markets combined with a growing distribution capability for our Hedging and Investment Solutions segment.

Looking ahead

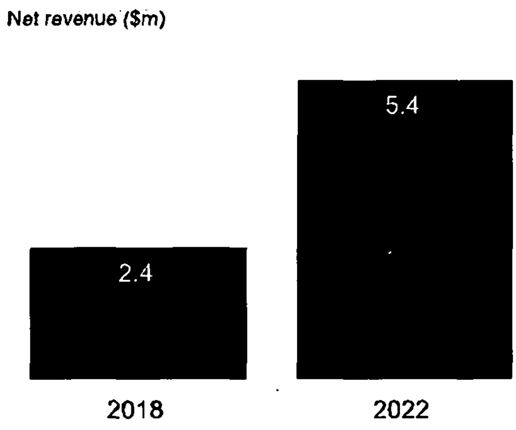
The ED&F Man Capital Markets division acquisition will further accelerate our geographic expansion with growth opportunities in Clearing, Market Making and our Hedging and Investment Solutions businesses outside of Europe. Our expanded US franchise is anticipated to generate Net revenue of over $500m per annum in future, while increased presence in APAC will allow us greater penetration of key markets such as China and Australia, and the Middle East is an important new energy and securities market for us.

US and APAC Net revenue ($m)



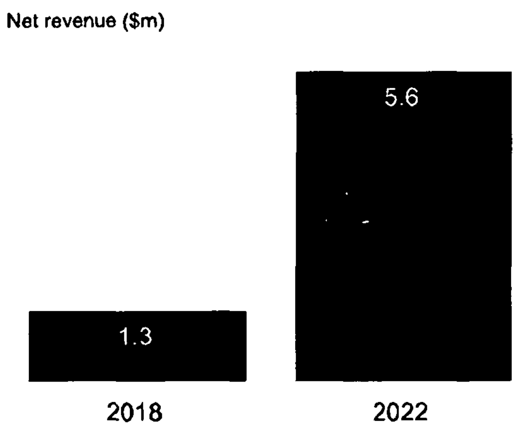
Strategy in Action

Client case studies



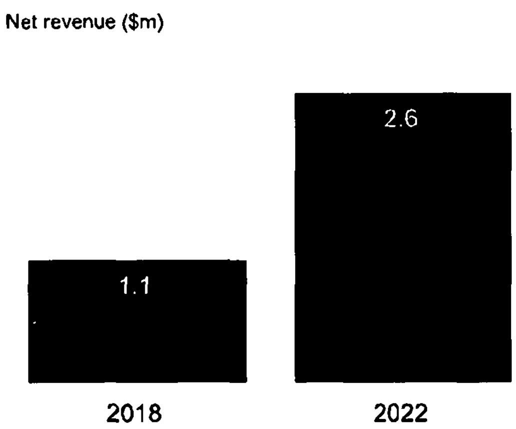
Global commodities group

Since 2018, we have significantly expanded our relationship with this large global commodities group, increasing the volumes transacted, adding additional asset classes - including agriculture and energy - and additional services to include market data, with Net revenues more than doubling in four years.



Manufacturer

We have built a very strong relationship with this North American manufacturer and have become the service provider of choice for their bespoke commodity hedging needs, helping them to manage their risk and business more effectively.



Large trading house

Over recent years we have built an increasingly strong relationship with this large global cross-asset trading business and have become a trusted counterparty providing liquidity, clearing and execution and data services across a variety of markets, including energy, metals, agriculture and securities.

Key Performance Indicators

The Board uses key performance indicators ('KPIs') to monitor our performance and track progress against our growth strategy.

Reported revenue

Measured at the fair value of consideration received or receivable taking into account any trade discounts and volume rebates granted.

2022	$1,344m
2021	$1,114m
2020	$762m
2019	$555m

Net revenue

Net revenue is calculated as reported revenue plus net finance income less cost of trade and bad debt expense. This metric tracks the Group's top line growth.

2022	$702m
2021	$543m
2020	$404m
2019	$343m

Reported profit before taxation

Profit before taxation as reported in the audited Income Statement.

2022	$122m
2021	$70m
2020	$55m
2019	$47m

Adjusted operating PBT

Adjusted operating PBT (profit before tax) is a measure of the underlying profitability of the Group and excludes items that are considered to be non-operating, such as exceptional items.

2022	$122m
2021	$80m
2020	$62m
2019	$53m

Reported return on equity

The annual return the Group produces on its equity capital base, calculated as reported profit after tax divided by average total equity attributable to shareholders.

2022	16.8%
2021	12.4%
2020	10.1%
2019	9.0%

Adjusted operating PBT margin

Adjusted operating PBT margin is calculated as adjusted operating PBT divided by Net revenue. This metric tracks the underlying relative profitability of the Group.

2022	17%
2021	15%
2020	15%
2019	16%

Total capital ratio

Indicates the financial strength of the business.The Group's total capital resources as a percentage of total risk exposure calculated under the new IFPR regime (data is only available for December 2021 and 2022).

2022	266%
2021	164%

Average number of employees

Average number of employees is an indication of the size of the Group and tracks our growth over time.

2022	1,241
2021	1,062
2020	814
2019	690

Number of trades executed

The number of trades (in millions) executed on behalf of our clients and tracks the Group's growth over time.

2022	50m
2021	38m
2020	36m
2019	31m

Positive trading days

The proportion of positive trading days is a measure of the effectiveness of the Group's risk management and of the profitability of our Market Making operations.

2022	84%
2021	83%
2020	79%
2019	73%

Marex's KPIs include non-statutory APMs as defined by ESMA. We provide these to offer additional insights into the Group's financial results. Where a non-statutory financial measure of performance is used, a reconciliation to the most directly related statutory measure is provided in note 6 to the financial statements.

Our Markets

Marex operates in a very attractive market environment, with a large addressable market and declining competitive intensity, which are supportive of future growth.

Attractive market backdrop

Marex is uniquely positioned within its attractive market, thanks to its full range of essential services and broader asset class coverage which differentiates the Group from many smaller competitors. We are small enough to be nimble and entrepreneurial, focused on providing excellent service to our clients, but also now have impressive scale and significant capital. This, combined with our investment grade credit rating, allows us to leverage our global footprint and broad asset class coverage to service large blue-chip clients, enabling us to increase our market share and outgrow a growing market over time.

These market dynamics have supported Marex's ability to consistently deliver double digit growth, both in Net revenue and Adjusted operating PBT in recent years. We anticipate these market dynamics will continue to be supportive for future growth.

Large addressable market

The addressable market for our services is very significant, and we estimate it to be around $38 billion per annum in Net revenue terms. We currently have c. 2% market share of the total addressable market, which provides significant opportunities for future growth in all of our service areas as we increase our market share and expand our geographic footprint and asset class coverage.

Market growth

The energy, agriculture and commodity markets that we service are large, established markets and asset classes. They have delivered consistent volume growth over the long term as the global population has risen and demand for energy and commodities has steadily increased, driven by global GDP growth.

Over the medium term, traded volumes in these markets have grown on average 8% per annum. Whilst the growth rate in any given year can be impacted by external events, which can impact volatility or the risk appetite of market participants and cause market conditions to evolve, we anticipate that market volumes in these core markets will continue to increase gradually.

In addition, the strategic investments we continue to make to expand our global footprint and expand the asset class and products that we cover, over time expand the addressable market and total number of clients which Marex can service.

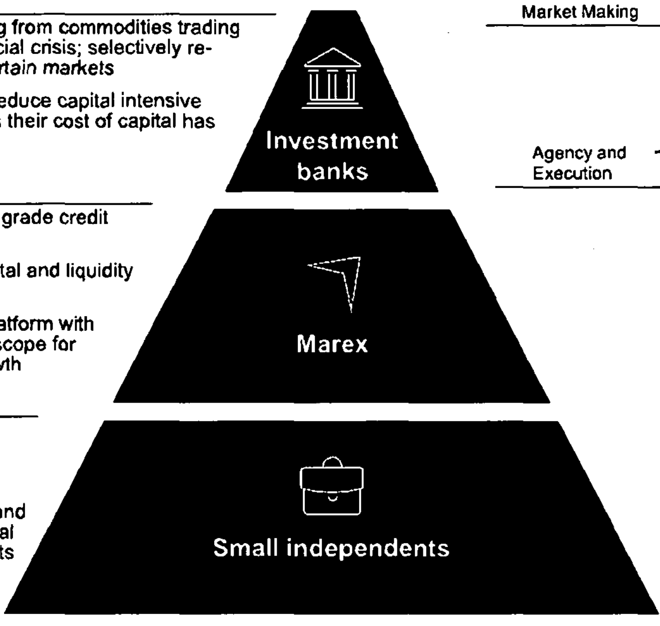
For example, the ED&F Man Capital Markets division acquisition has given us scale in financial securities, such as equities and fixed income, and operational capabilities in the Middle East and APAC, which significantly expands our total addressable market and the number of products and exchanges, for which we can provide Clearing and Market Making services. The energy transition is also creating new opportunities for us, with demand for renewable energy and carbon offsets providing significant growth opportunities and new asset classes.

Declining competitive intensity and barriers to entry

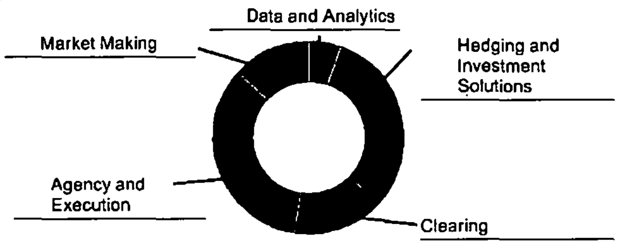
- Retrenching from commodities trading since financial crisis; selectively re-entering certain markets
- Sought to reduce capital intensive activities as their cost of capital has increased

- Investment grade credit rating
- Strong capital and liquidity position
- Scalable platform with significant scope for further growth

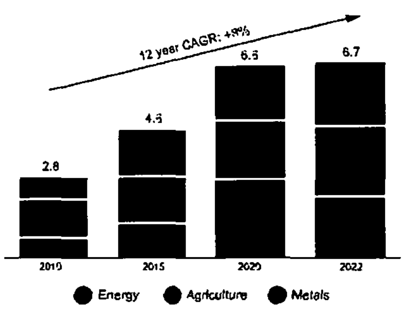
- Barriers to entry/scale due to increasing regulatory and technological requirements



$38 billion addressable market



Exchange-traded energy and commodity derivatives volumes



Our Investment Proposition

Well-invested scalable platform, underpinned by a highly experienced management team with a clear strategy.

Large and attractive market

Large addressable market, high single digit volume growth over the long term and declining competitive intensity

Well diversified

Well diversified across services, markets, geographies and clients, delivering strong performance irrespective of market conditions

Strong track record of growth

Multiple organic growth initiatives, combined with selective acquisitions

29% Adjusted operating PBT compound annual growth rate ('CAGR') since 2014

Prudent approach to capital and funding

Prudent approach to capital and liquidity, combined with an investment grade credit rating

Supportive macro environment

Inflation and rising interest rates, higher commodity prices and focus on climate change are all supportive for Marex

The Chair's Review

Following another year of strong growth, with an expanded global operating footprint and larger revenue and capital base, the Group is very well positioned going into 2023.

The external environment remains supportive for Marex, with rising interest rates and increasing demand for our environmentals offering.

Marex has had an exceptional year. We have demonstrated how agile and resilient we are as a business, responding to external events and proactively managing risk whilst continuously supporting our clients through a period of significant market volatility to successfully deliver another year of strong growth.

From a corporate perspective, the Marex business has been well placed to navigate the volatile markets. We have maintained a strong balance sheet and excess liquidity, even during the exceptional market dislocation we experienced in March 2022 (see 'Market events' below), and I am pleased that we were able to help our clients navigate through this period of extreme market volatility. In June, we took the opportunity to raise additional capital in the form of Additional Tier 1 ('AT1') to further strengthen our capital and liquidity position to support future growth. As a result, S&P have since revised their outlook of Marex to 'stable', which is another positive step for our investment grade credit rating.

Marex completed the ED&F Man Capital Markets division acquisition on 1 December 2022. This is a significant transaction for the Group and one which we were well placed to make. We are delighted to have welcomed 420 colleagues and over 1,000 new client relationships to the Marex Group as a result of the acquisition. The integration of the businesses is progressing to plan and we have already seen the benefits of having a larger, combined scale of offering and operations. The two businesses are highly complementary, which strengthens and expands the Marex platform, product offering and geographical presence.

In addition to the strong organic growth delivered in 2022, Marex continued to pursue its strategy to grow or acquire businesses that help to provide a full service offering for its clients. The ED&F Man Capital Markets division acquisition expands our geographic footprint, creating a leading US franchise and increases our presence in the Middle East and Asia, which are important future growth markets for us. Marex Solutions celebrated its fifth anniversary and, despite trickier market conditions, managed to grow its Net revenue by 13%. The Group won several awards including Emissions House of the Year (Energy Risk Awards), Most Innovative Product (Structured Products Awards), Best Non-Bank FCM Award, Clearing House of the Year Award and CEO of the Year Award (Euromoney Global Investor FOW International Awards).

2022 has been another year of record results for the Group with Adjusted operating profit before tax increasing by 53% to $121.7 million (2021: $79.6 million), led by strong performance in the Clearing and Market Making businesses and the ED&F Man Capital Markets division acquisition in the fourth quarter. Our market share increased in key asset classes, with the ED&F Man Capital Markets division acquisition contributing to the significant increase in segregated client assets during the year and confirming Marex's position as a leading clearing partner.

As a Group, we are mindful of rising interest rates, the sharp fall of sterling against the US dollar and euro, rapid inflation and increasing energy and food costs causing a cost-of-living crisis and creating significant hardship for many people. I am pleased that Marex has been able to support hundreds of employees around the world with a one-off additional payment to help to ease these pressures and the Group will continue to provide support during these challenging times.

Throughout the market turbulence that we have seen in 2022, our teams have continued to work tirelessly to support our clients with expert advice and access to markets. I would like to thank them for their efforts and resilience. The Board believes that our transformational acquisitions, diversification of product offering and increased geographic footprint are key to our continued success. In 2023, we will focus on integrating the recent acquisitions and growing organically whilst ensuring that we continue to invest appropriately in our support and control functions to deliver sustainable growth in the next year and beyond.

Market events

The war in Ukraine continues to be a humanitarian disaster and our thoughts remain with our partners, clients and others affected by it. Marex donated over $100,000 to the crisis appeal and held additional fundraising activities with employees around the world for the International Red Cross. Marex hopes that negotiations will prevail to end the conflict soon.

In response to the global sanctions against Russia and significant restrictions to Russian banks, Marex quickly took the necessary actions to be compliant with the law and to help our clients navigate the implications. The doubling of the nickel market prices on 8 March and the subsequent suspension of trading by the London Metal Exchange ('LME'), required a coordinated effort from Risk, Treasury and the business to ensure we carefully managed the positions and margin calls of our clients resulting in limited bad debt provisions for the business.

We continue to work with the regulators and the LME to minimise the likelihood of a recurrence of these events. To support these relationships, we were delighted that Tommy Bain was elected as Chairman of the LME Warehouse Committee. In October we were pleased to participate in LME Week in London, hosting a full capacity event to commence the week's proceedings. The last time this event, of this size, was held was pre-Covid.

The impact of Covid in 2022 has been minimal, with most teams working from our offices once again. Whilst we have offered some in-person client conferences and events around the world, we continue to also offer virtual events to cater for the hybrid working patterns that have become the new norm.

The Board

During the year, the FCA approved Robert Pickering as Senior Independent Director, Sarah Ing as Chair of the Audit and Compliance Committee and Konstantin Graf von Schweinitz as the Risk Committee Chair. We are delighted to have Robert, Sarah and Konstantin confirmed in their roles.

The Group Board has diligently exercised its responsibilities during the year: setting a clear 'tone from the top', defining the strategy and the associated risk culture and regularly monitoring the risk profile of the business. We have also ensured that adequate financial resources are in place, including through the acquisitions, to meet the regulatory and operational requirements, raising AT1 capital during the course of the year.

Each of the Board subcommittees has provided oversight for effective functioning of internal control systems and more detail is included in each of their reports.

Strategic priorities

Marex's strategic priorities remained largely unchanged during 2022 and the Board received updates on the following:

- Embedding a strong culture and good governance framework across the Group, including embedding the culture framework developed in 2019, and rolling out the governance frameworks required to support our continued growth.
- Continued growth through a combination of recruiting talent, strategic acquisitions and building new businesses (where we had in-house expertise and a unique advantage). This included reviewing our geographic footprint and areas of targeted 'infill'.
- Reviewing the due diligence, risks and opportunities and deal specifics of the larger acquisitions, most notably the acquisition of ED&F Man Capital Markets division.
- Reviewing our opportunities for cross-selling, extending the product ranges and what we offer within a service, and adding new services.
- Monitoring the risk strategy to ensure that we balance commercial opportunities with a prudent risk management attitude.
- Alongside this, we have constantly reviewed liquidity and capital requirements, successfully raising $100m of AT1 capital during the year to support future growth.

Sustainability

We have continued to expand on our Environmental, Social and Governance ('ESG') agenda and develop our strategy to set a clearer direction for the business and increase investment behind our key initiatives. I would urge you to read our latest ESG report which can be found on the Group's website. We have developed our three key strategic pillars and the programme has central governance under the leadership of myself and the Chief Financial Officer. Our planet related objectives have two key work streams: Commercial and Operational. During 2022, we created our Environmentals Group, recruited experienced staff and closed our first EUA Carbon REPO trade. We also collaborated with Levmet to convert the first physical aluminium trade into a carbon-neutral position. Operationally, we achieved carbon neutrality in 2022. Our work with OxCarbon and the Global Mangrove Trust continues to progress well and we have published a white paper on the topic. These advances helped us to win Emissions House of the Year from Energy Risk magazine. We are proud of what we have started but remain acutely aware that there is much to do to address the multiplicity of issues that the world faces.

Our people

Culture within Marex remains high on our agenda, particularly as we integrate large numbers of new employees around the world through recent acquisitions.

We remain fully committed to embedding a culture that values meritocracy, openness, fairness and transparency. We want Marex to be recognised as an employer where the most talented individuals, regardless of gender, disability, ethnicity, culture or sexual orientation, want to build their career.

During 2022, we successfully implemented a new global HR system that has improved both the employee user experience as well as improving the access to corporate data. We have continued to host well-being initiatives based on colleague demand and interest and, following the success of last year's Movember initiative, our colleagues once again participated in the 2022 campaign with funds raised being matched by Marex.

Marex's London office piloted a mentoring programme with Future Frontiers, an award-winning education charity whose goal is to provide disadvantaged young people with guidance to realise their potential at school and achieve post-16 qualifications to build towards future employment in their chosen sector. Representatives from across the London head office supported and coached pupils from St Mark's Church of England Academy, with pupils and mentors hailing the programme as being extremely rewarding. Plans for a similar programme, with a larger group, are scheduled for 2023.

I am really pleased that Rob Irvin has joined the Group in March 2023 as Chief Financial Officer (Designate). Rob is a chartered accountant and brings with him significant financial experience, including over 11 years at HSBC where he was most recently the Global CFO of their Private Bank. As well as welcoming over 420 colleagues from acquisitions in 2022, we have continued to successfully recruit key hires including Ann Marie Bull (Group Head of Compliance), Geraldine Lupianez (Chief of Staff), Jae Cho (Head of Accounting Policy), Thomas Noble (Head of Business Advisory in Compliance), Michelle Jancich (Head of Financial Planning & Analysis ('FP&A'), North America), Kristin Noha (Treasurer, M&A Securities, North America) and Melanie Tan (Head of HR, APAC). In total, we have recruited 316 new colleagues, globally, during 2022.

Our 2022 employee engagement survey continued to build on the positive results of 2021. Staff participation in the survey was 83%, with all departments showing a year-on-year improvement in all measures, eliminating the rating gap between men and women. All regions showed an increase year-on-year, with Europe (ex UK) achieving improvements of 9%, APAC achieving 7% and UK and America 4%. While these are encouraging statistics, we acknowledge that much more can be done.

The Chair's Review (continued)

To this end, the Group recently conducted a deep dive into employee benefits and will be launching a benefits platform for employees in the UK in 2023. Marex will continue to focus on aligning improved benefits and policies such as life, medical and income protection assurance across the Group.

Gender pay gap

In our 2022 Gender Pay Gap Report we reported a total mean and median gender pay gap of 30% and 31% respectively. Disappointingly, the numbers reflect a 'widening' on the gap of 2021 (27% mean; 24% median) but remain better than the financial industry average of 31% (ONS provisional data 2022). Analysis of the 2022 numbers has shown that it is gender distribution (fewer women in senior positions), and not unequal pay, that is the driver of our pay gap (for matched roles, there is no pay gap between genders).

We are aware that recent acquisitions are likely to increase the gender pay gap in 2023 and we remain committed to addressing this as soon as we can, always ensuring that we employ the right person for the right role.

Whistleblowing

I act as the Whistleblowing Champion for the Group. Three concerns were raised during the year: one has been completed with the outcome pending closure; the second was not considered as a reportable concern which the FCA would reasonably expect to be made aware of and the case was subsequently closed; in the third case, the preliminary review determined that there was sufficient information to proceed to the 'issue to investigate' stage - however, the individual has not engaged further despite regular requests to do so, and therefore the matter is currently on hold.

Last year we rolled out extensive whistleblowing refresher training and 100% of our global workforce who were required to complete the training have complied.

2023 outlook

As a business, we continue to be nimble and adapt to the continuously changing external environment. We respond positively to changes in the markets in which we operate to support our clients and seek to capitalise on opportunities to strengthen and grow our businesses. Following another year of strong growth, with an expanded global operating footprint and larger revenue and capital base, the Group is very well positioned going into 2023. The external environment remains supportive for Marex, with rising interest rates and increasing demand for our environmentals offering. As in prior years, the key priorities for the Group Board in 2023 will be:

- Governance. As we continue to scale and grow the business, we will further enhance our governance frameworks to ensure we continue to operate in line with best practice.
- Continued strong financial performance. The Group Board and management will continue to drive this through diversification of our product set and the successful integration of acquisitions.
- Risk management. We will continue to balance the commercial opportunities with prudent and proactive risk management to ensure we continue to support our clients whilst delivering strong returns.
- Environmental, social and governance. We are excited by the opportunities that exist in this growing area and believe that we are well placed to help our clients transition to greener alternatives. The Board will be focused on the execution of the plans to achieve this.
- Culture, conduct and diversity are the backbone of the way that we seek to conduct business. We will continue to re-emphasise this message with strong tone from the top and leveraging the skills in both our Communications and Learning and Development functions.

Conclusion

In 2022, Marex has been able to capitalise on the hard work and solid foundations that have been laid over the last few years. We have remained nimble and adaptable to changing global conditions and the Board is immensely proud of the way that our colleagues have been able to support our clients, and each other, through extremely volatile periods. The strength of our balance sheet and the deep skills of our teams have enabled us to successfully execute on our strategy of organic and inorganic growth, whilst always ensuring regulatory and legal compliance. The ED&F Man Capital Markets division acquisition is a significant milestone and the successful integration of this business, and the other recent acquisitions, will cement Marex's position as a major firm in all our sectors. I am excited about what the combined strength of all these businesses can achieve in the future.

Finally, and most importantly, I would like to thank all our teams, our shareholders and my Board colleagues for their commitment and hard work, as well as thanking our clients for their continued support.

Carla Stent
Independent Non-Executive Chair
12 April 2023

Chief Executive Officer's Review

2022 was a remarkable year for Marex. We continued to successfully deliver on our growth strategy, diversifying our business by adding products to our service segments and expanded geographically.

With modest macro tailwinds we were able to grow Net revenue by 29% to $702 million and Adjusted operating PBT by 53% to $122 million.

Marex has delivered another year of exceptional performance in 2022. Our Net revenue grew by 29% to $701.5 million and Adjusted operating PBT was up 53% to $121.7 million.This performance, against a backdrop of extremely volatile and challenging market conditions, reflects the impact of the investments we have made to enhance the Marex platform and the quality of our people, who are dedicated to serving our clients. We also significantly strengthened our capital and funding positions with the issuance of Additional Tier 1 capital in June 2022 and the successful completion of our inaugural €300 million senior public funding in January 2023.

The majority of our growth during 2022 was organic, driven by continuing to add clients to our platform and steadily growing the amount of business we do with them. The macro environment is also becoming increasingly supportive, with rising interest rates providing a tailwind towards the end of the year.

As a nimble business with an entrepreneurial culture, Marex has again demonstrated its ability to adapt to changes in the external environment and respond positively to new opportunities in the markets in which it operates.

Proactive risk management and close monitoring of client positions, combined with our prudent approach to liquidity, allowed us to successfully navigate the period of significant market turbulence during the first half of the year and ensure we could continue to support our clients and trade profitably during a challenging period. This increase in volatility in the energy and commodity markets supported higher levels of client activity which benefited our Market Making and Clearing businesses.

Having again outperformed the overall market and many of our peers during 2022, this is further confirmation of our growth strategy which has created a diversified and resilient business, providing Marex with a genuine competitive advantage.

We have increased Adjusted operating PBT in each year of the past eight years (CAGR of 29%). Earnings in 2022 have almost doubled since 2020, a year benefiting from Covid-related volatility; and they are almost four times the level of 2017 and around eight times 2014's level. This demonstrates our ability to perform well and grow through a wide range of market environments.

I would like to take this opportunity to thank everyone at Marex for their hard work and commitment during the year. It is due to their dedication and effort that we continue to provide such a high-quality service to our clients and the right level of risk management and control.

I am very pleased that Rob Irvin joined the Group in March 2023 as the Chief Financial Officer (Designate). He has a wealth of financial experience, including the last 11 years in senior finance roles at HSBC. I look forward to working with him to continue taking the Group forward.

A key objective for management is to continually invest in our people and platform, to ensure our control infrastructure evolves in line with the rest of the Group to support sustainable growth in the future.

Executing our client-centric growth strategy

Our growth strategy is focused on extending our product offering and the number of asset classes that clients can access on our platform while expanding our geographic footprint to increase the numbers of clients to whom we can provide our essential services.

The significant growth investments we have made over recent years have built a diversified and resilient business and, importantly, a very competitive franchise which delivers a broad range of essential services for our clients.

We drive organic growth through a combination of adding new clients to our platform and increasing the business we do with them. We also have been selectively hiring new front office personnel to expand our distribution capabilities into new geographies or additional product areas that are complementary to our existing offering.

One of the most exciting opportunities we see is expanding our product coverage in the environmentals and renewables markets. In recent years, we have added recycled metals trading, built out our US and European carbon credit coverage and added capabilities in energy clearing services, amongst others.

Chief Executive Officer's Review (continued)

We see significant demand from our clients in this space as they look to deliver on their own sustainability commitments and the commodities markets evolve to support the transition to a low-carbon economy. Given our history and presence in the metals, agriculture and energy markets, we see a compelling opportunity to become a leading market maker of carbon credits, offering execution and clearing services in the various credit markets. We anticipate that over time green versions of contracts will operate alongside current energy and commodities contracts.

We complement this organic growth with selective acquisitions that accelerate our geographic expansion and product coverage, particularly where we cannot economically add the skills and capabilities we need organically. We operate in a highly fragmented industry which creates opportunities to deploy capital to pursue consolidation opportunities. We have a great track record of improving the performance of the businesses we acquire by creating revenue synergies through the interconnectedness of the broader Marex platform and often deliver cost synergies through integration of control and support functions. As a result, the companies we have acquired in recent years are thriving at Marex, with Net revenue growing 62% in the year after acquisition and profits more than doubling. The Adjusted ROE on our acquisitions is around 24% since purchase.

In August 2022, we announced the ED&F Man Capital Markets division acquisition (the financial services division of ED&F Man Group). Whilst larger than the acquisitions completed in recent years, this acquisition is very much in line with our long-standing strategy to grow and diversify the Group's earnings, both by product and geography. The acquisition materially expands our client offering in Clearing, strengthens our market-leading Metals franchise and increases our capabilities in Fixed Income and Equities, which are growth areas for Marex. Importantly, the acquisition expands the Group's global footprint in Dubai and APAC and creates a US franchise which we anticipate will generate Net revenue of over $400 million in the future. The vast majority of ED&F Man Capital Markets division's clients transferred over to Marex as anticipated, and we have reviewed risk exposures and made adjustments where necessary. The UK operations have migrated onto Marex systems and we are making good progress with systems integration, aligning processes and organisational structures in other geographies. We are, therefore, making good progress in realising anticipated synergies.

As a result of the growth investments made in recent years, we now service over 9,000 clients, up from circa 1,800 in 2018. We continue to onboard numerous clients each year as we extend our reach across all of our services. We have also significantly increased the revenue we generate from our largest clients by expanding the range of services and products we offer. This is illustrated by the number of clients on our platform that generate more than $1 million in Net revenue for Marex, which has significantly increased since 2018.

Over the past year, we have also continued to invest in our control and support functions as a foundation for the Group's future growth strategy, significantly increasing headcount in this area through proactive hiring in certain functions and the addition of approximately 200 new colleagues as part of the ED&F Man Capital Markets division acquisition. Of note, our Treasury, Finance and Risk and Compliance teams have all been strengthened during the year to reflect the growth in the Group's balance sheet and expansion in our global operations. I am really pleased with the quality and depth of our teams.

Our business benefits from the unusual combination of high barriers to entry, including regulatory and capital requirements, along with an increasing need for technology investment and declining competitive intensity as larger banks selectively reduce services they offer in our space.

This attractive combination provides a basis for our confidence going forward.

The benefits of growth and diversification

Marex's principal competitive advantage is the breadth of services it offers its clients. We provide the full range of specialist services which are essential for our clients to run their businesses effectively, from Market Making and direct exchange access and Clearing services, combined with bespoke Hedging and Investment Solutions and value-added data and advisory services.

"I am really proud of how everyone at Marex worked as a team during a very volatile market environment at times during 2022. Very close working relationships with our clients combined with our proactive risk management allowed us to successfully navigate a challenging period for the commodity markets.

Dean Shoosmith
Chief Risk Officer

$247m **+46% growth rate**

Net revenue from outside Europe

Over 1,600 **(+46%)**

Employees at year end

29

Offices globally (22 in 2021)

This service offering and commitment to client service is underpinned by the principle of maintaining strong capital and liquidity positions to support our investment grade rating. This indicates the strength of our franchise and gives our clients the confidence to partner with us as a trusted counterparty.

We are certainly starting to see the benefits of our growth and diversification strategy in our KPIs. The significant growth in revenue and profitability delivered in recent years and investments made in our central control and support functions has resulted in a more resilient business that can deliver strong results in a variety of market and macroeconomic conditions. Our tangible equity doubled to $500.6 million at the end of 2022 due to strong profitability, the AT1 issuance and 'negative goodwill' from the ED&F Man Capital Markets division acquisition. We have grown our Market Making operations by over 50% over the last few years with no material increase in our market risk, as measured by average Value at Risk ('VaR'), which has been relatively stable over the same period and remains low at c. $2 million. This is reflective of the client flow-driven nature of our activities and our minimal overnight exposure. We have grown our clearing operations in recent years, winning some significant new client mandates from larger competitors. As a result, our client assets have increased, and we now hold c. $13 billion of segregated client monies. Despite an increase in expected credit loss provisions, our proactive focus on credit quality and daily risk management monitoring has ensured realised credit losses have remained at low levels.

The growth and diversification of the Group's operations and revenue streams has also led to a continued reduction in trading loss days, now just 16% in 2022, despite very volatile markets.

I am pleased that Marex continues to be recognised for its commitment to client service not only by our clients, who continue to increase the amount of business they do with us, but also by third parties. 2022 was another year where the broader industry recognised many of our successes, at the Global Investor FOW International Awards in December, up against stiff competition, we won Best Non-Bank FCM of the Year (for the second year running) and Best Client Clearing Provider of the Year (for the third year running). Earlier in the year, we were the winner of Energy Risk's Emissions House of the Year and the recipient of the Most Innovative Product award at the Structured Retail Products Europe 2022 awards.

Positive outlook

Following another year of strong growth and with an expanded global operating footprint and larger revenue and capital bases, the Group is very well positioned going into 2023.

There are clear opportunities to further develop the Group's environmentals' offering to become a leading participant in carbon markets - where there is significant potential demand from clients as society and the financial markets transition towards a low-carbon economy.

We have had a very strong start to 2023, the integration of the ED&F Man Capital Markets division acquisition is progressing well and the external environment remains supportive with continued market volatility and rising interest rates.

Management is confident that it can continue to deliver on its growth strategy of broadening its product offering and expanding its geographic footprint to drive sustainable growth.

Ian Lowitt
Chief Executive Officer
12 April 2023

Financial Review

2022 was another exceptional year for Marex. We combined strong revenue and profit growth while significantly strengthening our capital base to support future growth.

Highlights

$1,344m
Reported revenue (+21%)

$702m
Net revenue (+29%)

$122m
Reported PBT (+74%)

$122m
Adjusted operating PBT (+53%)

17%
Reported ROE (+440 bps)

17%
Adjusted operating PBT margin (+270 bps)

Our reported results are prepared in accordance with IFRS, as detailed in the notes to the financial statements starting on page 81. We also present alternative performance measure (non-GAAP financial measures). These include Net Revenue and Adjusted operating PBT which we use to assess period on period performance and quantify items which management believes to be significant. The results of our businesses and regions are presented on an adjusted basis below, which is consistent with how we manage and assess performance.

Revenue

The Group delivered exceptionally strong performance in 2022 with Net revenue growth of 29% to $701.5 million from $542.6 million in 2021 and Adjusted operating PBT growing 53% to $121.7million, up from $79.6 million in 2021. This performance was ahead of management's expectations at the start of the year and reflected primarily strong organic growth driven by exceptional performance in our Market Making and Clearing businesses, which benefited from both an increased number of clients on our platform and increased levels of client activity as a result of higher volatility in the energy and commodity markets, particularly in the first half of the year.

Performance in 2022 also benefited from the contribution of the ED&F Man Capital Markets division acquisition in the fourth quarter of the year. The UK business purchase completed on 1 October and the acquisition of the US and other international entities completed on 1 December 2022. This division contributed approximately $42 million of Net revenue in the final quarter of 2022.

	2022 $m	2021 $m	Change
Revenue	**1,344.4**	**1,114.2**	**21%**
Cost of trade, net interest income and bad debts	(642.9)	(571.6)	12%
Net revenue	**701.5**	**542.6**	**29%**
– Commissions	373.6	311.0	20%
– Trading	275.2	199.1	38%
– Net interest income	29.3	7.9	271%
– Other	23.4	24.6	(5%)

Net revenue is a measure that includes Gross revenue and Interest income from operations after deducting Cost of trade, such as exchange fees or clearing commissions, and bad debt. A reconciliation of Net revenue to statutory reported revenue is provided in note 6.

Commissions and trading revenues increased year-on-year due to higher activity levels in our core metals, agriculture and energy markets which benefits Clearing, Agency and Execution and Market Making volumes. Interest & other revenue increased significantly primarily due to higher interest rates during the period, with an average Fed Funds rate of 1.7% during 2022, compared to 0.1% in 2021.

Corporate Net interest income (NII)

The Group benefits from interest and investment income as a result of the significant cash and highly liquid asset balances which are held as collateral against client positions and for Marex ('House') positions. This benefit is primarily seen in our Clearing business as we transact directly with the exchange on behalf of our clients who provide margin to us against open positions.

	2022 $m	2021 $m	Change
Net interest income	**29.3**	**7.9**	**271 %**

Total segregated client balances increased significantly during 2022 to c. $13 billion at the end of the year. This balance consists of segregated balances some of which is included on our balance sheet and some of which is excluded from our balance sheet as disclosed in note 37, Client Money.

Corporate net interest income reflects the net interest and investment income earned on total Client Money balances (including non-segregated balances), offset by the funding costs associated with the Group's various liquidity sources, including its structured notes balances and external debt facilities. A reconciliation of Corporate NII to reported Finance income and expense is provided in note 6.

The increase in corporate Net interest income in 2022 reflect the benefit of both higher client balances during the year, and higher interest rates as central banks raised rates to tackle inflation. These benefits were partly offset by higher funding costs as market rates and spreads increased.

Summary Income Statement

The table below shows the Group income statement on an adjusted basis, including Net revenue, Adjusted operating profit before tax and Adjusted return on equity, which are the key measures of financial performance (APMs) utilised by the Board to monitor the underlying performance of the business.

	2022 $m	2021 $m	Change
Revenue	**1,344.4**	**1,114.2**	**21%**
Cost of trade, net interest income and bad debts	(642.9)	(571.6)	12%
Net revenue	**701.5**	**542.6**	**29%**
Front office costs	(400.0)	(328.6)	22%
Control and support costs	(179.8)	(134.4)	34%
Adjusted operating PBT	**121.7**	**79.6**	**53%**
Adjusted tax	(23.4)	(15.3)	53%
Adjusted operating PAT	**98.3**	**64.3**	**53%**
Reported PAT	**98.2**	**56.5**	**74%**
Adjusted return on equity ('ROE')	**18%**	**14%**	
Adjusted return on tangible equity ('ROTE')	31%	27%	

Front office costs represent staff, systems and infrastructure costs associated with running our revenue generating operations. These costs increased 22% to $400.0 million in 2022, largely reflecting the increase in front office headcount during the year.

Control and support costs primarily reflect staff and property-related costs, along with professional fees and other administrative expenses associated with the support functions. These costs increased 34% to $179.8 million in 2022, primarily reflecting increased headcount in our Finance, Risk and Compliance functions, to ensure we continually invest in our systems and processes to support future sustainable growth.

As a result of the Net revenue and cost trends noted above, Adjusted operating PBT increased 53% to $121.7 million for 2022, well ahead of management's expectations at the start of the year and ahead of the 29% growth CAGR delivered since 2014. Underlying Adjusted operating profit margins remained strong with growth initiatives.

Adjusted operating PAT increased by the same percentage, up 53% year-on-year to $98.3 million. Adjusted return on equity also increased in 2022 to 18% from 14% in 2021 as the business builds scale.

Annual average full time equivalent ('FTE') headcount	2022 No.	2021 No.	Change
Front Office	695	615	13%
Control and support	546	447	22%
Total	**1,241**	**1,062**	**17%**
Percentage of Front office employees	56%	58%	

Financial Review

Reconciliation to reported results

On a reported basis, Profit before tax increased 74% year-on-year to $121.6 million in 2022 from $69.9 million in 2021. This includes the impact of non-operating items: the bargain purchase ('negative goodwill') associated with the purchase of ED&F Man Capital Markets division; goodwill impairment in the Energy Cash Generating Unit ('CGU') (refer to the Agency and Execution Business Review (Energy) section for more details), acquisition costs and fees payable to private equity ownership.

The Group's effective tax rate slightly increased year-on-year at 19.2% in 2022 (2021: 19.2%). It is anticipated that the Group's effective tax rate will increase to between 23% and 25% in future years, reflecting changes to the UK corporation tax rate and increased taxation payable in the US due to significant growth in our operations in North America.

	2022 $m	2021 $m
Adjusted operating PBT	**121.7**	**79.6**
ED&F Man Capital Markets division acquisition (net of costs)	61.5	—
Goodwill impairment in Energy CGU	(53.9)	—
Owner fees	(3.4)	(2.1)
Other non-operating costs	(4.3)	(7.6)
Profit before tax (reported)	**121.6**	**69.9**
Tax	(23.4)	(13.4)
Profit after tax (reported)	**98.2**	**56.5**

Divisional performance

Following the ED&F Man Capital Markets division acquisition, management has reviewed the structure of the Group and segments used for financial reporting. Going forward, Marex will be organised into four distinct business segments: Market Making; Clearing (previously contained both Clearing and Execution); Agency and Execution (which now includes Execution, Price Discovery and Data & Advisory); and Hedging and Investment Solutions (previously called Solutions). Agency and Execution also includes certain operations for the provision of liquidity in financial securities markets which were acquired as part of the ED&F Man Capital Markets division acquisition. Comparatives for 2021 have been re-presented to reflect these 2022 segments.

The following tables show the split of Net revenue and Adjusted operating PBT by segment for 2022 compared to 2021:

Net revenue	2022 $m	2021 $m	Change
Market Making	161.3	131.3	23%
Clearing	214.4	136.1	58%
Hedging and Investment Solutions	99.8	87.9	14%
Agency and Execution	226.0	187.3	21%
Total	**701.5**	**542.6**	**29%**

Adjusted operating PBT	2022 $m	2021 $m	Change
Market Making	59.2	45.1	31%
Clearing	93.8	36.8	155%
Hedging and Investment Solutions	27.8	31.8	(13%)
Agency and Execution	19.2	21.1	(9%)
Corporate residual costs not allocated to a segment	(78.3)	(55.2)	42%
Total	**121.7**	**79.6**	**53%**

Overall, the Group delivered very strong financial performance in 2022. On a segmental basis, this performance was primarily driven by our Market Making and Clearing segments which benefited from both increased numbers of clients on our platform and increased levels of client activity as a result of higher volatility in the energy and commodity markets, particularly in the first half of the year. The number of trades executed for clients and trades cleared on our platform both increased to 50 million and to 205 million respectively. Our Hedging and Investment Solutions segment saw strong demand for its bespoke hedging solutions from clients given the market volatility, particularly in the energy and agriculture markets. However, softer demand for our Hedging and Investment Solutions segment due to weaker conditions in the equity markets, combined with investment in our distribution capabilities and support functions for this growing business, resulted in a decline in Adjusted operating PBT for the segment. Performance in our Agency and Execution segment reflects stable year-on-year revenues in our OTC energy business (which connects buyers and sellers in the global energy markets) with Adjusted operating PBT impacted and a slow down in activity levels from the second quarter. This segment includes our small but growing data and advisory business.

For more details on performance in each of our segments, see Business Review on pages 24 to 31.

Balance sheet

The Group's equity base increased significantly during the year, with Tangible equity almost doubling to $500.6 million. Shareholders' equity increased by $200.0 million in 2022 to $677.7 million as a result of strong profitability during the year with Profit after tax of $98.2 million in 2022 (2021: $56.5 million) and the issuance of $100 million (before issuance costs) Additional Tier 1 capital in June 2022.

Total assets and total liabilities have grown significantly during 2022 as a result of higher levels of client activity in the first half of the year, which resulted in an increase in client-related balances and the acquisition of substantially all of the ED&F Man Capital Markets division towards the end of the year.

Our balance sheet continues to consist of high-quality liquid assets which underpin client activity on our platform. Total assets increased from $5.3 billion at December 2021 (restated) to $15.7 billion at December 2022. This growth is largely due to increased Cash and Liquid assets and Trade receivables, which are balances due from clients or other counterparties, such as exchanges or clearing houses, as well as the addition of Reverse repurchase agreements and Stock lending balances as a result of the ED&F Man Capital Markets division acquisition which has increased our presence in financial securities.

Amounts held at exchanges, clearing houses and other counterparties (included within Trade receivables) increased from $1,738.7 million in 2021 to $4,046.7 million in 2022. This reflects growth in client balances (included in Trade payables) from $3,002.9 million in 2021 to $6,189.7 million in 2022.

Inventory of $35.8million (2021: $80.1 million) consists of cryptocurrencies, carbon emission certificates (both part of the growing Hedging and Investment Solutions business and used for hedging purposes) as well as scrap metals.

Intangible assets increased from $17.5 to $21.6 million, mainly as a result of acquisitions and the recognition of customer relationships and capitalised software costs which more than offset amortisation of intangible assets during the year. Goodwill decreased by $53.4 million to $155.5 million, primarily as a result of an impairment charge taken on our Energy price discovery operations during the year.

	2022 $m	2021 $m	2022 v 2021 Change
Cash and cash equivalents	910.1	712.0	28%
Treasury instruments and financial institution notes	2,719.7	1,524.4	78%
Liquid assets	**3,629.8**	**2,236.4**	**62%**
Trade receivables (*2021 restated)	4,685.2	2,018.8	132%
Trade payables (*2021 restated)	(6,647.6)	(3,291.2)	102%
Net trade payables	**(1,962.4)**	**(1,272.4)**	**54%**
Derivative instruments – assets (*2021 restated)	480.8	496.5	(3%)
Derivative instruments – liabilities (*2021 restated)	(294.3)	(199.4)	48%
Net derivative instruments	**186.5**	**297.1**	**(37%)**
Reverse repurchase agreements	4,346.0	144.3	n.m.
Repurchase agreements	(4,381.4)	(140.4)	n.m.
Net repurchase agreements	**(35.4)**	**3.9**	**n.m.**
Stock borrowing	1,894.6	—	n.m.
Stock lending	(1,396.9)	—	n.m.
Short securities	(986.8)	—	n.m.
Long securities	410.0	8.1	n.m.
Net securities	**(79.1)**	**8.1**	**n.m.**
Debt securities in issue (*2021 restated)	(1,160.0)	(1,126.7)	3%
Short-term borrowings	(148.7)	—	n.m.
Debt securities and borrowings	**(1,308.7)**	**(1,126.7)**	**16%**
Inventory	35.8	80.1	(55%)
Other assets	84.6	54.0	57%
Other liabilities	(50.5)	(29.2)	73%
Other net receivables	**69.9**	**104.9**	**(33%)**
Tangible equity	**500.6**	**251.3**	**99%**
Intangible assets	21.6	17.5	23%
Goodwill	155.5	208.9	(26%)
Total Equity	**677.7**	**477.7**	**42%**

Certain 2021 balances have been restated (refer to note 38 for more detail).

n.m. not meaningful.

Financial Review

Liquidity

	2022 $m	2021 $m
Total available liquid resources	797.6	818.6
Liquidity headroom	530.3	544.9

A prudent approach to capital and liquidity and commitment to maintaining an investment grade credit rating are core principles which underpin the successful delivery of our growth strategy.

Group liquidity resources consist of cash and high-quality liquid assets that can be quickly converted to meet immediate and short-term obligations. The resources include non-segregated cash, unencumbered US Treasuries, and balances at exchanges in excess of house margin requirements. The Group also includes any undrawn portion of its committed Revolving Credit Facility ('RCF') in its liquidity resources.

Liquidity headroom (2021 recalculated to be on a consistent basis) is based on Maximum Cumulative Outflow ('MCO') and the Group considers three scenarios based on Systemic (Market Conditions), Idiosyncratic (i.e. Group specific) and Combined (mixture of both Systemic and Idiosyncratic). Assumptions are made on various factors such as Variation Margin requirements and Initial Margin call requirements, as well as the ability to draw down on the RCF to give a total headroom over and above a Board-approved Trigger and Limit for each factor.

Liquid assets, which consist of Cash held in banks and Treasury instruments, increased by $1,393.6 million from $2,236.4 million in 2021 to $3,629.8 million in 2022.

The Group maintains a $120 million RCF with the four participant banks: Barclays Bank; Lloyds Bank; Industrial and Commercial Bank of China Limited (London Branch); and BMO Harris Bank. The Group ended 2022 with $797.6 million of liquid resources, including the undrawn portion of the RCF, compared with $818.6 million at the end of 2021.

Facilities that are in the name of subsidiaries acquired as part of the ED&F Capital Markets Division acquisition have been excluded from these figures as they are not available to the entire Group but just to the relevant subsidiaries.

The Group's structured notes programme, issued by its Hedging and Investment Solutions business, remains an important source of liquidity for the Group. At year-end, total debt issued by the Group was $1,160.0million (including $ 4.1 million of Tier 2 debt) compared to $1,126.7 million (including $55.9 million of Tier 2 debt) at 2021 year end. The focus during the year has continued to be on extending the maturity profile of notes issued, as well as maintaining a minimum portfolio duration.

Subsequent to the year end, the Group successfully completed its inaugural public senior bond issuance, raising €300 million of additional liquidity. The bonds have an annual coupon of 8.375%, mature in February 2028 and have been rated BBB- by both S&P and Fitch. The latest issuance further strengthens the Group's liquidity position, diversifies its funding sources and extends its debt maturity profile.

Regulatory capital

The Group is subject to consolidated supervision by the Financial Conduct Authority and has regulated subsidiaries in jurisdictions both inside and outside of the UK.

From 1 January 2022 the Group is regulated as a MIFIDPRU investment firm under the Investment Firms Prudential Regime ('IFPR'). The minimum capital requirement as at 31 December 2022 was determined by the Own Funds Threshold Requirement ('OFTR') based on the Group's latest Internal Capital Adequacy and Risk Assessment ('ICARA') process.

The Group and its subsidiaries are in compliance with their regulatory requirements and are appropriately capitalised relative to the minimum requirements as set by the relevant competent authority. The Group maintained a capital surplus over its regulatory requirements at all times.

Maintaining a prudent approach to capital and liquidity in order to maintain an investment grade credit rating are core principles which underpin the successful delivery of our growth strategy. The Group manages its capital structure in order to comply with regulatory requirements, ensuring its capital base is more than adequate to cover the risks inherent in the business and to maximise shareholder value through the strategic deployment of capital to support the Group's growth and strategic development. The Group performs business model assessment, business and capital forecasting, stress testing and recovery planning at least annually as part of the Group's ICARA.

In June 2022, the Group successfully issued $100 million (before issuance costs) of perpetual Additional Tier 1 Contingent Convertible Notes with a coupon of 13.25% and rated BB- by S&P. This additional capital provides the Group with significant headroom in key capital metrics for both regulatory and credit rating purposes to support future growth and development of the Group.

The following table (unaudited) summarises the Group's capital position at the year end.

	2022 $m	2021 $m
Core equity Tier 1 Capital[1]	383.3	240.0
Additional Tier 1 Capital (net of issuance costs)	97.6	—
Tier 2 Capital	4.1	55.9
Total Capital resources	**485.0**	**295.9**

K-factor requirement	165.3	92.5
Own Funds Requirement[2]	182.6	180.8
Total capital ratio[3]	**266%**	**164%**

[1] Total capital resources include audited results for the financial year

[2] Own Funds Requirement presented as Own Funds Threshold Requirement ('OFTR') based on the latest ICARA process

[3] The ratio expresses the Group's total capital as a percentage of Own Funds Requirement

At 31 December 2022, the Group had a total capital ratio of 266% (2021: 164%), representing significant capital headroom to minimum requirements. The increase in the total capital ratio resulted from an increase in total capital resources due to strong profitability in the period and the AT1 issuance, and was partially offset by a higher total risk exposure driven mainly by the ED&F Man Capital Markets division acquisition in the final quarter of 2022.

The K-factor requirement reflects assessment of market, credit and operational risk for the Group's operations as defined by the IFPR regulations and consists of: K-NPR (Net Position Risk); K-TCD (Trading Counterparty Default); K-CMH (Client Money Held); K-COH (Client Orders Handled); and K-DTF (Daily Trading Flow). K-NPR is the market risk arising from the open positions held by the Group at the end of day. K-TCD measures the counterparty risk in the trading book exposure when dealing on own account. K-CMH, K-COH and K-DTF are calculated based on the daily average client money held, daily average notional of client orders, and daily average notional of transactions executed in the Group's name. The Group's OFTR is determined by the Group's ICARA process.

Pillar 3 Disclosures for the Group are published annually on the Group's website (marex.com).

Business Review

Our Market Making business provides direct liquidity to our clients across a variety of products, primarily in the energy, metals and agriculture markets.

This ability to make prices and trade as principal in a wide variety of energy and commodity markets differentiates us from many of our peers.

	2022	2021	change
Net revenue ($m)	161.3	131.3	23%
Metals	78.9	58.2	
Agriculture	21.3	36.4	
Energy	51.7	25.6	
Securities	9.4	11.1	
Adjusted operating PBT ($m)	59.2	45.1	31%
Adjusted operating PBT margin	37%	34%	
Front office headcount (No.)	73	68	7%

Marex has a long and successful heritage in the commodity markets that it operates in, having been a Category 1 member of the London Metal Exchange for over 15 years, for example, and some of its front office teams have decades of experience in their chosen product areas. This results in strong market positions in our core markets which makes Marex a 'go-to counterparty' in the energy and commodity markets and provides an excellent platform to cross-sell additional services, such as clearing or data and advisory services to our large and growing client base.

Net revenue grew strongly in 2022, up 23% year-on-year. Our metals and energy businesses performed particularly well during the year, benefiting from a significant increase in volatility and client activity in the first half of the year when markets were heavily impacted by the Ukraine invasion. Ukraine's position as a large producer in the global grains markets and the disruption of trade flows caused by the invasion significantly impacted activity in the agricultural markets. As a result, agriculture Net revenue declined year-on-year in 2022. Whilst volatility in general remained elevated in the second half of the year, market conditions and levels of client activity were more normalised.

Market Making

I am proud of our highly experienced Market Making teams across the business who were able to provide continuous liquidity to our clients and successfully manage risk during periods of significant volatility in the energy and commodity markets.

Simon van den Born
President, Market Making

The businesses we have added through acquisition in recent years continued to benefit from being part of the Marex platform and performed very strongly during the year. CSC Commodities, our energy Market Making franchise, continued to deliver strong growth with Net revenue close to doubling year-on-year to $51.7 million in 2022. In addition to positive market conditions and higher levels of client activity, the business also benefited from strategic investments made to build out our product coverage across the broader oil and gas markets.

Tangent Trading, our recycled metals business, also continued to perform strongly with Net revenue and Adjusted operating profit up almost 20% year-on-year in 2022, benefiting from increased client demand for sustainable alternatives and buoyant conditions in the metals' markets. Both of these businesses are delivering strong growth and returns, in line with or ahead of the investment cases that supported these acquisitions in 2019 and 2020 respectively.

Adjusted operating PBT increased by 31% in 2022 to $59.2 million, with margins increasing from 34% to 37% as a result of the positive market conditions and change in the mix.

The strategic investments we have made in our Market Making business in recent years, combined with organic growth initiatives and selective hiring of additional team members to build out our product coverage, have resulted in a business which generated Net revenue and Adjusted operating profit over 150% higher in 2022 than in 2019. We are a client-focused flow-driven business and have successfully delivered this level of growth without taking on more risk as evidenced by our average VaR which has increased only modestly since 2019 and remains low at c. $2 million. We continue to invest in our Market Making capabilities - our front office headcount increased during the year as we continue to expand the range of products and asset classes in which we provide liquidity to our clients. Looking ahead, we are particularly excited about expanding our green and environmental product offering to help our clients reduce their carbon footprint and deliver on their own sustainability commitments.

Our priorities

- Continue to support our clients through this period of elevated market volatility
- Enhancing coverage and connectivity of our renewables product offering
- Opportunities to expand our Market Making capabilities in financial securities

Our Neon platform combines trading, risk, market data and insights on the global commodities markets. For example, in metals and crude oil markets we provide both electronic and voice trading capabilities in one seamless portal.

Business Review (continued)

Marex provides Clearing services across the full range of energy, commodity and financial markets. We act as principal for our clients and provide direct access to over 57 exchanges globally.

Our Neon client portal compliments these Clearing capabilities with near real-time updates on transactions and exposures, allowing our clients to efficiently manage their accounts and risk.

	2022	2021	Change
Net revenue ($m)	214.4	136.1	58%
Adjusted operating PBT ($m)	93.8	36.8	155%
Adjusted operating PBT margin	44%	27%	
Contracts cleared (m)	205	193	6%
Front office headcount (No.)	196	175	12%

Clearing performed well in 2022 benefiting from higher levels of client activity, in part related to market volatility, and also from higher interest income earned on client balances as total client balances increased during the year and interest rates recovered from historic low levels.

Net revenue increased 58% to $214.4 million in 2022, up from $136.1 million in 2021. All key areas of the business performed well during the year, with commission revenues in our core energy, agriculture and metals Clearing businesses up year-on-year, and our US Clearing business which is agriculture focused, continued to perform well and delivered higher Net revenue year-on-year. During the year we onboarded several notable new clients, and the competitive and market environment allowed us to adopt a dynamic approach to pricing to maximise opportunities and price risk effectively. The total number of lots cleared was up 6% to 205 million in 2022.

Clearing

We have delivered another year of strong growth in our Clearing business, we have brought new clients onto our platform and have benefited from higher levels of activity. The ED&F Man Capital Markets division acquisition significantly increased our US Clearing capabilities and creates new opportunities for us in the APAC region.

Thomas Texier
Head of Clearing

Segregated client money, which are client balances that underpin positions and transactions being executed by Marex, increased from $5.4 billion at 31 December 2021 to $6.9 billion at 30 June 2022. This significant organic growth in client balances was due to a combination of increased activity levels associated with market volatility, higher absolute market prices of commodities and increased margin requirements.

As at 31 December 2022 segregated client money had increased to $12.9 billion, which includes $4.5 billion of client money from the ED&F Man Capital Markets division acquisition. This highly strategic acquisition significantly increases our clearing presence in the US and increases our exposure to clearing in the financial markets, particularly equity and fixed income.

Adjusted operating PBT increased by 155% *in 2022 to $93.8 million and Adjusted* operating margin increased to 44% in 2022 from 27% in 2021. In addition to higher client volumes and commission revenues, the business also benefited from higher interest income due to both higher client balances and higher rates during the year as central banks started to raise interest rates during 2022 in response to inflationary pressures. Rising interest rates are anticipated to continue to provide a positive tailwind for Marex.

Our priorities

- Work closely with our clients to maximise service quality and manage credit risk through periods of volatility
- Integrate our commercial and operational capabilities in Europe and US
- Continue to bring new clients onto our platform
- Expand our operations and exchange memberships in APAC and Latin America

Portfolio provides access to all clearing accounts, updated throughout the day across transactions, balances and performance. Viewable on any desktop or mobile device.

Business Review (continued)

Our Hedging and Investment Solutions business provides high quality bespoke hedging and investment solutions to our clients.

Tailored commodity hedging solutions allow producers and consumers of commodities to hedge their exposure to movements in energy and commodity prices, as well as exchange rates, across a variety of different time horizons.

	2022	2021	Change
Net revenue ($m)	99.8	87.9	14%
Hedging solutions	51.9	30.0	
Financial products	47.9	57.9	
Adjusted operating PBT ($m)	27.8	31.8	(13%)
Adjusted operating PBT margin	28%	36%	
Headcount (No.)	86	64	34%

Our financial products offering allows investors to gain exposure to a particular market or asset class, for example equity indices, in a cost-effective manner through a structured product.

The business performed well during 2022, particularly given the backdrop of volatile market conditions and subdued investor appetite, delivering 14% Net revenue #growth to $99.8 million.

Demand for our commodity hedging services increased significantly during the year, due to increased market volatility combined with our expanded distribution network, particularly in the US, leading to an increase in the number of active clients on our platform. Performance in the financial products area of the business was impacted by lower investor risk appetite as a result of weaker performance in the equity markets, particularly in the first half of the year.

Hedging and Investment Solutions

I am really pleased with how our Solutions business performed in 2022. We saw strong demand from clients for our bespoke commodity hedging solutions and the investments we have made position us well for future growth.

Nilesh Jethwa
CEO, Marex Solutions

The structured notes portfolio consisted of 2,420 notes with an average maturity of 17 months and a total value of $1,160.0 million at the end of 2022 compared to a total value of $1,126.7 million in 2021 with an average maturity of 18 months.

As a result of lower demand for our structured financial products during the year and continued investment in our distribution capabilities and control and support function, including risk and finance, to support future growth, Adjusted operating PBT decreased by 13% in 2022 to $27.8 million.

The business is well positioned to continue to build market share and deliver future growth due to the investment we have made in state-of-the-art technology, resulting in an enhanced client experience and cost-effective pricing of our products, giving Marex a competitive edge. The success of this business demonstrates the ability of the Group to grow organically through innovation and the Hedging and Investment Solutions business continues to be an important source of funding for the Group.

Our priorities

- Further build out our distribution network in the US and APAC
- Exploring commodities hedging opportunities in South America
- Continuing to invest in our cutting-edge derivatives engine and client portal to further enhance our competitive advantage

Agile is our bespoke full-service client platform for managing commodity *hedging portfolios with Marex.*

Business Review (continued)

Agency and Execution provides essential liquidity and execution services to our clients primarily in the energy and financial securities markets.

We act on an agency basis, connecting buyers and sellers in often illiquid markets to facilitate price discovery and so they can transact directly. In addition, we provide execution services where we execute transactions on a regulated exchange on behalf of our clients and then pass the transaction to the relevant counterparty or clearing house to settle.

	2022	2021	Change
Net revenue ($m)	226.0	187.3	21%
Energy	136.1	134.8	
Securities	84.0	46.6	
Other	5.9	5.9	
Adjusted operating PBT ($m)	19.2	21.1	(9%)
Adjusted operating PBT margin	8%	11%	
Front office headcount (No.)	341	322	6%

This business segment is primarily commission driven and has a lower risk profile, both market and credit risk, and therefore a lower capital requirement compared to Market Making or Clearing.

Net revenue increased substantially year-on-year to $226.0 million in 2022 compared to $187.3 million in 2021.

Adjusted operating PBT declined slightly year-on-year to $19.2 million from $21.1 million in 2021. This primarily reflected the one-off benefit related to the disposal of intellectual property in 2021, with profitability in our energy business broadly stable year-on-year and a modest contribution from securities. As a result, Adjusted operating PBT margin for the segment declined to 8% for 2022.

Securities

Our equities execution business in North America performed well during 2022 with revenues increasing more than 20% during the year. The completion of the ED&F Man Capital Markets division acquisition contributed the remaining revenue growth in securities during 2022.

This acquisition significantly increases both our geographic footprint and presence in the securities markets, particularly our equities and fixed income capabilities in the US where we provide liquidity to market participants on a matched principal basis.

Agency and Execution

I am really pleased with how our OTC energy business performed in 2022 given the challenging market conditions. We saw good demand for our liquidity provision services early in the year, but with lower levels of client activity in the second half, we took actions to manage the business and our profitability accordingly.

Matt Thistle
Global Head of OTC Energy

Energy

Our energy operations provide essential liquidity to clients by connecting buyers and sellers in the opaque OTC energy markets to facilitate price discovery. We have leading positions in many of the markets we operate in, including EU fuel, German power, UK gas, US petrochems, US biofuel, US renewables and Asian LPG. We achieve this through the breadth and depth of the service we offer to customers, providing deep liquidity pools in each product combined with market intelligence based on the extensive knowledge and experience of our teams.

Net revenue increased slightly year-on-year to $136.1 million in 2022 compared to $134.8 million in 2021. This reflected positive market conditions, particularly in the first quarter of the year, with higher volatility resulting in strong demand for our liquidity provision services and higher levels of client activity across the energy markets. From the second quarter of the year, we saw a slowdown in activity levels due to a combination of higher absolute energy prices, increased margin requirements and elevated volatility causing many market participants to reduce activity levels.

As a result of the deterioration in market conditions, we conducted a strategic review of our energy operations on a product-by-product basis and restructured some of our teams where the outlook for revenues and margins had deteriorated. Average front office headcount was broadly stable during the year as we looked to reallocate resources and invest in certain geographies to expand our product and client coverage.

As a result, Adjusted operating PBT for our OTC energy operation declined slightly year-on-year in 2022. We determined that the combination of current market conditions and increased discount rates meant that the value of this business ('VIU' or value in use) was lower than the carrying value, which includes goodwill, and as a result took an impairment charge on the goodwill during the fourth quarter.

This goodwill impairment charge is treated as an 'Other expense' item in our Consolidated Income Statement and, whilst it does not impact Operating profit, it does impact the Group's reported Profit before tax for the year.

Other

Other revenues primarily reflect the subscription revenues from our Neon client portal and data revenues from our OTC energy business.

Our priorities

- Integration of newly acquired capabilities in US and continental Europe
- Significant growth opportunities in Middle East
- Leverage the broader Marex service offering to maximise client revenue opportunities

Our Neon platform combines trading, risk, market data and insights on the global commodities markets. Providing access to liquidity across both listed and OTC markets, complemented by our leading research and market commentary – all in one platform.

Sustainability

Cultivating positive change in the commodities market for a more sustainable future.

Achievements during the year

- Achieved carbon neutral status
- Expanded our green product offerings
- Recognised as "Emissions House of the Year" at the Energy Risk Awards 2022
- Renewed partnerships with OxCarbon and The Global Mangrove Trust, enabling us to continue to drive innovation in carbon sequestration and satellite technology
- Continued to enhance ESG governance, including incorporating ESG considerations into Know your client ('KYC') and New Business Approval criteria
- Donated more than $235,000 to various charitable causes, including over

Marex is committed to being a responsible operator in the energy, commodity and financial markets. Despite a busy year for Marex, including a large strategic acquisition, we have continued to prioritise our specific ESG initiatives and further develop our sustainability strategy to secure the long-term success of the Group.

This has included expanding its green product offerings, working to reduce its operational carbon footprint, and continuing to support its global move towards achieving the United Nations Sustainable Development Goals ('SDGs').

In 2021, we committed to achieving carbon neutral status by the end of 2022. I am happy to report that, despite a small increase in our overall emissions, the success of our carbon sequestration project with Oxford University spin-off OxCarbon enabled us to offset these emissions to achieve our goal. Our partnership with the Global Mangrove Trust offset 80,000 tonnes of CO_2.

We were also delighted to be recognised as Emissions House of the Year at the Energy Risk Awards 2022, where we were commended for going beyond normal expectations of a brokerage in pledging to continue to support innovation in carbon sequestration through our partnership with Oxford University's Smith School of Enterprise and the Environment.

Disappointingly, despite our continual efforts to improve diversity, our gender pay gap widened slightly in 2022. Reversing this will be a key area of focus in 2023, as Marex remains committed to achieving gender equality across the business.

Looking forward, our 2023 priorities include continuing to grow and expand our offerings to make Marex the go-to place for access to environmental products and markets, and maturing our approach to measuring and monitoring our impact with quantifiable sustainability metrics and clear targets.

Against a challenging geopolitical and macro-economic backdrop, we continue to strive towards our purpose of cultivating positive change in the commodities market for a more sustainable future.

Paolo Tonucci
Chief Financial Officer &
Chair of ESG Committee

Our sustainability principles

Marex is committed to serving its clients, communities and investors as a responsible commodities business. Our approach to sustainability is driven by these four principles:

Alignment with Marex purpose and strategy:

We believe that sustainbility should be aligned with, and be an integral part of, our overall business strategy. This includes ensuring that ESG considerations are an important part of all strategic decisions, including acquitions and new business.

Responding to external developments:

Marex's approach to sustainbility is receptive to external stimuli, including new regulations, market trends and industry pressures. We seek to align our approach with global best practices, obtaining advice from third-party experts and responding to new developments.

Data driven monitoring and impact-focused objectives:

To effectively monitor and demonstrate our impact, Marex is committed to maturing the targets and metrics used to measure our ESG activities, using quantifiable data and setting clear, measurable objectives, including scenario analysis where appropriate.

Alignment with our values:

Integrity – acting with honesty and high ethical standards; **Respect** – treat everyone fairly and with respect; **Developing our people** – seeking to 'grow our own' talent; **Adaptable and nimble** – responding to opportunities and supporting innovation; and **Collaborative** – working together to achieve greater impact.

Our Sustainability Strategy

People:
Fostering an environment where talent can thrive

Planet:
Supporting the green transition

1. Cultivating positive change and supporting the communities in which we operate

What this means
Marex is committed to supporting its employees by championing wellbeing, nurturing talent and promoting diversity. It is also committed to supporting the broader communities in which it operates through charitable contributions and other initiatives.

Why it's Important to Marex
Our people are the basis of the Group's competitive advantage. Marex always seeks to develop our people and create an enviroment that ambitious, hardworking, talented people choose to build their careers.

2. Reduce our own operational footprint

What this means
Having achieved carbon neutral status in 2022, Marex remains committed to improving energy efficiency across the Group and aims to bring greenhouse gas ('GHG') emissions down to net zero by 2050 or earlier.

Why it's Important to Marex
Marex supports the global commitment to limiting the rise in the world's average temperature to 1.5°C above pre-industrial levels, limiting the risks posed by climate change to our business, the communities in which we operate and the planet.

3. Making Marex a go-to provider of environmental commodities

What this means
Marex has brokered renewable energy since 2002, and generated Net revenue of $24 million from environmental products last year. The Group is continually seeking and leveraging opportunities to innovate and create new, market-leading green products and support the growth of new sustainable markets.

Why it's Important to Marex
Marex provides an end-to-end service offering to clients and is continually extending its product range. To continue to meet client needs while supporting global reduction in carbon emissions, providing a wide range of environmental options is a key priority.

Alignment to the UN SDGs

In 2022, we have continued to report on our contribution towards the UN SDGs with which we can have the greatest impact.

Ensure healthy lives & promote wellbeing for all at all ages

- Employee wellbeing initiatives (see page 35)
- Supporting communities (see page 37)
- Introduction of new policies (see page 35)

Achieve gender equality and empower all women and girls

- Gender Pay Gap Report (see page 36)
- Supporting communities (see page 37)
- Introduction of new policies (see page 35)

Promote sustainable economic growth and decent work for all

- Nurturing talent (see page 34)
- Development of new products and markets (see page 7)
- Supporting communities (see page 37)

Take urgent action to combat climate change and its impacts

- Providing access to cleaner commodities (see page 39)
- Creating greener markets (see page 39)
- Turning concepts into reality (see page 39)
- Reducing our operational footprint (see page 38)

Support the Global Partnership for Sustainable Development

- Strategic partnerships (see page 39)
- Influencing and advocacy (see page 39)
- Engagement with stakeholders (see page 40)

Our Sustainability Strategy (continued)

1. Cultivating positive change and supporting the communities in which we operate

Marex is committed to cultivating positive change through nurturing talent, promoting diversity and supporting the communities we operate in.

2022 highlights

More than $235,000 donated to charitable causes

Global increase in employee engagement scores

Rollout of four new wellbeing initiatives

Nurturing talent

SDG:

In 2022, we ran 10 training programmes with approximately 200 attendees in total, hosted live in London and virtually to accommodate regional colleagues. Topics included leadership, emotional intelligence, and strategic thinking.

We also delivered internal training sessions on personal development topics throughout the year and introduced Insights Discovery, a psychometric tool that helps people have more respectful, productive, and positive working relationships, even across virtual boundaries.

Marex proudly sponsors employee professional development and qualifications including CFA, leadership programmes, presentation coaching, and bespoke training based on the needs of the business.

Future Frontiers initiative

SDG:

In 2022, Marex partnered with award-winning education charity Future Frontiers to support year 10 pupils at St Mark's Church of England Academy, based in the London borough of Merton.

Levels of socio-economic disadvantage in the area are high, with 23% of young people in the borough not in education, employment or training ('NEET').

Fourteen Marex volunteers provided 13 students with 54 hours of coaching, during which students explored their interests, discovered inspiring careers, and created plans for next steps. Pupils coached by Marex volunteers not only significantly increased their career readiness, but are now performing above national averages. Of the pupils, 100% agreed that their coach helped them find an inspirational career, and 91% agreed that they were more motivated to work hard at school.

There was a significant increase in the percentage of pupils responding positively to questions about careers management and self-belief after the programme compared with before the programme. We will run the programme again in 2023.

> Please do not underestimate the difference volunteers like you make to the lives of our young people. You have opened their eyes to new opportunities and given them the insight, information and self-belief they need to take the first steps towards making their goals a reality.

Dominic Baker
Founder and CEO, Future Frontiers

Championing employee wellbeing

SDGs:

3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH

Marex treats employee well-being as a key priority, and proactively responds to challenges affecting its workforce.

In 2022, we responded to the rising cost of living by making a one-off, means-tested payment to support our most affected employees.

We expanded our suite of well-being services to complement our existing offerings and provide comprehensive, wrap-around support for physical and mental health, including 24/7 access to counselling and emotional support. We actively encourage all employees to seek support, if required, from these services.

Policies and employee benefits

We introduced new policies related to employee well-being in 2022, including: an Agile Working policy; a Menopause policy; a Domestic Abuse policy; and a policy for Parental Bereavement Leave. We also updated our Employee Handbook to align with best practice.

Finally, we rolled out a global deep dive of employee benefits, rationalising and enhancing benefits across the Group. This included aligning benefits as we expanded the business through acquisitions (with the ED&F Man Capital Markets colleagues receiving benefits in alignment with the broader Marex staff base immediately post-acquisition), as well as rationalising benefits in the US, Ireland and across employees of our UK subsidiary Spectron Services Limited (including income protection, life assurance and health insurance).

Employee engagement

Pleasingly, our 2022 employee engagement survey showed improvements across the Group, with our total engagement score improving to 7.8 out of 10 (from 7.5 in 2021).

While our participation rate reduced slightly to 83% (from 85% in 2021), engagement remained high, with 925 respondents compared with 632 in 2021.

We were particularly glad to see consistent improvement in engagement scores across all departments, regions and across both genders, eliminating the ratings gap between men and women.

The most significant drivers of improved scores were environment, organisational fit, collaboration, diversity, developing our people, growth, reward and strategy.

Our employee engagement survey is an important opportunity for management to receive feedback on what we can do better. Key areas for improvement highlighted in this year's survey responses included:

- a lack of breakout space (we have addressed this by taking on additional space in our London and US offices)
- a desire for more staff events, such as sports events and quiz nights, including virtual events and events available to staff working outside of our London head office
- challenges relating to the organisation's pace of growth
- a need to increase awareness of ESG across the Group, including increased communication of ESG initiatives, and improved provision for recycling at our London head office

> Marex provides an opportunity for real challenge and personal growth.

Wellbeing initiatives introduced in 2022:

Work | Life CENTRAL

(previously CityParents)
A digital hub of expert-led content to support, inform and inspire colleagues in their family life, work life and wellbeing – covering five core topic categories of careers, families, inclusion, wellbeing and workplace.

LifeWorks

A new employee assistance programme providing 24/7 access to counselling and coaching services, and emotional and practical support for a range of challenges.

Peppy

A digital health app providing health support through the menopause, becoming a parent and fertility journeys, connecting employees with experienced practitioners to provide the personalised support required for life's big transitions.

Smart Health

A digital GP service offering online health checks, second medical opinions, mental health support, nutrition consultations and online fitness programmes.

Vitality

We continued to offer our Vitality Wellbeing scheme, which allows employees to access a range of health services. This year, we negotiated reduced rates for participating in the scheme and a reduced excess, to better support our employees. We also ran a session on 'Making the most of Vitality' to promote the scheme benefits, which was well attended. We hosted an onsite 'Know your numbers' event, offering mini health checks for employees who participate in the scheme. The event ran over two days and was fully booked.

Our Vitality Wellbeing scheme also provides access to regular events and talks focused around monthly health and wellness themes, which in 2022 included: men's and women's health; nourishing nutrition; maximising potential; effective self-care; supporting muscle, bone & joint health; mental health awareness; and resilience & consistency.

Our Sustainability Strategy (continued)

1. Cultivating positive change and supporting the communities in which we operate

Diversity at Marex

SDGs:

Marex is committed to equal pay and employee diversity in all its forms. As the Group grows, it continues to review pay across all businesses and subsidiaries to maintain parity between roles of the same grade.

As an employer, whilst Marex requests voluntary disclosure of diversity categories from employees, this is not a mandatory legal requirement, which makes tracking diversity across the Group more challenging. Marex only has accurate statistics on gender. In 2022, the gender split across Marex companies decreased slightly to 21% of the workforce being female. Marex recognises that much more work is needed to attract female talent to all its businesses and the industry as a whole.

Gender pay gap ('GPG')

In 2022, there was a small increase in Marex's mean GPG at 30% (from 27% in 2021) and in the median GPG at 31% (from 24%). The mean bonus pay gap increased from 79% in 2021 to 81% in 2022 and the median bonus pay gap increased from 47% in 2021 to 54% in 2022.

This gap is driven predominantly by the under-representation of females in higher bonus roles and significant under-representation of females in front office roles, with 18 women (15% of the broking team) in the upper quartile.

The proportion of female employees who were paid a bonus increased slightly from 78% in 2021 to 79% in 2022, while the proportion of male employees who were paid a bonus remained flat at 84%.

More details can be found in the 2022 UK Gender Pay Gap Report on our website.

Marex remains committed to addressing the gender pay gap and acknowledges that profound and sustainable change in our industry will take some time.

Addressing this will continue to be an area of focus in 2023.

Supporting communities

SDGs:

Marex and its employees support a broad range of charities through the charity matching policy.

Any activity in support of a registered charity undertaken by a member of the team is matched in value by the business. In 2022, we supported several charities around the world through a variety of fundraising activities, including those surrounding Movember and International Women's Day and a fundraising drive to support the Red Cross's activities in aid of those affected by the Ukraine crisis.

Marex and employee fundraising donations totalled $235,731 in 2022, more than four times the amount donated in 2021 ($56,124). Charities benefiting included Access Sport, Cambridge Rape Crisis Centre, United Help Ukraine, the British Red Cross, the National Autistic Society, the Ukraine Crisis Appeal, the Royal National Lifeboats Institution, Leukemia & Lymphoma Society, Movember, Guy's and St Thomas' NHS Foundation Trust, Tommy's Charity for Babies, the Special Olympics, School Me, Kef Kids, Go Beyond, Ordinary 2 Extraordinary, Het Vergeten Kind, and Save the Children.

The developments in Ukraine in 2022 were extremely distressing. Whilst Marex does not have a physical presence in Russia or Ukraine, we work with contractors in the affected areas and supported them directly. We also offered support to our employees and their families, particularly in helping children make sense of the crisis. As a company, we donated over $100,000 to the Red Cross to support those affected by the crisis. We continue to hope for diplomatic resolution to the conflict.

We continued our partnership with From Babies with Love, providing a welcome gift bundle to new parents across the Group. From Babies with Love donates its profit from this gift to support charities that work with children throughout the world who are orphaned or abandoned as a result of war, famine, disease or poverty.

XFA, a US based Marex subsidiary, also made a number of charitable donations through the year. These included donations totalling more than $10,000 to Toys for Tots, Doctors without Borders, Wildlife Conservation Network, Save the Elephants, UNICEF and St Jude Children's Research Hospital. In October 2022, XFA was also a proud sponsor of the 2022 Atlanta Benefit in support of Help for Children, which raised $10,000 to fight child abuse in the Atlanta area.

Charities we support

Our Sustainability Strategy (continued)

2. Reducing our own operational footprint

Marex is a carbon neutral business, and is committed to continually improving energy efficiency across the Group

2022 highlights

Achieved carbon neutral status for our operations

Improved recycling facilities roll out

LED lighting roll out

Reducing our operational footprint

SDG:

13 CLIMATE ACTION

While its own operational impact on the environment is relatively small, Marex remains committed to improving energy efficiency across the Group.

In 2021, we set the ambition of being carbon neutral by the end of 2022, a goal which we are proud to have achieved. While carbon offsets were key in achieving this target, we have made significant efforts to improve energy efficiency across our portfolio in 2022, including:

- increasing use of LED lighting across our global offices. Our London offices were at 35% LED at the end of 2022, and will be at 90% by the end of Q1 2023. Globally, 50% of our offices are now using LED
- hosting the Eco Club from Mayflower High School in Essex to review and provide recommendations on how to improve our recycling facilities
- introduced Junee reusable lunch bowls to reduce use of single plastics at our London head office. This saved 17kg of plastic containers and 166kg of CO_2e emissions
- implementing a new travel policy to reduce our carbon footprint
- introducing an Environment and Sustainability policy which includes guidance on responsible travel, actions to eliminate single use plastic and reducing greenhouse gas emissions
- conducting an ESG review of our Top 10 suppliers.

Marex has calculated the GHG emissions estimates for 2022 to cover all material sources of emissions for which the Group is responsible in the UK, in line with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2015). This calculation incorporates all Group operations that are consolidated in the Group's financial statements, which include sites operated in the UK and UK business travel.

The table below summarises the Streamlined Energy and Carbon Reporting disclosure in line with the requirements for a large unquoted company, as per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, for the period 1 January 2022 to 31 December 2022. The previous year's information has been provided for comparison.

In 2023, as well as continuing efforts to drive down our own emissions, we will continue to develop our approach to measuring Scope 3 emissions, focusing on key categories upstream and downstream.

	Year ended 31 December 2022	Year ended 31 December 2021
Location	UK	UK
Emissions from the combustion of gas (tCO_2e) (Scope 1)	45	115
Emissions from purchase of electricity (tCO_2e) (location-based) (Scope 2)	452	543
Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel (tCO_2e) (Scope 3)	3	2
Total gross emissions based on the above (tCO_2e)	**500**	**660**
Energy consumption used to calculate Scope 1 emissions (kWh)	241,429	629,727
Energy consumption used to calculate Scope 2 emissions (kWh)	2,338,704	2,557,080
Energy consumption used to calculate Scope 3 emissions (kWh)	10,235	9
Total energy consumption based on above (kWh)[1]	**2,590,368**	**3,186,816**
Intensity ratio tCO_2e (gross Scope 1, 2, 3) per full time equivalent	0.60	1.09

The above GHG emissions cover all material sources for which Marex Group plc is responsible. The methodology used was that of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach. All emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are included. Raw data in the form of invoices, service charges and spreadsheets held by the Finance department have been collected from Marex Group plc. For the Head Office, Tangent Trading and the acquired ED&F Man Capital Markets UK division, fuel consumption data was not available however the service charge breakdown was provided; along with details on apportionment, which contained a total cost allocated for gas consumption in 2022.This figure was then converted into kWh using an average UK non-domestic unit price of £0.065/kWh, sourced from Department for Business, Energy & Industrial Strategy (BEIS). Energy was converted to GHG emissions using the UK Government's GHG Conversion Factors for Company Reporting 2022.

3. Making Marex a go-to provider for environmental products

Marex is committed to becoming a go-to provider for environmentally friendly products in the energy and commodities markets

2022 highlights

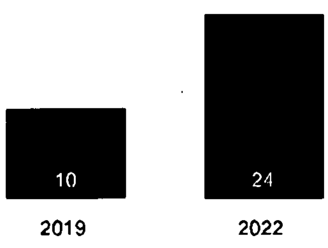
$24 million Net revenue generated from environmental products

First conversion of aluminium to carbon neutral

Renewed partnership with OxCarbon and SSEE

80,000 CO2 emissions offset by mangrove trees planted with the Global Mangrove Trust

Environmentals Net revenue ($m)



Providing access to cleaner commodities and creating greener markets

SDGs:

Marex is continually seeking opportunities to innovate and create new, market-leading green products for its clients, and to support the growth of new sustainable markets (such as the $1 billion carbon offset market).

In 2022, we have continued to develop our environmentals product offering with a focus on the renewable energy and circular economy sectors (which we have brokered since 2002), assisting our clients in navigating the rapidly changing green products marketplace and achieving their sustainability goals.

Marex has continued to grow its Net Revenue from environmentals products to $24 million in 2022.

US Environmentals Broking and Consulting services continued to grow during the year, generating $7.5 million in Net Revenue. We also launched our EMEA Voluntary Carbon offering during the second half of the year which already has 50 clients in the pipeline.

In 2022, we established a dedicated Market Making desk in Europe for Environmentals with six FTEs. This desk offers a range of sustainable products including packaged products with embedded emissions offsets.

In 2023, we will continue to invest in our Environmentals Markets team and expand our offerings into new geographies, including broader US coverage on the West Coast and in APAC, new markets (including white certificates) and responding to new external developments, such as anticipated regulatory changes in the shipping industry. We will also continue to develop our Neon platform to leverage internal flows and cross-sell to existing customers.

Turning concepts into reality

SDGs:

By committing to continue our support for carbon sequestration projects in perpetuity, investing time and resources in technological innovation, Marex is helping to revolutionise the carbon market.

In 2022, we renewed our partnership with the Global Mangrove Trust, Kumi Analytics and the Smith School of Enterprise and Environment at the University of Oxford, providing financial and operational support for a project led by University of Oxford spin-off company OxCarbon to develop a credible, verifiable carbon sequestration methodology using remote, satellite-based verification for tree-planting initiatives.

Our collective ambition is for OxCarbon credits to become an industry standard, ensuring that carbon offsetting is genuine, impactful and accurately measurable, enabling organisations to realise their net zero ambitions.

As well as providing support to the research project, to ensure translation from concept to reality and drive adoption of the learnings and outcomes, Marex continued to seed a pilot project demonstrating these carbon sequestration techniques in mangrove restoration projects in Southeast Asia (supported by a grant from the Monetary Authority of Singapore).

In 2022, the initial findings of this proof of concept programme were published in a white paper entitled: Space-Based Intelligent Carbon Assessment to Enable Scalable Financing Solutions for Coastal Mangrove Forests in Southeast Asia.

Having a voice at industry events addressing climate-related issues is also an important part of our environmental strategy, and key to driving change and promoting innovation. Marex representatives attended a number of events and conferences in 2022, including the Sustainability and ESG panel at the Futures Industry Association ('FIA') Expo, the SSEE World Forum on Enterprise and the Environment, European Climate Summit and New York Climate Week.

TCFD Statement

SDG:

At Marex, high standards of corporate governance are at the heart of responsible leadership. Marex expects employees across the Group to conduct business ethically and lawfully and to adhere to its policies and value. Details of the Group's Code of Conduct are outlined in the Employee Handbook. Information on governance across Marex, including the Board Committees, is outlined in the Group Directors' Report.

In February 2022, Marex launched a revised Employee Handbook which introduced four new policies including Menopause, Domestic Abuse, Environment & Sustainability and Parental Bereavement Leave.

Throughout the year, Marex initiated mandatory information security and cyber risk awareness training courses with a 100% completion rate globally. The Group continues to provide employees with guidance and relevant training on governance and policies, including Anti-Money Laundering, Conduct Risk, Business Ethics, Preventing Discrimination and Harassment, Anti-Bribery and Anti-Corruption, General Data Protection Regulation, Senior Managers and Certification Regime Conduct Rules, and Fraud Prevention.

Engagement with stakeholders

We engage regularly with a range of stakeholders, including our shareholders, investors, regulators, industry bodies and academic institutions, on several ESG initiatives that are relevant to our business and markets.

In 2022, we published our second annual ESG Report – the sister document to our Annual Report and Accounts. This report can be found on our website and provides disclosures of our ESG policies, practices and performance against key economic, social and environmental impacts and goals.

Our approach to taxation

Marex recognises taxation as an important social consequence of doing profitable business in a jurisdiction, and our commitment to paying the right amount of tax in the right jurisdiction and at the right time reflects this. Taxation, both direct and indirect, is an important part of Marex's contribution to the societies in which it operates. As such, Marex is committed to complying with tax laws in a responsible manner and to having open relationships with tax authorities wherever it operates. Marex's tax risk appetite is low.

Marex is in the process of being recognised by the B-Team (bteam.org) as adhering to its Responsible Tax Principles. The B-Team principles aim to provide companies with a framework for responsible tax behaviour, and to encourage greater transparency, accountability, and stakeholder engagement around tax issues.

Marex is committed to transparency of the taxes it pays. In 2022, Marex had an effective tax rate of 19.2% (compared to the UK corporation tax rate of 19%) and made total worldwide corporation tax cash payments of $18.0 million (2021: $18.3 million). Marex's effective tax rate is expected to rise significantly from 2023 in line with the increase in the UK corporation tax rate from 19% to 25% from 1 April 2023.

Climate-related financial disclosures

Marex fully supports the Task Force on Climate-related Financial Disclosures ('TCFD') and has chosen to adopt a number of its recommendations ahead of requirements for a second year.

TCFD-aligned reporting presents an opportunity for Marex to better understand the climate-related risks and opportunities for its business, so it can manage and respond to them robustly. In 2022, we worked with a third-party specialist to identify opportunities to mature our alignment to the TCFD recommendations and enhance our reporting of the necessary disclosures.

Marex continues to report on climate-related risks and opportunities across the four pillars of TCFD: governance, strategy, risk management, and metrics and targets.

Governance

The Board's oversight of climate-related risks and opportunities

ESG is overseen by the Board, which determines Group strategy including investment in and prioritisation of resources and initiatives, and approves ESG priorities.

An ESG Committee is led by the Board Chair and Group CFO. The ESG Committee monitors Marex's progress against climate-related actions and progress on a quarterly basis, and provides reports to the Board on both climate-related and wider ESG matters. A dedicated Steering Group has been appointed to focus on implementing TCFD recommendations. This Steering Group includes senior representatives from Finance, Risk and Communications.

The Board recognises the need to understand and assess climate-related risk and the inherent uncertainty therein, and is committed to continuously developing its knowledge. In 2022, Board Chair, Carla Stent was awarded a certificate in Business Sustainability Management from the University of Cambridge. Going forward, we intend to schedule annual ESG training delivered by a suitable third party for all Board members.

Given that the in-house meteorology team offer physical climate-related products and the energy team offer transition climate-related products, Marex, by virtue of the service offering, continually has sight of the risks and opportunities climate change poses for the Group.

Management's role in assessing and managing climate-related risks and opportunities

Senior executives are responsible for the strategic management of the Group's principal risks, including climate-related risk. The ESG Committee and TCFD Steering Committee both comprise individuals across Marex's business and core functions including: Risk, Operations, Front Office, Technology, HR and Communications. These representatives are best placed to deploy positive change across Marex, driving strategic execution down through the business unit teams.

The implementation of climate-related products to track risks and utilise climate opportunities across the business is managed at business unit level, namely, Market Making, Clearing, Hedging and Investment Solutions and Agency and Execution.

Strategy

Identification of the climate-related risks and opportunities

We are in the process of exploring our business strategy and the service that we offer clients (for short-, medium- and long-term horizons), and addressing emerging risks and opportunities. As part of this work, the Board has reviewed the preparedness of Marex for all known practical climate risks and opportunities with a significant potential impact at Group level. Building on material issues identified as part of an initial screening report, in 2022 we worked with a third-party specialist to undertake an inaugural scenario analysis pilot exercise to understand the most material climate-related risks and opportunities facing the Group, including physical and transitional risks and opportunities. Marex faces minimal direct exposure from physical climate change.

While extreme weather could dramatically change the way agricultural companies operate, potentially forcing some of Marex's agricultural clients out of business, in this scenario new clients would likely require Marex's services, resulting in a net benefit. For transitional risk, approximately 40% of Marex's revenue comes from fossil fuel and oil trades which represents a risk should we see the scaling back of this industry to meet net zero targets.

While there is a risk of the fossil fuel industry shrinking, the potential opportunity for Marex to increase revenues from green trades is significant. Marex is well on the way to responding to the market trend of decarbonising economies through helping clients reduce their emissions, in turn helping to accelerate the shift in the market whilst also adapting to new regulatory changes across the climate agenda internationally.

Impact on the organisation's business, strategy and financial planning

Climate change presents both challenges and opportunities to the Group's business model and products, as well as to employees and customers, and these are embedded into our growth strategy and mission. In the energy market, we are already helping many businesses to decarbonise. In the coming years, we want to increase this support and help businesses and governments achieve their net zero ambitions. This is a challenge to business as usual, but one that opens up new opportunities and markets, while building a brighter future. We are committed to supporting our customers through the transition to net zero; accelerating the shift in the market and in our clients' organisations; and adapting to new environmental regulations. We also recognise the value ESG plays in assessing risk both in our business and beyond.

To support financial risk management, we are increasingly incorporating ESG risks in client decision making as well as in our processes around acquisitions and in our operational decisions. In order to support the consideration of climate-related issues in strategic and business model decisions, we are now conducting analysis for all new clients and suppliers by reviewing their ESG credentials and considering alternative (greener) opportunities wherever possible.

Assessing the resilience of our strategy to different climate-related scenarios

In 2022, Marex conducted inaugural scenario analysis with the help of a third-party expert to inform the climate change risk management process using scenarios based on the Network for Greening the Financial System ('NGFS') global climate model scenarios, in order to assess Marex's climate change exposure up to 2050. The scenarios adopted include pathways to >3°C warming and <2°C warming.
This scenario analysis identified that the biggest risk to Marex in a <2°C world is from the retraction of its primary market, fossil fuel trading, and a failure to realise the opportunities in trading in carbon credits or other green products. As a part of its growth strategy, Marex plans to continue to diversify its revenues across green trades, protecting against this worst case. In a >3°C world, Marex's most significant risks are of litigation and market risks in the supply chain as a result of physical climate change.

It is key that Marex works with sectors that facilitate the transition and adaptation, to limit impacts to revenues.

Whilst the scenarios adopted are underpinned by quantitative data, the scenario analysis is qualitative for the first year providing a platform on which to focus more quantitatively in future years.

Risk Management

Processes for identifying and assessing climate-related risk

Risk management and internal control are fundamental to achieving the Group's aim of delivering long-term sustainable growth in shareholder value. Principal and emerging risks are identified both 'top down' by the Board and the ESG Committee and 'bottom up' through from the business. The four business segments develop business-specific risk registers to identify threats and opportunities, including climate-related risks. They evaluate the inherent impact, mitigated probability, risk severity, control effectiveness and risk trends. Impact on revenue, litigation outcomes, applicable fines and other factors are all quantifiable indicators that affect risk classification.

Processes for managing climate-related risks

The ESG Committee meets regularly to oversee the management of the most significant environmental risks, including climate-related risks. We use a third party ESG consultancy to monitor current and emerging environmental regulations across the industry and business sectors. We evaluate compliance regularly and consider how these regulations may impact Marex. The severity of each risk is quantified by assessing its inherent impact and mitigated probability, to ensure that the residual risk exposure is understood and prioritised for control throughout the Group.

Integration of climate-related risk processes into overall risk management

Substantive climate-related risks and impacts are identified, assessed and monitored as part of Marex's overall risk assessment process. The four business segments develop business-specific risk registers and business continuity plans which are used in their annual strategic planning. These registers identify internal and external factors that could pose threats and opportunities to each business, including climate-related risks. Each risk is assessed by the business segments senior management team who consider the indicators of relevance and their associated impact. Senior executives are responsible for the strategic management of the Group's principal risks, including climate-related risk.

Metrics and Targets

Metrics used to assess climate-related risks and opportunities

When assessing ESG performance including climate-related risks and opportunities, the ESG Committee is informed by relevant global initiatives and best practice, such as the TCFD, UN SDGs, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organization and the IFC Performance Standards. We are aware that the measurements of impact that firms are having in ESG is currently being debated. To create transparency and demonstrate accountability for our impacts, we will continue to work with ESG specialists to reflect best practice in tracking the positive contribution that we are making within our marketplace. In addition to monitoring progress of product related initiatives offered to clients and the market, Marex's internal metrics include Absolute Scope 1 and Scope 2 GHG emissions, and absolute energy use.

Disclosure of Scope 1, Scope 2, and Scope 3 GHG emissions and related risks

Marex has included UK Scope 1 and 2 figures in its 2022 Annual Report. The strategy to addressing Scope 3 emissions is developing. We are working with customers, suppliers and other stakeholders in the value chain to calculate a Scope 3 emissions baseline, focusing on key categories upstream and downstream.

Targets used to manage climate-related risks and opportunities and performance against targets

In 2021, Marex set a target of achieving carbon neutral status by the end of 2022. We achieved this goal, and moving forwards will seek to further drive down our operational emissions, as well as increasing visibility of our supply chain emissions. In 2023, we plan to develop near- and long-term carbon reduction targets to manage climate-related risks and opportunities, referring to TCFD guidance on characteristics of effective climate-related metrics and targets. We are in the process of undertaking a deeper analysis of our GHG inventory to inform these targets, and have commenced the process for climate neutral certification. Our global footprint has increased significantly following recent acquisitions and we will re-baseline our targets accordingly.

Overview of Risk Management

The Group views risk management as a key consideration in delivering its strategic business aims and objectives, whilst ensuring the Group's long-term sustainability and effective corporate governance.

The Group's business strategy and risk appetite are linked to ensure risk taking remains within the defined boundaries to support business strategy, effective management of capital and efficient use of liquidity.

The Group's risk governance structure is articulated within its Enterprise Wide Risk Management ('EWRM') framework, which sets the foundations and organisational structure for implementing and reviewing risk management practices and activities across the Group.

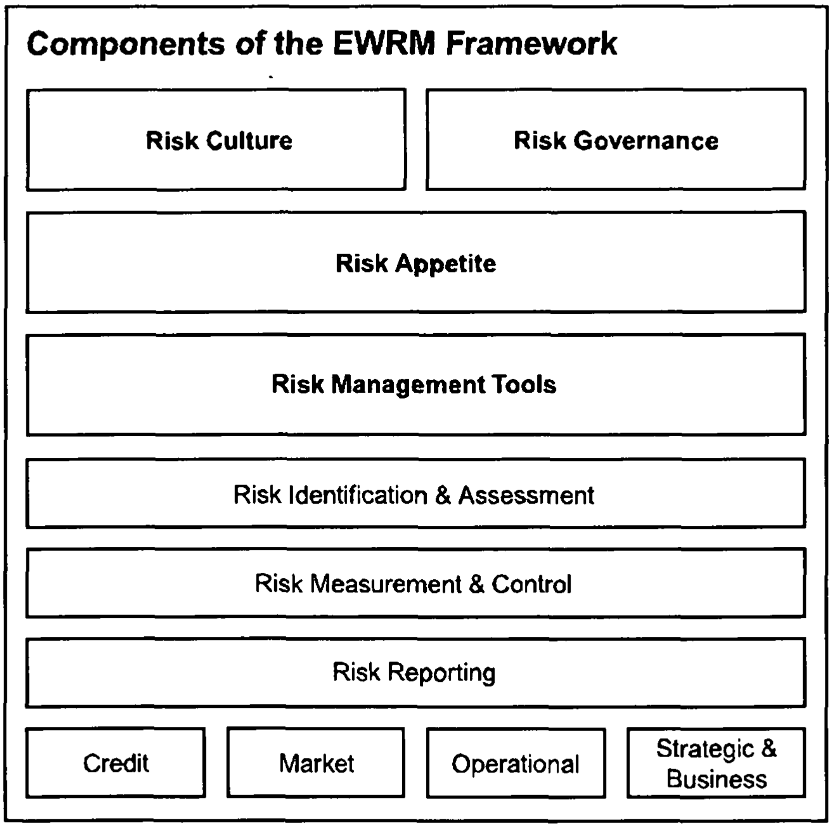
The Board has overall responsibility for ensuring an appropriate governance framework for the Group. The Board maintains oversight over subsidiaries yet is cognisant of the local regulatory responsibilities applicable to boards of local operations. Group subsidiaries may develop their own risk frameworks and policies tailored to their specific business; however, in the development and approval of such frameworks and policies, they should be consistent with and have regard for the principles of the Group EWRM framework and Group policies. This ensures that all separate legal entities are treated collectively for the purposes of risk identification, assessment and reporting, and that the Group has a holistic view of risk.

EWRM FRAMEWORK

The Group EWRM framework is reviewed annually by Risk Management, or more frequently where material changes occur, and approved by the Board every three years. The framework is cascaded to relevant senior management to ensure business and risk strategies are formulated and reported consistently.

Its objectives are to:

- Ensure greater consistency in the strategies and approaches used to identify business risks.
- Ensure identified risks are appropriately and consistently measured to enable their evaluation, aggregation, comparison and control.
- Assess identified risks both at the specific risk and aggregate Group level to determine approach to control or mitigation. Assessment incorporates evaluations of potential relationships or interdependencies across different risk categories and businesses.
- Ensure appropriate governance and control structures are in place.



Our risk culture

Risk culture describes the values and behaviours present throughout an organisation which shape every risk decision made. The Marex risk culture is consistent with the Group's ethics and values, and strategic and risk objectives.

Responsibility for risk management resides at all levels within the Group, from the Group Board and the Group Executive Committee down through the organisation to each business manager, employee and risk specialist. Responsibility for effective review and challenge of risk policies resides with senior managers, risk oversight committees, internal audit, independent Group risk function, the Group Board and the Risk Committee.

All individuals within the Group should understand its risk and compliance rules. This is fostered through a risk-aware culture and the embedding of risk management throughout the organisation. The Group's risk culture objective is for every employee to take personal accountability for recognising current and potential risks and managing them effectively.

Risk governance

The Group has adopted the 'Three Lines of Defence' model in conjunction with a strong risk culture, good communication and understanding. The approved risk governance model includes the Group Board, the Group Executive Committee and the Risk Committees that form the management of risk governance within the Group.

Information flows and reporting lines are clearly communicated to the relevant personnel and are represented on the risk governance model. The model includes role and responsibility allocation between the organisation centre and business units.

Marex risk governance framework

1 First line of defence

Ownership and management of risk

The first line of defence for day-to-day risk management is with the business units and support functions. They are responsible for understanding and adhering to the risk and control environment. Front line employees must consider the risk/reward trade-off in the short and long term and must ensure compliance with all risk policies and limits. The first line is responsible for the ongoing assessment, monitoring and reporting of risk exposures and events.

2 Second line of defence

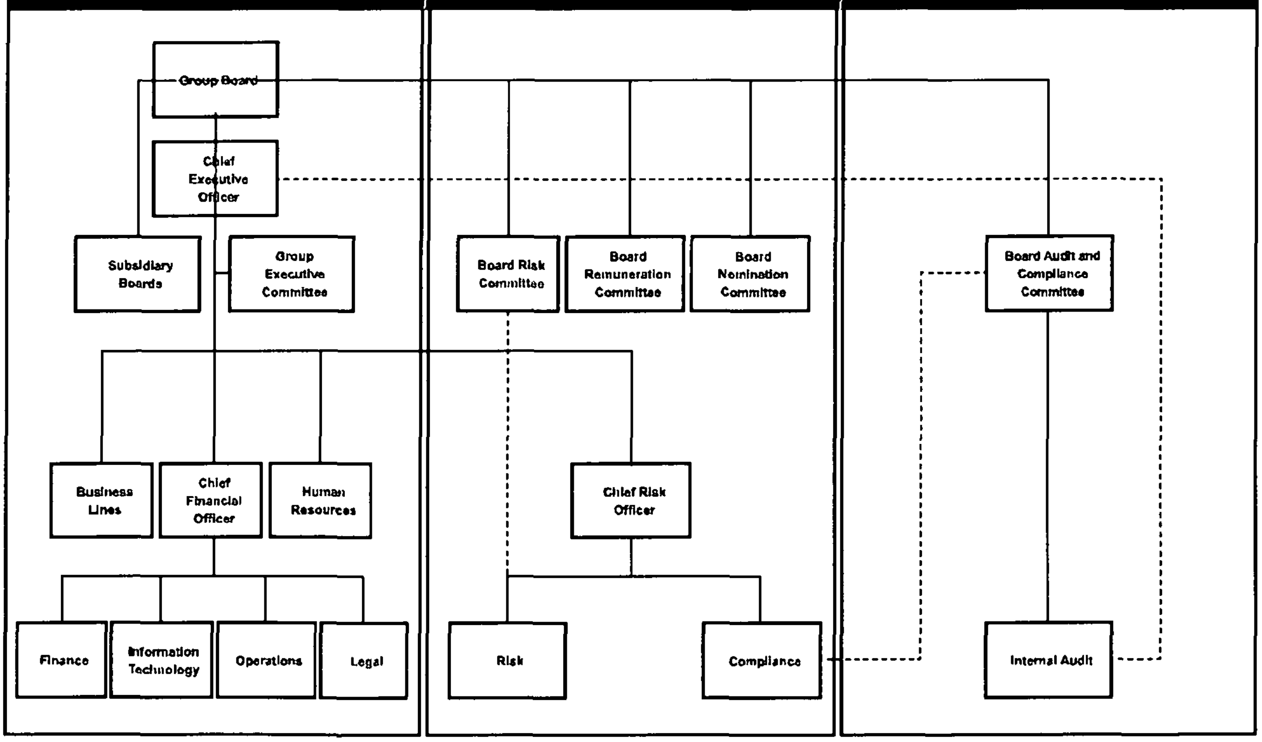
Oversight of the management of risk

The second line of defence is the internal control function, which includes the Risk Management and Compliance functions. These teams provide independent risk oversight and challenge to the first line, and supervision of the operation of the risk control framework. Responsibilities also include the formulation and maintenance of risk frameworks, policies and risk reporting.

3 Third line of defence

Systems and control assurance

The third line of defence is the Group's Internal Audit function, which provides independent assurance of the first and second lines. Internal Audit carries out an annual programme of risk-based audits covering all aspects of first and second-line risk management and risk control activities. The conclusions of each risk-based audit are reported to all three lines of defence. Internal Audit action plans are tracked through the Audit and Compliance Committee to ensure that resolutions are reached within the indicated timescales.



Principal risks and uncertainties

A high-level summary of the roles and responsibilities is included in the table below:

Function	Role and responsibility
Board of Directors	Sets the overarching risk culture of the Group.
Group Executive Committee	Charged with the day-to-day conduct of the Group's business; developing and recommending Group objectives, strategy and budget to the Group Board; and executing the strategy approved by the Group Board.
Chief Executive Officer ('CEO')	Ensures that the management of risks is within the parameters approved by the Group Board and changes to internal systems of control as recommended/required by Internal Audit and the Audit and Compliance Committee are appropriately implemented.
Chief Financial Officer ('CFO')	Responsible for overseeing the operational and financial practices of the Group, and therefore responsible for the implementation of internal controls to manage the risks identified, and responsible for the testing of these internal controls with Internal Audit. As a standing attendee of the Audit and Compliance Committee and Risk Committee and as a member of the Group Board, the CFO is able to ensure that the strategies and policies for the management of risk can be operationalised.
Chief Risk Officer ('CRO')	The senior executive accountable for enabling the efficient and effective governance of significant risks and related opportunities to our business and its segments. The CRO is a member of the Group Executive Committee and guides that committee and the Group Board on the formulation of risk appetite, strategies, policies, delegated authorities and limit structures for the management of risks.
Audit and Compliance Committee	Assists the Board in ensuring the independence and effectiveness of the internal and external audit functions, the integrity of the financial and narrative statements, the effectiveness of internal financial controls, and regulatory compliance.
Risk Committee	Provides advice to the Board on the Group's current risk exposures and future risk strategies (including the strategy for capital and liquidity management), the embedding and maintenance throughout the Group of a supportive culture in relation to the management of risk and the establishment of prescriptive rules and procedures in relation to risk. The Risk Committee is responsible for the oversight of risk when approving and monitoring appropriate limits on risk exposures and concentrations across the business. The focus is on risks to which the Group is exposed considering the Group Board's overall appetite for risk along with its current financial situation and resources.
Remuneration Committee	Determines the remuneration policy and practices of the Group for Executive Directors, and designs and determines remuneration for the Chair of the Board, Executive Directors and senior management, having regard to statutory and regulatory requirements.
Nomination Committee	Ensures there is a formal, rigorous and transparent procedure for the appointment of new Directors, leads the process for Board appointments, making recommendations to the Board and ensuring plans are in place for succession to the Board and senior management positions, and oversees the development of a diverse pipeline for succession.
Mergers and Acquisitions Committee	Reviews potential mergers, acquisitions or disposals and, if appropriate, recommends such mergers, acquisitions or disposals to the Board for final approval, or to approve in accordance with the delegation of authority limits set out in the Board Terms of Reference.

Risk appetite

Risk appetite is the level of risk the Group Board is willing to take now and over the future planning horizon, given the financial resources of the Group to pursue the stated business and risk strategies. The risk appetite recognises a range of possible outcomes as business plans are implemented. It is set and implemented against the business and risk strategies from the 'top down', cascading from high-level objectives set by the Group Board, down through the Group into the formulation of detailed risk measures by specific departments, trading desks, traders and, where appropriate, to individual risk exposures.

Qualitative Risk Appetite Statements for each risk category are approved by the Board and are supplemented by various qualitative and quantitative risk metrics. The statements underpin the risk appetite and are monitored monthly to three risk appetite levels (Trigger, Limit and Capacity) across the following areas:

- Performance-based measures such as people, processes, markets and profitability;
- Risk-based measures such as systems, capital, liquidity and volatility; and
- Compliance-based measures such as regulatory/legal, transformation and client money.

The Group's risk appetite is governed by its risk appetite framework, which includes measures that assess risks to ensure the successful delivery of the business and risk strategies. These measures are grounded against key balance sheet and profit and loss figures, as well as other specific measures and qualitative assessments. The framework is responsive to changes in the Group's business strategy and plans, which ensures that the risk appetite is aligned with changes in the Group's overall strategic goals.

Risk management tools

Risk management tools and methodologies assist in understanding the risks the Group is exposed to, the method to control such risks, the steps to mitigate risks and how to communicate those risks.

Risk identification and assessment

The Group's risk characterisation model ('RCM') considers a range of risks the Group faces. This model forms an integral part of the EWRM framework and serves as an effective linkage to risk appetite. The RCM is reviewed on an ongoing basis and formally on an annual basis.

Risk type	Description
Strategic/ business risk	Represents the risk from changes in the business model, including the risk that the Group may not be able to carry out its business plan and desired strategy. It also includes risks arising from the Group's remuneration policy.
Credit risk	Potential loss incurred where a counterparty fails to perform its contractual obligations in a timely manner. The Group controls credit risk using a robust framework for the creation, use and monitoring of credit risk models. Additionally, Risk Management supports business decision-making and proactive identification of new risks.
Market Risk	Potential loss arising from fluctuations in the values of traded positions due to changes in the value of price, volatility or interest rates within the financial markets. There are robust procedures to measure and set position limits to control market risk with growth facilitated in a controlled and transparent risk management framework.
Operational risk	Potential loss from inadequate or failed internal processes, personnel, systems or external events. This category includes conduct risk and legal risk but excludes strategic/reputational risks. Operational risk is captured, assessed and reported to minimise the frequency and impact of risk events on a cost-benefit basis.
Liquidity risk	Represents the risk that the Group, although solvent, has insufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. The Group operates extensive liquidity management processes and procedures that involve scenario stress testing.
Concentration risk	Concentration risk can be defined as any single (direct and/or indirect) exposure or group of exposures with the potential to produce losses large enough to threaten the Group's ability to maintain its core business. Concentration risk can arise from credit concentration to a specific country, or to a specific counterparty, revenue concentration, exposure concentration to a specific product or concentrations from specific suppliers. To counter such risk, the Group imposes various concentration limits, specifically within credit and market risk exposures.
Settlement risk	Settlement risk is the risk that arises when payments are not exchanged simultaneously. It is a type of counterparty risk associated with default risk as well as timing differences between parties. Robust policies and procedures ensure that Group settlement risk is kept to a minimum.
Compliance/legal risk	Represents the risk to the Group arising from violations of, or non-compliance with, laws, rules and regulations. A key responsibility of the Compliance and Legal departments is to monitor and deal with such risks.
Financial crime risk	Financial crime risk encompasses five key risk areas: Sanctions, Money Laundering and Terrorist Financing, Bribery and Corruption, Tax Evasion and Fraud risks. Marex has adopted a holistic approach to financial crime and has one Group-wide Financial Crime Policy that sets the minimum control requirement in the five key risk areas. This combined approach allows us to identify and manage connections between the key risk areas. Entity-level policies formally adopt the Group Financial Crime Policy and define any local regulatory requirements that apply to specific entities across the Group. Methodologies and standards underpin the Group and entity-level policies. Methodologies identify, select, process and analyse financial crime risk. Standards provide the detailed guidance on how to comply with the financial crime policies. Procedures provide instructions to ensure routine and complex operations are undertaken in alignment with policies and standards. For each financial crime type, an overarching risk appetite statement has been produced, which is supported by qualitative statements and quantitative thresholds and limits. A set of key risk indicators and key performance indicators measure the quantitative thresholds and limits. These are produced on a quarterly basis in order to assess compliance standards and highlight areas of potential weaknesses. Financial crime management information is presented to the Financial Crime Committee and Audit and Compliance Committee for review and challenge as part of their oversight responsibilities.
Technology risk	Technology risk, or information technology risk, is the potential for any technology to disrupt the business. Risk management includes the strategies, processes, systems and people aimed at effectively managing potential technology risks. The goal of cybersecurity risk management is to identify potential technology risks before they occur and have a plan to address those technology risks. Risk Management looks at internal and external technology risk that could have an effect on the Group.

Principal risks and uncertainties (continued)

Risk identification and assessment (continued)

Risk type	Description
Group risk	*Group risk is the risk that the financial position of a firm may be adversely affected* by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole group. For Marex, this risk is minimised through structuring the Group with entity-agnostic, centralised specialist risk personnel, systems and infrastructure. As the Group primarily comprises client-order driven businesses, market risk is maintained at very low levels and the key risks at a Group level are operational and credit derived. Leveraging this centralised model, with subject matter experts located regionally, credit risk (K-factor K-TCD, Trading Counterparty Default) is minimised through a continuous dynamic calculation of client margin requirement and close attention to clients' credit risk profiles through an internal rating system, and monitored in a daily, globally attended call. Operational risk is also managed centrally across the entities, having adopted the very latest best-practice approaches and toolsets, with input from regional subject matter experts.
Reputational risk	Reputational risk is viewed as a secondary risk by the Group, one resulting from the impact of other risks, such as operational risk or compliance risk. It is important to note that all departments have their own control processes and procedures in place to limit the impact of all relevant risks.

Risk measurement and control

The Group's key risks are consistently analysed and measured in accordance with approved policies and processes. Key business controls and procedures are implemented to mitigate the risks highlighted by the risk assessment. The Group uses the measures below to varying degrees.

Limit type	Description
Sensitivity limits	Effective and direct method for restricting the size of certain risks. It is easily implemented, simple to understand and enables management of highly granular exposure metrics such as Vega, Delta, etc.
Concentration limits	Used where exposure to a specific segment of the market is desirable, e.g. country-specific credit risk limits.
Value at risk (VaR)	The Group Board VaR limit sets the overall risk appetite in order to meet the Group's business strategy. The CRO has the delegated authority to allocate this limit across business lines (Metals, Agriculture, CSC Commodities, etc.) taking into account historic diversification of markets. Desk heads have the autonomy to allocate this VaR to their traders, allowing for diversification. VaR is immediately responsive to increases in market volatility or decreases in diversification and this will force the reduction of positions in times of stress.
Stress testing limits	Discussion triggers for risk personnel to escalate to engage with senior management on developing risk concentrations which could result in a financial loss. Market stress events (with lower probability than the risk captured by VaR) are simulated and embedded within risk appetite, with pre-prepared management response actions defined and communicated. Such a limit breach (or near miss) would prompt discussion around the size of actual or potential exposure, and management's view on business strategy and risk appetite.
Non-limit control measures	Used in times of volatility to restrict undesirable risk concentrations or mitigate risk, e.g. increasing margin rates levied on clients with exposures to specified underlying securities/commodities; reducing credit lines (overall/specific); exiting certain types of business or, contrastingly, increasing capital to support a desired increase in exposure for a market segment deemed attractive (but within defined appetite levels).

Risk reporting

In line with the governance structure in place, periodic reporting and risk analysis is presented to the relevant governing bodies as well as the relevant risk takers, including: the Board; the Risk Committee; the Group Executive Committee; and senior management. The escalation procedures for raising significant issues with managers and supervisors are clear and well embedded across the Group, and are detailed within relevant policies and procedures for the business area.

The flow of information and communication across the Group relating to the management of risk and the effectiveness of the control framework within the risk governance structure is an important component of the framework. There is regular reporting on the performance and effectiveness of KRIs and formal management information relating to the risks inherent in the business. The escalation procedures for raising significant issues with managers and supervisors are clear and well embedded across the Group.

Reporting requirements include monitoring the ongoing adequacy and effectiveness of the control framework, taking account of the trends and frequency of breaches of the control framework recorded on the Risk Register. Inherent risks and mitigating controls are assessed during the risk and control self assessment ('RCSA').

General risks

Market price volatility

The level of volatility in the markets in which we operate is a key driver for our business. High volatility does not automatically result in enhanced performance for our business, as a high degree of skill and expertise is required in order to ensure that this volatility is converted into positive revenue for the Group; however, it does provide a favourable environment for this to happen.

There is a risk to the downside for the Group if volatilities across all asset classes decline and remain at historic lows.

Pricing pressure

Pricing pressure is a potential risk to any business. We mitigate this risk by aiming to provide best-in-class services to our clients, as well as by enhancing our offering to ensure we are providing more than just price discovery. Our investment in technology and our Neon platform are evidence of this.

Market prices

Whilst our market making and broking activities are driven by volatility rather than price direction, a decline in commodity prices typically results in a flow of capital out of markets we're involved in, thereby reducing transaction numbers and volumes. As such, this potentially presents a risk to our revenues and income.

Exchange rules

Changes enforced by the exchanges are outside of our control and have the potential to impact our business.

Specific risks

Cyber

Information security, data confidentiality, integrity and availability of information are of critical importance to our continued effectiveness. Technology risk is inherent not only to the Group's information technology assets, but also in people and processes. In common with other businesses, the Group is continuing to track the cyber threat 'universe' and is aware of risks from cyber-attacks seeking to undermine businesses, governments and utilities. The Group maintains active links with peer associations and government agencies to keep abreast of developments as well as having timely access to cyber threat intelligence.

Climate change

With growing concerns over the climate crisis, we are aware of the importance of understanding the potential impacts of climate change on our business. The Group recognises climate change as both a risk and an opportunity. It fully supports the implementation of the recommendations of the TCFD. The Group is voluntarily aligning ahead of the UK's requirement as a Large Company. Climate change poses both challenges and upsides to the Group's business model and products, as well as to employees and customers, and as such the Group has begun to address this across the four pillars of the TCFD: governance, strategy, risk management, and metrics and targets.

Geopolitical

There are many uncertainties in the geopolitical and societal environment due to the impact of political activities. These include the Ukraine situation, Brexit, the wider economic climate (which remains impacted by the Covid-19 pandemic), digital disruption and societal change.

Terrorism

The current terror threat in the UK is severe, meaning 'an attack is highly likely'. Attacks by 'lone wolves' and small groups against soft targets have become more common. Our London office is situated in a targeted location and in the event of such an act, and if deemed necessary, the Group would engage its business continuity plan while ensuring staff welfare at all times.

Regulation

The new IFPR regime began in January 2022, and the Group submitted its first ICARA risk capital assessment in September 2022 (for the 2021 financial year). This 'living' document, finalised jointly with our internal audit function, now forms the centrepiece of the Group's risk framework, anchoring the Group's three lines of defence to the identification, remediation and optimisation of harms that the Group faces itself, to clients and the market at large. This approach has focused efforts to ensure potential harms to clients and the wider market are well understood and then avoided, remediated, or minimised. Where residual potential harm does remain, capital is assessed, apportioned and ring-fenced to ensure the Group is conservatively capitalised for all corresponding scenarios.

Movement to screens

There is a risk that more volume moves from voice to screens in the most liquid products, or entire exchanges. To mitigate this, we continually evolve our business entering new markets, enabling capacity on less liquid segments and investing further in technology.

Principal risks and uncertainties (continued)

Emerging risks

Ukraine conflict and connected market volatility/sanctions

During 2022, the Group (and markets at large, particularly commodities - energy, grain and metals) have been exposed to additional volatility directly and indirectly as a result of the conflict between Russia and Ukraine. The Group made a number of preparatory actions from late 2021 onwards as the first signs of a potential deterioration emerged, modelling unprecedented stresses on all impacted positions to ensure appropriate steps (scrutiny of limits, portfolio concentration exposures, etc.) were taken to ensure that Marex would continue to provide markets with liquidity and clients with credit in times of severely stressed markets. These market volatility preparations enabled the Group to effect a measured reaction ahead of many exchanges, clearing banks and other interdealer brokers. The Group's collegiate and interconnected approach brought together businesses and first and second lines of defence across Risk, Treasury, Compliance and Financial Crime to ensure that Group and client exposures to Russian sanctioned companies and individuals were understood, communicated and appropriately managed. When these scenarios unfolded, it meant the Group at large was well informed and positioned to be the first to respond swiftly, decisively and effectively.

Inflationary pressures

UK inflation, which increased significantly in 2021 due to the economic post-Covid-19 rebound (from 0.7% in January 2021 to 5.9% in December 2021), increased yet further in 2022 to 10.5% in December 2022 primarily attributable to Ukraine conflict-driven increases in energy and consumer prices. Inflation is typically perceived positively for our client base – enabling many (at least on an aggregate basis) to lower their hedging requirements. Whilst there is a small consequential impact on hedging fee revenues, this is offset by the corresponding favourable elevated interest rate environment. From a risk standpoint, because inflation is a lagging macro-economic measure (and changes far more gradually than other economic measures), and because the Group maintains an agile approach to risk management - since the Group continually monitors and rapidly reacts to ensure exposures are minimised and within appetite - inflation has a negligible impact on liquidity risk exposure.

Section 172 – Companies Act 2006 statement

The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the requirements of Section 172 (1) (a) to (f) of the Companies Act 2006 as set out below. The Directors recognise the importance of stakeholder engagement and its contribution to the success of the Company and their interests are taken into consideration by the Directors during Board discussions and decision-making. This report sets out how the Directors have met these responsibilities during the financial year.

(a) The likely consequences of any decision in the long term

The Group Board held its annual 'Strategy Day' in February 2022. At this meeting, the overarching strategy of the Group was reviewed and the 2022 budget, three-year plan and capital plan were approved. The discussions on strategy included planned growth in the Americas and Asia-Pacific regions, particularly to provide existing clients with a further diversified product set, access to an increased number of markets, and to strengthen local culture, expertise and support. The meeting also focused on the Group's continued expansion into renewable energy, potentially involving all of the Group's service segments but initially focusing on the hiring plans for environmental product market-makers in voluntary carbon markets, renewable energy certificates, and guarantees of origin. The Board also discussed 2021 financial performance, potential further acquisitions for the Group and other areas for increased diversification by both product and geography. The Directors continue to identify opportunities, innovation, creativity and ambition, and to evolve and diversify the Group in line with agreed risk appetite and long-term strategy. This was particularly evidenced in 2022 by the acquisition of ED&F Man Capital Markets division which has expanded the size of the Group, its employees and locations, and has both added to, and enhanced, its product set.

(b) The interests of the company's employees

The Directors continued to support the annual employee engagement survey, which was undertaken in July. The number of respondents increased year-on-year by approximately 50%, reflecting the growth of the Group, and results showed an increase in overall scores and an improvement in all measures, with the largest increases in areas identified as focus areas following the 2021 survey: environment, organisational fit, collaboration and diversity. The results evidenced progress in many dimensions, including elimination of the rating gap between men and women, and closing of the rating gap between Control & Support staff and Front Office staff. Management, supported by the Board, will continue to focus on building a strong Group with increasingly satisfied employees, and on maintaining high levels of engagement following the recent acquisitions. Further details of the Group Board's approach to remuneration, to leadership and how this cascades through the business to the workforce and employee engagement, can be found in the Corporate Governance Report.

(c) The need to foster the company's business relationships with suppliers, customers and others

The Group Board is key in promoting the Group's cultural values, ensuring they are understood by all and embedded into the fabric of the Group, its actions, how it conducts business, and how it supports appropriate behaviours. This ensures that good business relationships are maintained. The Directors are committed to ensuring high standards are met when it comes to supplier relationships; as such, all suppliers are required to meet the Marex Supplier Code of Conduct and abide by both relevant national and international standards, including those set out by the International Labour Organization, the UK Bribery Act 2010 and the UK Equality Act 2010. The Group's Modern Slavery and Human Trafficking Statement sets out the commitment of the Directors to their corporate responsibility and to maintaining a culture within which ethical behaviour is promoted, in addition to setting out the steps taken to minimise the risk of modern slavery existing in the Group's business or supply chains. The Group Board recognises its financial regulators across the globe as key relationships and Directors are committed to ensuring regular open dialogue and compliance with regulatory requirements.

(d) The impact of the company's operations on the community and the environment

The Group Board acknowledges its responsibility to minimise the impact of the business on the community and the environment. The Directors continue to support the Group's focus on ESG, which includes activities in the biofuels, renewable energy certificates, emissions futures and options, environmental consulting services and the launch of a bespoke renewables desk. The Directors also remain committed to the Group's carbon sequestration project with Oxford University spin-off OxCarbon and the Global Mangrove Trust; and the Group was able to achieve carbon neutral status by the end of 2022. Further detail of the Group's approach can be found in the ESG Report. In addition, supported by the Directors, the Group's approach to taxation is one of transparency and disclosure, paying its fair share of tax, ensuring a cooperative approach to working with tax authorities, no aggressive tax planning, and alignment with best market practices.

Section 172 – Companies Act 2006 statement (continued)

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The Directors understand the importance of promoting the Group's cultural values, ensuring they are understood by all and embedded into the fabric of the Group, its actions, how it conducts business, and how it supports appropriate behaviours. These are as follows:

- **Integrity**: We pride ourselves on our honesty and high ethical standards. We apply these values when working with all clients, colleagues and other stakeholders.
- **Respect**: Our people and clients are at the heart of our business. We strive to provide impeccable service and results combined with fair treatment and respect.
- **Developing our people**: Our people are the basis of our competitive advantage. We look to 'grow our own' and make Marex the place ambitious, hardworking and talented people choose to build their career.
- **Adaptable and nimble**: We are proactive. we embrace change as markets evolve to constantly increase our efficiency and create innovative solutions for our clients.
- **Collaborative**: By working together across the organisation, we foster teamwork, can better respond to challenges and successfully deliver for our clients.

(f) The need to act fairly as between members of the company

All shareholders are treated equally and provided with information in a consistent manner. For further information see the Corporate Governance Report.

The Directors, in preparing this Strategic Report, have complied with s.414C of the Companies Act 2006.

I T Lowitt
Director
12 April 2023

Corporate Governance

Board of Directors

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Board Committee membership[1]

Board member	Audit and Compliance	Risk	Remuneration	Nomination
Carla Stent	–	X	X	X (Chair)
Ian Lowitt	–	–	–	–
Robert Pickering	X	–	X	X
Sarah Ing	X (Chair)	X	X	–
Roger Nagioff	–	X	–	–
Joe Cohen[2]	X	–	X	X
Konstantin Graf von Schweinitz	X	X (Chair)	X	–
Paolo Tonucci	–	–	–	–
Jeremy Isaacs	–	–	X (Chair)	X
Lord Stanley Fink	–	X	–	–

[1] All Board Committee members are Non-Executive Directors. Executive Directors attend as required.
[2] Joe Cohen stepped down as an Audit and Compliance Committee member on 31 December 2022.

Board of Directors (continued)

1. Carla Stent
Independent Non-Executive Chair

Carla Stent was appointed as Chair of the Board in January 2019 and has been an Independent Non-Executive Director at the Group since 2014. Carla has extensive executive and non-executive international experience across financial services, principally banking and private equity, as well as retail and travel. Her current board roles include Telecom Plus plc and the Evelyn Partners Group. She has also served on the boards of Power to Change, Savemake Group, Change Alliance (India) Private Limited, Christian Aid, The Young Women's Trust, JP Morgan Elect plc, Post Office Limited and various Virgin Group entity boards, amongst others. From 2010 to 2013, Carla was Chief Operating Officer and Partner at Virgin Group. She was previously Deputy Chief Financial Officer and Chief Administrative Officer of the Global Retail and Commercial Bank arm of Barclays Bank. From 2000 to 2004, at Thomas Cook AG Group, she held a variety of roles, including Operations Director, and Director of Group Strategy & Corporate Finance. Carla is a qualified chartered accountant and has a Masters in Advanced Accounting, Taxation, Business Administration and Auditing from the University of South Africa, Cape Town.

2. Ian Lowitt
Chief Executive Officer

Ian Lowitt was appointed as a Director in November 2012 and became Chief Executive Officer in January 2016. He was previously at Barclays Bank where, after the acquisition of Lehman Brothers, he managed integration of the businesses and support functions, and served as the COO of Barclays Wealth America. Prior to Barclays, Ian spent 14 years at Lehman Brothers, latterly as Chief Financial Officer, and before that was Co-Chief Administrative Officer for the firm, responsible for Systems, Operations, Finance Risk and Expense Management. Prior to this role, he was the Head of Strategy, Global Treasurer and Head of Tax; and European Chief Administrative Officer. Ian has an MSc in Economics, and an MA in Economics, Philosophy and Politics from the University of Oxford, which he attended as a Rhodes Scholar, and a BSc and an MSc in Electrical Engineering from the University of Witwatersrand in Johannesburg.

3. Robert Pickering
Senior Independent Non-Executive Director

Robert Pickering is an experienced Non-Executive Director in financial services, joining the Group in September 2021 and becoming Senior Independent Director in March 2022. Previously he served at Itau BBA, the investment banking arm of Itau Unibanco, the largest private sector bank in Brazil. He began his long career in the City at Cazenove, where he spent 23 years building its financial advisory practice and growing its wealth management division, becoming its first Chief Executive at the age of 41. Robert negotiated and led Cazenove's highly successful joint venture with JP Morgan in 2004. Since leaving Cazenove in 2008, he has focused on a portfolio career, acting as an advisor to private individuals and boards, mainly in financial services. Robert's extensive experience on various boards has included a myriad of corporate transactions including IPOs, mergers, fund raisings and private equity. Robert holds an MA in Law from the University of Oxford.

4. Sarah Ing
Independent Non-Executive Director

Sarah Ing joined the Group as an Independent Non-Executive Director in July 2021 and was appointed Chair of the Audit and Compliance Committee in March 2022. She is an experienced non-executive director in the financial services sector and has over 30 years' experience in accountancy, investment banking and fund management. Previously, Sarah founded and ran a hedge fund investment management business and was also a top-rated equity research analyst covering the general financials sector. Sarah is also an independent non-executive director and committee chair at CMC Markets plc, XPS Pensions Group plc and Gresham House plc. She is a chartered accountant and has a BSc Hons in Botany from Durham University.

5. Roger Nagioff
Non-Executive Director

Roger Nagioff represents the investor, JRJ Group, on the Marex Board. Roger is a Founding Partner of JRJ Group and has over 35 years of operating and investing experience in the financial services and real estate industries. Prior to co-founding JRJ Group, he served in various senior executive positions within Lehman Brothers, holding leadership roles in a number of business lines in Europe and the United States. Roger was Global Head of Fixed Income at Lehman Brothers, succeeding to the role from his previous position as Chief Operating Officer for Europe, and before that, as Co-Head of Global Equities. Roger holds a BA in law.

6. Joe Cohen
Non-Executive Director

Joe Cohen represents the investor, Trilantic Europe, on the Marex Board. Joe is one of the three Founding Partners of Trilantic Europe, and prior to that he spent 21 years at Lehman Brothers, 13 of which were at Lehman Brothers Merchant Banking, where he was European Co-Head. He was also a member of the Lehman Brothers Investment Management Division's European Operating Committee. Prior to that, Joe was a member of Lehman Brothers' Corporate Finance team based in Paris, New York and London. He is also currently a non-executive director of YMU and Kantar Public. Joe holds a BSc in Economics from the London School of Economics.

7. Konstantin Graf von Schweinitz

Independent Non-Executive Director

Konstantin Graf von Schweinitz joined the Group as an Independent Non-Executive Director in September 2021 and was appointed Chair of the Risk Committee in August 2022. Konstantin is an experienced banker, non-executive board director and advisor, with over 35 years' experience in capital markets, investment banking, private banking and asset management. His current roles include acting as Independent Chair of SG Kleinwort Hambros Bank and as a Non-Executive Director at Egerton Capital. Konstantin previously held a variety of executive roles at Dresdner Group, including Head of Risk Management for investment banking. He has a BA and an MA in History and Economics from Oxford University.

8. Paolo Tonucci

Chief Financial Officer

Paolo Tonucci joined Marex in March 2018 as Chief Operating Officer and became Chief Financial Officer in October 2020. He was previously at Commonwealth Bank of Australia ('Commbank') based in Sydney, where he was Group Treasurer, with responsibility for funding, capital and balance sheet management. Before Commbank, he was Head of Funding and Liquidity at Barclays Bank in London. Prior to Barclays, Paolo spent 12 years at Lehman Brothers in London and New York, latterly as Global Treasurer where he managed a team of 220. Paolo is a chartered accountant and has an MA in Economics from the University of Cambridge.

9. Jeremy Isaacs CBE

Non-Executive Director

Jeremy Isaacs represents the investor, JRJ Group, on the Marex Board. Jeremy is a Founding Partner of JRJ Group and has four decades of financial services industry and investment experience. At JRJ Group, Jeremy is closely involved with the implementation and guidance of fund strategy, as well as the development and execution of portfolio company strategy. He is also central to the development and maintenance of JRJ Group's extensive financial industry relationships with senior personnel across the institutional landscape, as well as with regulators and governments. Prior to establishing JRJ Group in late 2008, Jeremy was the Chief Executive Officer of Lehman Brothers in Europe, the Middle East, and Asia. Before joining Lehman Brothers, he led the European equity derivatives trading business of Goldman Sachs. He participates in numerous philanthropic activities, holding a range of positions, including Trustee of The J Isaacs Charitable Trust and Honorary Chair of the Noah's Ark Children's Hospice. He has previously served as non-executive director of Imperial College Healthcare NHS Trust, as a member of the British Olympic Advisory Board and as a member of the Bridges Development Fund Advisory Board. Jeremy was appointed Commander of the Order of the British Empire (CBE) in the 2015 Queen's Birthday Honours for his services to the NHS. He is an Honorary Fellow of the London Business School and a Doctor of Philosophy, Honoris Causa, Haifa University, Israel.

10. Lord Stanley Fink

Independent Non-Executive Director

Lord Fink is a well-known financial services professional, with a long and diverse track record in the industry. He worked at Mars and Citibank NA before joining Man Group plc in 1987, stepping down as Deputy Chairman in 2008 after a career spanning 21 years, including as CEO. He was formerly the Chairman of ISAM Europe LLP and Zenith Hygiene Group plc; and is currently Chairman of Bud Financial Limited and a non-executive director of British Pearl. Lord Fink is a committed philanthropist, whose focus is health, education and the environment. His roles include acting as a Trustee of ARK (Absolute Return for Kids) and as Chairman of the Board of Governors of the Oxford Centre for Hebrew and Jewish Studies. He was Chairman of the highly successful campaign by the Evelina London Hospital's appeal to raise £10 million to assist in equipping the new hospital in 2005. He is also Chair Emeritus of the Board of Governors of Burlington Danes Academy, which he sponsored through ARK. Lord Fink was raised to the peerage in 2011. He holds a degree in Law from Trinity Hall, University of Cambridge and is a chartered accountant.

Wates Principles: How we comply

For the year ended 31 December 2022, under the Companies (Miscellaneous Reporting) Regulations 2018, the Group applied The Wates Corporate Governance Principles for Large Private Companies (the 'Wates Principles'), published by the Financial Reporting Council.

The Group Board is the ultimate governing body of the Marex Group and plays a pivotal role in ensuring effective governance is in place to establish a sound risk management culture and environment, along with promoting and embedding the Group's cultural values.

The Wates Principles provide a framework in which the Group can demonstrate its high corporate governance standards.

The Group's reporting against the Wates Principles is detailed below.

Principle 1: Purpose and leadership

The Group has a clearly defined purpose which is outlined in the principles that determine its competitive advantage. The role of the Group Board is stewardship of the Group with long-term sustainable success and creation of shareholder value as fundamental objectives. The Group Board is responsible for determining the strategic objectives and policies required to deliver such long-term value within a framework of rewards, incentives and prudent and effective controls, which enables risk to be assessed and managed. The Group Board is accountable for effective and prudent management, including the segregation of duties and the identification and management of conflicts of interest, to ensure that the influence of third parties does not compromise or override independent judgement.

The Group Board is also responsible for investigating all major deficiencies in performance and major deviations from strategic and financial objectives and risk strategy, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives, and overseeing the conduct of management.

The Group continues to transform in terms of scale and complexity, and in parallel with that growth, its culture continues to evolve. The Group defines culture as the spine which connects employees into a unified community, with a common set of values, practices and behaviours, which defines it and separates it from peers.

Culture and conduct remain key priorities for the Group, and the numerous initiatives undertaken to embed its cultural values are validated by Internal Audit as part of every assignment it undertakes. The Group Board and executive management have continued their robust oversight of conduct and culture-related matters throughout the year, with regular presentations, discussion and challenge at meetings of the Group Board and Board sub-committees.

The Group Board understands its role in setting 'the tone from the top' and 'leading by example' and cascades this throughout the business via ongoing dialogue with the workforce and other stakeholders. Employee engagement surveys are undertaken annually and responses from the 2022 exercise were positive, showing an increase across all measures versus the previous year. Participants again provided insightful comments and feedback to management, further demonstrating their engagement and enabling actions to be taken by senior management in 2022. Further details of actions taken from the employee engagement survey can be found in the Strategic Report. The CEO and CFO also conduct regular 'Town Halls' disseminating information and updates to each region and enabling employees to participate in direct 'Q&A' sessions with management.

Principle 2: Board composition

The Group Board is structured to bring a broad balance of skills, knowledge and experience to the Group.

The Group has a separate Chair and Chief Executive Officer, which maintains a balance of responsibilities, accountability and decision-making. Formal statements setting out the distinct and separate roles of the Chair and Chief Executive Officer are also in place.

The Group Board currently comprises:

- the Independent Non-Executive Chair;
- four Independent Non-Executive Directors (one of whom is the Senior Independent Director);
- two Executive Directors (Chief Executive Officer and Chief Financial Officer); and
- three Non-Executive Directors (representing the majority shareholders).

The Non-Executive Directors combine broad experience with objective judgement and provide challenge to the executive. Each Director receives a comprehensive induction upon joining the Group Board, is expected to commit sufficient time to meet the expectations of their role, and receives continued support and training (facilitated by the Chair and Company Secretary) to enable them to carry out their duties effectively.

Group Board activity review

The Group Board holds six scheduled meetings each year, together with ad hoc meetings as required for specific subjects of focus or urgent matters. The first Board meeting each year is an offsite full day strategy meeting. The Risk Committee and the Audit and Compliance Committee both meet at least four times each year and ad hoc as required. The Remuneration Committee and the Nomination Committee both meet at least once a year and ad hoc as required.

Attendance by members for Group Board and Board Committee meetings in 2022 was as set out below[1]:

	Group Board	Audit and Compliance Committee	Risk Committee	Remuneration Committee	Nomination Committee
Carla Stent	6/6	–	4/4	7/7	2/2
Ian Lowitt	6/6	–	–	–	–
Robert Pickering	6/6	5/5	–	5/7	2/2
Sarah Ing	6/6	5/5	4/4	7/7	–
Roger Nagioff	5/6	–	3/4	–	–
Joe Cohen[2]	6/6	4/5	–	7/7	2/2
Konstantin Graf von Schweinitz	6/6	5/5	4/4	7/7	–
Paolo Tonucci	6/6	–	–	–	–
Jeremy Isaacs	6/6	–	–	7/7	2/2
Lord Fink	4/6	–	4/4	–	–

[1] The above table does not include ad hoc Group Board meetings (of which three were held during the year). Additional meetings of the Board Committees have been included. Attendance by standing attendees is not included (for example the Chair attends all Audit and Compliance Committee meetings and the CEO is present at the majority of Board Committee meetings). The Mergers and Acquisitions Committee membership is selected on a transaction-by-transaction basis and is not included in the above analysis.

[2] Joe Cohen stepped down as an Audit and Compliance Committee member on 31 December 2022.

Principle 2: Board composition (continued)

In 2022, Robert Pickering was appointed as the Group's first Senior Independent Director, Sarah Ing was appointed as Chair of the Audit and Compliance Committee, and Konstantin Graf von Schweinitz was appointed as Chair of the Risk Committee.

The Group Board continues to look to overcome the lack of diversity in its membership, which is symptomatic of the financial services industry as a whole. The Group is fully committed to promoting diversity and inclusion and this will remain a key focus.

The Group Board regularly assesses the independence of each of the Non-Executive Directors and has determined that Carla Stent, Lord Fink, Sarah Ing, Konstantin Graf von Schweinitz and Robert Pickering are independent.

None of the Non-Executive Directors, nor their immediate families, have received additional remuneration from the Group, apart from management fees paid to JRJ in accordance with the Shareholders' Agreement. The accuracy of the JRJ fees is reviewed annually by Internal Audit on behalf of the Audit and Compliance Committee. A full Register of Directors' Interests is presented to the Group Board annually for approval and any interim changes are reviewed and approved at the next available Board meeting. At the commencement of each Group Board meeting, the Directors are also invited by the Chair to advise of any conflicts or potential conflicts in respect of items on that meeting's agenda. Where the Group Board believes that a potential conflict of interest could affect, or could appear to affect, any Director's judgement, appropriate procedures will be considered, including recusal of the Director from the relevant part of the meeting.

Evaluation of the performance of the Group Board, its committees and the Chair is generally undertaken annually. Following a pause in the programme in 2021 due to the wholesale changes in Board composition, a Board Effectiveness Review was undertaken in March 2022. The evaluation was conducted by way of questionnaire and the results and comments were reviewed by the Chair and the Senior Independent Director. Overall the Company achieved an average positive result of 79% across all areas: board composition, structure and size; board culture and behaviours; board meeting process; support for the board; board committees; and the Chair. It was evident that the Directors felt that the Board was effective, and further enhancements to increase efficiency were agreed at the March 2022 Group Board meeting. To support the ongoing professional development of the Group Board, during the year Directors received training in areas such as Anti-Bribery and Corruption and the new ICARA (from external providers); and in relation to the new FCA Consumer Duty, and Cyber Security (from internal experts).

Principle 3: Director responsibilities

The Group's governance arrangements, including the Group Board's Terms of Reference, Delegation of Authority and Matters Reserved, and all Board Committee Terms of Reference, are assessed annually by the Company Secretary and the Chair to ensure that these are robust and effective, and that lines of accountability and responsibility are clear. Any required enhancements are recommended to the Group Board as appropriate.

The governance structure takes into account the specific governance requirements or guidelines issued by applicable regulators. As good practice, governance arrangements are applied at Group level and an FCA-approved modification of entity level governance and risk management regulatory requirements is in place, given that these are achieved robustly by the Group Board committees. All participants in Board and Board Committee meetings are also careful to consider the capacity within which decisions are taken and are cognisant of the specific legal entity involved in the matter.

The Company Secretary advises the Group Board on matters of corporate governance, and attends all meetings of the Group Board and (where possible) its Committees, and ensures that correct procedures are followed. All members of the Group Board, Subsidiary Boards and Board Committees have access to the services of the Company Secretary. The quality of management information presented to the Group Board continues to evolve and improve and the Directors have embraced the digital board paper solution implemented by the Company Secretary.

The Group Board meets every two calendar months or more frequently as determined by the Chair.

Principle 4: Opportunity and risk

Details on how the Group Board considers the long-term strategy and future opportunities for innovation is contained in the section 172 report.

The Group Board has delegated authority to the Risk Committee for oversight and management of key risks and maintaining the Group's risk profile within the risk appetite set by the Group Board. The Risk Committee meets on a quarterly basis and ad hoc as required, focusing on the key risks faced by the Group, including market, credit and operational risk. The Risk Committee oversees and challenges day-to-day risk management and oversight arrangements of senior management; assesses the current risk exposures of the Group, drawing on appropriate qualitative and quantitative metrics; reviews the Group's current risk exposures and advises the Group Board of any risk exposures of concern; and develops metrics to be used to monitor the Group's risk management performance and periodically review the methodologies and tools used in assessing and monitoring the Group's risk exposures.

The Risk Committee reviewed (and recommended to the Group Board for approval) the newly-introduced ICARA which will be reviewed on an annual basis or following material changes. Amongst other mechanisms, the ICARA allows the Board to monitor the activities of the Group and its results against the targeted financial resilience and liquidity. The Group Board reviews the forecasted financing requirements, financing capacity and options that are required to deliver the targeted financial resilience levels and allowing for Group strategy to be set.

2022 Board activities timeline

H1

January
- Budget and three-year plan
- Capital plan
- Strategy session
- Focus on North America strategy
- Asia Pacific growth opportunities
- Cryptocurrency potential
- Standing items: CEO Report, CFO Report, Board Committee Reports

Presenters
- Ram Vittal, CEO North America
- Arthur Fan, CEO APAC
- Nilesh Jethwa, CEO Solutions
- Ian Lowitt, CEO
- Paolo Tonucci, CFO

March
- Annual Report & Financial Statements
- Technology strategy
- Board evaluation
- Gender pay
- Director conflicts of interest
- Standing items: CEO Report, CFO Report, Board Committee Reports

Presenters
- Nigel Grace, Head of Finance
- Michael Dugan, Chief Technology Officer
- Karen Neffar, Group Head of HR
- Ian Lowitt, CEO
- Paolo Tonucci, CFO

May
- Proposed acquisitions and impact on future strategic initiatives
- Market analysis
- ESG annual report and update
- Environmentals business development
- Recycled metals business overview
- Solutions business update
- Standing items: CEO Report, CFO Report, Board Committee Reports

Presenters
- Simon van den Born, President
- Bastien Declercq, CEO CSC Commodities
- Ram Vittal, CEO North America
- Nilesh Jethwa, CEO Solutions
- Ian Lowitt, CEO
- Paolo Tonucci, CFO
- External advisors (Goldman Sachs)

H2

July
- Proposed acquisitions
- Acquisition integration plan
- Business development opportunities
- Drivers of Net interest income
- North America report
- Standing items: CEO Report, CFO Report, Board Committee Reports

Presenters
- Ram Vittal, CEO North America
- Ian Lowitt, CEO
- Paolo Tonucci, CFO
- External advisors (Barclays)

September
- Proposed acquisitions
- Acquisition integration plan
- Euro Medium Term Notes issuance proposal
- ICARA
- HR update
- Health and safety update
- Cyber security
- Standing items: CEO Report, CFO Report, Board Committee Reports

Presenters
- Dean Shoosmith, CRO
- Adam Hooker, Head of Risk
- Karen Neffar, Group Head of HR
- Michael Dugan, Chief Technology Officer
- Pawel Krupinski, Head of Information Security
- Ian Lowitt, CEO
- Paolo Tonucci, CFO

November
- Asia Pacific report
- North America report
- Market Making business performance and plan
- Clearing business performance and plan
- Solutions business performance and plan
- Liquid products division proposals
- Environmentals business update
- Standing items: CEO Report, CFO Report, Board Committee Reports

Presenters
- Arthur Fan, CEO APAC
- Ram Vittal, CEO North America
- Simon van den Born, President
- Thomas Texier, Head of Clearing
- Matt Thistle, Global Head of OTC Energy
- Nilesh Jethwa, CEO Solutions
- Bastien Declercq, CEO CSC Commodities
- Ian Lowitt, CEO
- Paolo Tonucci, CFO

Wates Principles: How we comply (continued)

Principle 5: Remuneration

The Remuneration Committee reviews and approves the annual remuneration and discretionary bonus awards for employees and ensures that remuneration is designed to promote the long-term success of the Company, is transparent, and is aligned with behaviour, conduct and the Group's cultural values. In 2022, the Remuneration Committee also approved the 'Material Risk Taker' population and the compensation structures to be implemented to allow the Group to comply with the deferred variable pay requirements of the Investment Firms Prudential Regime.

The Remuneration Committee comprises Non-Executive Directors in order to ensure independence and appropriate consideration of shareholder interests.

The Group prepares a Gender Pay Gap Report annually and in 2022 results indicated alignment with the Financial Services industry as a whole. The Group's mid to long-term aim remains to increase female numbers, particularly in senior roles, as analysis continues to show that fewer women in senior positions, and not unequal pay, is the driver of the Group's gender pay gap. There is no pay gap between genders for matched roles.

Principle 6: Stakeholder relationships and engagement

During the course of the year, the Group engaged with a broad range of stakeholders, allowing more meaningful relationships to be built and the understanding of their expectations to be enhanced. These stakeholders include clients, employees, the environment, regulators, suppliers, shareholders and investors.

Clients

The Group's clients are everything, which is why superior execution and superb client service is central to its business. The Group Board and management are always looking for new ways to strengthen client offerings, and the acquisition of the ED&F Man Capital Markets division has increased the size of the Group and further diversified its product set. The Group believes that the breadth, depth and quality of services provided differentiates it from peers. Every day the Group's brokers and market makers are interacting with their clients, and management is also engaging more frequently with senior executives of clients, as even deeper relationships are sought.

Employees

The Group invests in its employees and helps them develop their careers, believing them to be the basis of its competitive advantage. The Group looks to make its business the rewarding place that ambitious, hardworking and talented people choose to build their careers. The Group is committed to offering equality of opportunity to all, regardless of gender. Management frequently engages with employees through formal and informal channels. These include face-to-face dialogues between employees and line managers, the staff newsletter and regular 'Town Halls' hosted by the Chief Executive Officer together with other senior managers such as the Chief Financial Officer, Group President and Group HR Director. In 2022, the Group continued its employee survey programme and made subsequent enhancements based on the feedback received. The Group Board Chair continues to act as whistleblowers' champion, and extensive refresher training was undertaken by employees during the year.

The environment

The Group recognises its role in promoting and supporting environmental sustainability initiatives and continues to sponsor a multi-year Research Programme at the Smith School of Enterprise and the Environment at the University of Oxford. The Group Board has further strengthened its commitment to sustainability throughout 2022, and the Group's second annual ESG Report set out its commitment to improve the environments in which its clients, employees, their communities and those with whom it interacts with, live and work.

The Group's ESG Committee and Environment and Climate Working Party continue to meet regularly to further develop ESG positive initiatives and the Group Board remains committed to serving clients, communities and investors by being a responsible commodities business.

Regulators

The Group is subject to an extensive supervisory and regulatory framework across each of the countries in which it operates. Changes in this regulatory framework could have a significant effect on business, clients, and costs, as well as on the financial and economic environment in which the Group operates. Management therefore maintains a constant and open dialogue with the Group's regulators around the world. As a UK-headquartered group, the most frequent interaction is with the Financial Conduct Authority, centralised through the Compliance function and with regular discussions that include other relevant areas of the Group, meetings with executive management, and also meetings with the Chair. The Group also continues to have close dialogue with: the Commodity Futures Trading Commission; the Financial Industry Regulatory Authority and the Securities and Exchange Commission in the United States; the Central Bank of Ireland; Hong Kong Securities and Futures Commission; Monetary Authority of Singapore; and the Autorité des Marchés Financiers and the Autorité de Contrôle Prudentiel et de Résolution in France.

Suppliers

The Group has long-term relationships with a broad range of suppliers around the world. Strong business relationships are essential for the Group, and for the key subsidiaries for which payment practices and performance reporting is required – the average time taken to make payments under qualifying contracts in 2022 was 22 days. The Group, as a leader in its field, takes great pride in being a good corporate citizen and always strives to set the highest standards of ethical conduct and corporate and social responsibility.

Shareholders and Investors

Being privately held, the Group maintains a balance between delivering value for shareholders and investors, but also developing its business as a global financial services platform. The Group's key shareholders are represented by Directors on the Group Board and between Board meetings there is regular communication between the CEO, Chair and shareholder representatives. The Group also has a small amount of ordinary non-voting shares held by current and former management and staff, each of whom retains the right to receive any dividends paid; and has external investors in its public debt issuances. The Group website is regularly updated to provide shareholders, investors (and other stakeholders) with the latest news and developments, including copies of the latest financial statements of the Group and key subsidiaries.

Read more on pages 58 – 61

Audit and Compliance Committee

The role of the Audit and Compliance Committee is to assist the Board in ensuring the independence and effectiveness of the internal and external audit functions, the integrity of the financial and narrative statements, the effectiveness of internal financial controls, and regulatory compliance.

Members
Sarah Ing (Chair)
Joe Cohen (up to 31 December 2022)
Robert Pickering
Konstantin Graf von Schweinitz

Standing attendees[1]
Carla Stent (Chair of the Board)
Ian Lowitt (CEO)
Paolo Tonucci (CFO)
Dean Shoosmith (CRO)
Nigel Grace (Head of Finance)
Adam Hooker (Global Head of Risk)
Ann Marie Bull (Group Head of Compliance)
Claudio Picotti (Group Head of Internal Audit)
[1]Except in the regular private sessions with Internal Audit and external auditors (held without the executives present), or where there is a conflict of interest

Focus for 2023

Key priorities for the Audit and Compliance Committee in 2023 include:

- Ensure effective implementation of the FCA Consumer Duty requirements.
- Ensure appropriate integration of acquisitions (on a global basis).
- Continue to ensure robust Internal Auditing is conducted.
- Continue monitoring and review of the operation of financial crime systems and controls, onboarding processes and procedures, and continued enhancements to the financial crime control framework.
- Continue to ensure robust client money controls are in operation.

The responsibilities of the Audit and Compliance Committee include the following:

- Monitoring the integrity of the financial statements of the Company, including reviewing and approving statements to be included in the Annual Report.
- Reviewing the Company's internal financial controls (including the systems to identify, manage and monitor financial risks).
- Reviewing the Company's procedures, systems, and controls for detecting and preventing financial crime.
- Ensuring the proper and independent discharge of the Group Compliance function and compliance with legal and regulatory requirements.
- Monitoring and reviewing the effectiveness of the Company's Internal Audit function in the context of the Company's overall risk management system.
- Overseeing the Company's relations with the external auditor.
- Monitoring the proper discharge of the client money operational oversight function.

Activities during the year

Activities of the Audit and Compliance Committee during 2022 included:

Financial crime

Reviewing the Money Laundering Reporting Officer's Annual Report, financial crime enterprise-wide risk assessment, and third-party risk assessment framework; reviewing transaction monitoring and payment screening enhancements; and overseeing a structured note distributor review.

Internal audit

Monitoring progress against plan; reviewing reports and monitoring actions taken as a result of recommendations; approving the charter; reviewing the strategic plan; and monitoring adequacy of resourcing.

External audit

Reviewing and recommending the 2021 Annual Report to the Board for approval; reviewing the external auditor's 2021 management letter and management's response to observations; reviewing the 2022 year end audit plan including risk assessment, significant risks, approach to materiality and acquisitions; and approving audit fees.

Compliance

Overseeing delivery of, and approving, the Group's FCA Consumer Duty Implementation Plan and approving the appointment of Sarah Ing as Consumer Duty Champion; assessing product governance and monitoring implementation of recommendations; reviewing key regulatory and exchange interactions, initiatives and compliance; reviewing Compliance assurance reports; reviewing the Group's annual whistleblowing report; and reviewing trade surveillance enhancements.

Finance and tax

Approving the Group Tax Strategy for 2022/2023; approving a simplified US holding company structure in line with US consolidated tax practices; and monitoring new system implementations in the Finance function.

Client assets ('CASS')

Reviewing client asset reports and CASS policy content.

Data privacy

Monitoring and reviewing the Group's privacy framework and risk appetite metrics.

Other matters

Monitoring the acquisition integration process; and approving the Group's operational resilience self-assessment.

Risk Committee

Members

Konstantin Graf von Schweinitz (Chair)
Lord Fink
Sarah Ing
Roger Nagioff
Carla Stent

Standing attendees[1]

Ian Lowitt (CEO)
Paolo Tonucci (CFO)
Dean Shoosmith (CRO)
Simon van den Born (President)
Nigel Grace (Head of Finance)
Adam Hooker (Global Head of Risk)
Ann Marie Bull (Group Head of Compliance)

[1]Except where there is a conflict of interest

Focus for 2023

Key priorities for the Risk Committee in 2023 include:

- Ensure appropriate coverage of risk by the Group on a global basis, particularly given the increase in size of ex-UK businesses.
- Monitoring the integration of acquisitions and any required enhancements to risk frameworks.
- Continued focus on the Solutions business.
- Monitoring geopolitical events and the associated key risks to the Group.
- Continued and enhanced focus on cyber security risks.

The role of the Risk Committee is to oversee and provide advice to the Board on the Group's current risk exposures and future risk strategies (including the strategy for capital and liquidity management), the embedding and maintenance throughout the Group of a supportive culture in relation to the management of risk and the establishment of prescriptive rules and procedures in relation to risk.

The responsibilities of the Risk Committee include:

- Overseeing and challenging the day-to-day risk management, internal control systems, and oversight arrangements of senior management.
- Assessing the risk exposures of the Group, drawing on appropriate qualitative and quantitative metrics.
- Reviewing risk exposures, management, mitigation and in particular any risk exposures of concern.
- Having primary oversight of the ICARA process.
- Overseeing the approval and monitoring of appropriate limits on exposures and concentrations.
- Advising the Board on risk appetites, tolerance, and future risk strategy.
- Reviewing risk appetite statements, trigger limits and capacities.

Activities during the year

Activities of the Risk Committee during 2022 included:

Capital and liquidity

Reviewing and monitoring liquidity risk and regulatory capital; monitoring impacts of the Ukraine conflict on market volatility; monitoring interest rate risks on investments and management of residual balances; considering new ICARA requirements and ultimately recommending that document to the Board for approval.

Operational risk

Reviewing organisational complexity and senior management accountability; reviewing key operational risks based on Risk Control Self Assessments; monitoring inherent risk in change management, particularly integration of new acquisitions; and reviewing critical systems adequacy.

Solutions

Reviewing risk registers; considering new business initiatives; approving a bespoke country event risk methodology and limits; considering credit limit increases (both global and jurisdictional); noting decisions of the focused sub-committee (Structured Securities Committee); reviewing a cryptocurrency risk framework and reviewing a bespoke stress framework.

Acquisitions

Reviewing key acquisition risks, with particularly focused sessions on the ED&F Man Capital Markets division.

Credit risk

Reviewing and approving the credit appetite and delegated authorities.

Business change

Reviewing new products and services escalated to the committee.

Treasury risk management

Reviewing specific Treasury risks, focusing on group liquidity monitoring, intraday liquidity management, counterparty cash limits and client asset regulation, and liquid asset investment strategy.

Other matters

Reviewing and monitoring risk appetite, country risk, clearing risk, credit portfolios, market risk, client defaults, emerging risks, cyber risk.

Remuneration Committee

Members

Jeremy Isaacs (Chair)
Joe Cohen
Sarah Ing
Robert Pickering
Konstantin Graf von Schweinitz
Carla Stent

Standing attendees[1]

Ian Lowitt (CEO)
Karen Neffar (Group Head of HR)
Sarah Lewis (Global Head of Reward)
[1]Except where there is a conflict of interest

Focus for 2023

Key priorities for the Remuneration Committee in 2023 include:

- Review the overall share and incentive arrangements in place for the Deferred Bonus Plan and approve the formal grant under the 2022 Deferred Bonus Plan.
- Determine the approach to facilitate the sale of shares held by employees to the Company.
- Review and approve the disclosures related to the Gender Pay Gap analysis.
- Review the Remuneration Policy to ensure appropriate reflection of operational requirements under the Investment Firms Prudential Regime.
- Review and approve the updated Material Risk Takers' list for 2023, reflecting any appropriate changes following acquisitions.
- Review effectiveness of the Executive Director remuneration policy and set appropriate strategic and financial performance measures for 2023.
- Review and finalise the terms and performance measures under the 2022 Long Term Incentive Plan.

The role of the Remuneration Committee is to determine the remuneration policy and practices of the Company for Executive Directors and design and determine remuneration for the Chair of the Board, Executive Directors and senior management, having regard to statutory and regulatory requirements.

Activities during the year

Activities of the Remuneration Committee during 2022 included:

Annual compensation approvals

Assessing the reasonableness of base salary, variable and total compensation proposals for senior management and other relevant staff against the current market environment; reviewing bonus ranges and associated control metrics, including a gender assessment, prior to approving compensation for the year; and reviewing and approving the Group's remuneration policy.

Executive Director remuneration

Approving Executive Director remuneration proposals; approving 2022 financial, strategic performance, and risk targets for the Executive Directors; and approving remuneration terms for Rob Irvin (who will become a Director and the new Chief Financial Officer subject to FCA approval).

The responsibilities of the Remuneration Committee include:

- Determining remuneration policy.
- Setting remuneration for the Chair of the Board, Executive Directors, and senior management, including pension rights and compensation payments.
- Advising on and determining all formulae and targets for performance-related schemes and the methods for assessing whether performance conditions are met and the eligibility of Executive Directors for annual bonuses.
- Reviewing and approving all aspects of any share option scheme, share incentive scheme or other long-term incentive plan.
- Ensuring that potential conflicts of interest are managed and that no Director or senior executive is involved in any decisions as to their own remuneration.
- Reviewing gender pay gap reporting and associated actions.

Investment Firms Prudential Regime ('IFPR')

Reviewing the remuneration-related aspects of the IFPR (effective 1 January 2022), including market comparisons, identification and approval of Material Risk Takers, and the impacts on compensation and deferral schemes.

Deferred bonus

Approving 2022 Deferred Bonus Plan including leaver provisions, post vesting sale restrictions, plan rules (ensuring all mandatory IFPR requirements met), and reviewing impact on individual employees; approving a Firm Deferral Plan to include non-mandated deferrals for certain senior executives; and agreeing the methodology for determining the share price to be used in setting the number of shares awarded under the 2021 Deferred Bonus Plan.

Employee share sales

Approving a proposal to offer employees the opportunity to sell shares back to the Company.

Retention Long Term Incentive Plan ('R-LTIP')

Approving the methodology for determining the share price to be used for setting the number of shares each participant has an interest in under the R-LTIP; and reviewing and approving performance measures.

Nomination Committee

Members

Carla Stent (Chair)
Joe Cohen
Jeremy Isaacs
Robert Pickering

Standing attendees[1]

Ian Lowitt (CEO)
Karen Neffar (Group Head of HR)
[1]Except where there is a conflict of interest

Focus for 2023

Key priorities for the Nomination Committee in 2023 include:

- Further development of succession planning for senior management across the Group.
- Ensuring continuation of actions to improve diversity and inclusion across the Group, particularly at more senior levels.
- To continue to evaluate the skills, experience and knowledge of the Board in the context of the current requirements and future challenges.
- Review progress following the Executive Assessment and Development Programme and the feedback provided to executive management.

The role of the Nomination Committee is to ensure there is a formal, rigorous and transparent procedure for the appointment of new Directors, to lead the process for Board appointments, make recommendations to the Board and ensure plans are in place for succession to the Board and senior management positions.

The responsibilities of the Nomination Committee include:

- Evaluating the skills, experience and knowledge of the Board.
- Identifying, nominating and recommending, for the approval of the Board, candidates to fill Board vacancies.
- Approving the Company's policy on boardroom diversity and inclusion.
- Overseeing the development of a diverse pipeline for orderly succession for appointments to both the Board and senior management.

Activities during the year

Activities of the Nomination Committee during 2022 included:

Talent and succession planning

Reviewing the findings of an Executive Assessment and Development Programme undertaken by external consultants, Egon Zehnder, designed to map the strengths, development areas and future potential of executive management; understand how such executive managers calibrate against relevant external market benchmarks; and identify their potential to continue to grow and how their strengths can be maximised.

Board nomination

Considering, and recommending to the Board for approval, the appointment of Rob Irvin as a Director and Chief Financial Officer (subject to FCA approval), to succeed Paolo Tonucci, who will move to a new role in the Group, including reviewing the rationale for the change, details of the search undertaken, key skills and attributes required in the successful candidate, feedback received on the preferred candidate from those involved in the interview and assessment process, and other considerations.

Subsidiary board composition

Receiving a review of the composition of each regulated subsidiary board and approving proposed appointments (subject to approval by the relevant subsidiary board), to ensure adequate and appropriate representation, and ensure specific local legal or regulatory requirements remain adhered to.

Diversity and inclusion

Approving the Group's Equality and Diversity Policy.

Group Directors' Report

The Directors present their report and audited consolidated financial statements of Marex Group plc and its subsidiaries (collectively 'Marex', or the 'Group') and the standalone financial statements for Marex Group plc (the 'Company') for the year ended 31 December 2022.

Results

The audited financial statements of the Group and the Company are shown on pages 74 to 151 .

The profit before taxation attributable to the owners of the Group for the year ended 31 December 2022 amounts to $121.6 million (2021: $69.9 million). Further information on the performance of the Group is given in the Financial Review section of the Strategic Report.

The financial statements are prepared in US dollars as this is the currency in which most of the Group's transactions are denominated.

Dividends

No dividends were paid to ordinary shareholders during the year (2021: $20,000,000).

Restatements

During the year ended 31 December 2022 management identified two adjustments relating to prior years which were accounting errors as defined under IAS 8. Accordingly, adjustments were made to the prior year comparatives as discussed in note 3(c) which has resulted in the restatement of certain 2021 balances in the Group statement of financial position (Trade and other receivables, Equity instruments, Derivative instruments included in assets, Trade and other payables and Derivatives instruments included in liabilities) and the corresponding cash flows in the Group cash flow statement. For further information on the original and restated 2021 balances refer to note 38.

Directors

The following Directors have held office throughout the year and to the date of this report:

C R Stent (Chair)
I T Lowitt
R M Pickering
S L Ing
R B Nagioff
J C Cohen
K N Graf von Schweinitz
P R Tonucci
J M Isaacs CBE
Lord S Fink

Indemnity of Directors

Each Director is indemnified out of the assets of the Group against all costs, charges, losses and liabilities incurred by them in the proper exercise of their duties. Directors who have resigned during the year also benefit from the same indemnity arrangement. The Directors are also covered by an insurance policy.

Directors' statement as to disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report, confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

Charitable and political contributions

Marex budgets to spend $100,000 per annum to support employees in their charitable fundraising activities. It does this by donating 50% of the sum raised by each employee to the chosen charities. In order to ensure that the fund can be accessed by as many employees as possible, donations from the Company are capped at $4,000 per fundraising event. The total charitable donations from this programme were $235,731 during the year ended 31 December 2022 (2021: $56,124). No contributions were made for political purposes during the year (2021: $nil).

Foreign exchange

The following foreign exchange rates have been used in the preparation of these financial statements:

	2022		2021	
	Average rate	Year end rate	Average rate	Year end rate
GBP / USD	1.2372	1.2099	1.3317	1.3531
EUR / USD	1.0538	1.0704	1.1307	1.1370

Going concern

The Group's business activities and financial position, the factors likely to affect its future development and performance, its objectives and policies in managing the financial risks to which it is exposed and its capital, are discussed in the Financial review. The Group's regulatory capital resources, significant developments in 2022 and anticipated future developments are detailed in the liquidity and regulatory capital section on pages 22 and 23. This section also describes the Group's funding and liquidity profile, including changes in key metrics and the build up of liquidity reserves. As detailed in note 3(e) of the accounting policies, it is concluded that the Group and Company have adequate resources to continue to operate for the foreseeable future and for at least twelve months from the date of signing of the statements of financial position and confirm that the Group and Company can operate as a going concern. It is for this reason that the Directors continue to prepare the financial statements on a going concern basis.

Events after the reporting period

Events since the statement of financial position date are disclosed in note 41.

Overseas branches

As at 31 December 2022, the Group had branches in Canada, Germany, Australia, Israel, Switzerland, Gibraltar and the US.

Financial risk management

Financial risk management objectives are included in the Strategic Report.

Future developments

Future developments are included in the Chief Executive Officer's Review.

Research and development

The Group produces commodity research across energy, agricultural, base metals and ferrous metals markets, and has developed key partnerships in this field.

Engagement with employees

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings and the Group website. Further statements regarding actions taken by the Group during the financial year in regard to its employees are set out in the Strategic Report.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Suppliers, customers and others

In accordance with the Reporting on Payment Practices and Performance Regulations 2017, the Group submits biannual reports on payment practices and performance to the Department for Business, Energy and Industrial Strategy. Strong business relationships are essential for the Group and, for the key subsidiaries for which reporting is required, the average time taken to make payments under qualifying contracts was 22 days. Further statements regarding how the Directors have regard to the need to foster the Group's relationships with suppliers, customers and others, and the effect of that regard on the principal decisions taken by the Company during the financial year are contained in the Strategic Report.

Streamlined energy carbon reporting

Streamlined energy carbon reporting is provided in the ESG section of the Strategic Report.

Group Directors' Report (continued)

Corporate governance arrangements

In 2022, the Group followed the Wates Corporate Governance Principles for Large Private Companies and reporting against that framework is contained in the Corporate Governance Report.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and 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 have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board (IASB). In accordance with 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 Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, International Accounting Standard ('IAS') 1 requires directors to:

- 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 IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- make an assessment of the Group and 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 Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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.

Auditor

The auditor, Deloitte LLP, has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the Company's forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

I T Lowitt
Director
12 April 2023

Financial Statements

Financial Statements

Independent Auditor's Report to the Members of Marex Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Marex 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 December 31, 2022, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB');
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; 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 income statement;
- *the consolidated statement of comprehensive income;*
- the consolidated and Parent Company statements of financial position;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated and Parent Company cash flow statements;
- the statement of accounting policies; and
- the related notes 1 to 42.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

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 ethical responsibilities in accordance with these requirements.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: – *Accounting for acquisitions* – *Impairment of goodwill*
Materiality	The materiality that we used for the Group financial statements was $5.7 million which was determined on the basis of 5% of normalised profit before tax.
Scoping	Our Group audit scope focused primarily on 2 locations (2021: 2 locations) with 14 subsidiaries (2021: 13 subsidiaries) subject to a full scope audit and 19 subsidiaries (2021: 7 subsidiaries) subject to specified audit procedures. In aggregate, these subsidiaries represent the principal business units within each of the Group's operating segments. These subsidiaries account for 99% (2021: 100%) of the Group's total assets, 100% (2021: 100%) of the Group's total liabilities, 99% (2021: 99%) of the Group's revenue and 99% (2021: 99%) of the Group's expenses.
Significant changes in our approach	The Group's acquisition of the financial services division of ED&F Man Group in the current year has had a material impact on the net assets of the Group. One acquired ED&F Man Capital Markets entity was scoped in as a full scope audit and we identified a new key audit matter relating to the accounting for the acquisition of the ED&F Man Capital Markets division.

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:

- using our knowledge of the Group and Parent Company, the financial services industry, the financial services regulatory environment and the general economic environment, including macroeconomic pressures affecting the Group's operations, to identify inherent risks in the business model and how such risks might affect the financial resources or ability to continue operations over the going concern period;

- making inquiries of Group management about the assumptions, used in their going concern models, and assessing the reasonableness of those assumptions and historical forecasting accuracy;
- evaluating the Group's strategic plans in light of the changing macroeconomic environment, short and longer term financial budgets, funding, liquidity and capital adequacy plans including internal stress tests;
- evaluating the Group's operational resilience by inspecting the crisis management and business continuity plans in place and the Group's readiness to respond to catastrophic events;
- reviewing regulatory correspondence to assess whether there are any matters that may impact the going concern assessment; and
- evaluating the Group's disclosures on going concern against the requirements of IAS 1.

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 Accounting for acquisition

Key audit matter description	As disclosed in note 19 of the consolidated financial statements, during the year, the Group acquired the ED&F Man Capital Markets division, the financial services division of ED&F Man Group and its subsidiaries (together 'ED&F Man Capital Markets division'). The acquisition was accounted for as a business combination in accordance with IFRS 3 Business Combinations (IFRS 3). The difference between the fair value of the consideration paid of $233.6m and the fair value of net assets acquired, including customer relationships and brand intangible assets of $305.2m, was recognised as a gain on bargain purchase amounting to $71.6m. The determination of the fair value of net assets acquired, including the valuation of the customer relationships intangibles, requires judgement and the use of assumptions. Further, IFRS 3 provides acquirors one year from the date of acquisition to perform the full purchase price allocation ('PPA') review. Management commissioned BDO LLP to perform a valuation of the intangible assets acquired and have recorded adjustments based on reports recently received. As disclosed in note 19 of the consolidated financial statements, the initial accounting for the acquisition of the assets and liabilities of the ED&F Man Capital Markets division has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised. As a result, the determination of the fair value and the gain on bargain purchase recognised are inherently subjective with an increased risk of material misstatement due to fraud or error.

How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls relating to accounting for the acquisition of ED&F Man Capital Markets division at the Group.
	
	We performed an independent assessment of the acquisition accounting to assess compliance with IFRS 3, which included the following:
	– With support from our valuation specialists, we:
	  – evaluated management's approach to measure separately identifiable intangible assets, including customer relationships; and
	  – tested the mathematical accuracy of the cash flow forecasts used to estimate the fair value of customer relationship and brand intangibles and assessed the key assumptions;
	  – We independently determined the acquisition date, resulting measurement period and the consideration paid, including deferred and contingent consideration in terms of IFRS 3.
	– With support from our accounting advisory team, we inspected and reviewed the sale and asset purchase agreement, challenged the treatment of relevant clauses to determine the appropriateness of accounting treatment in terms of IFRS 3;
	– We obtained and reviewed management's provisional valuation over identifiable net assets acquired;
	– We evaluated objectivity, competence and capabilities of the management expert and the scope and work performed by the management's expert over the valuation of certain non-financial assets identified as part of the business combination;
	– We challenged the key assumptions made by management in the identification, recognition and measurement of assets and liabilities of the business combination;
	– We challenged the appropriateness of the recognition of a bargain purchase gain through inquiries of management and inspection of minutes of meetings to identify any unrecognised liabilities at the acquisition date.
	
	We evaluated the disclosure of the ED&F Man Capital Markets division acquisition in the financial statements.

Key observations	We concur with management's accounting for the ED&F Man Capital Markets division acquisition.

Independent Auditor's Report to the Members of Marex Group plc (continued)

5.2 Impairment of goodwill

Key audit matter description	As required by IAS 36 Impairment of Assets, goodwill is reviewed for impairment at least annually. The Group performed its annual impairment test as at 30 September 2022 and 31 December 2022. Determining whether goodwill of $155.5m (2021: $208.9m) is impaired requires an estimation of the recoverable amount of the Group's cash generating units ('CGUs'), using the higher of the value in use or fair value less costs to sell due to the high level of judgement and sensitivity of discount rates and revenue growth rates assumptions to the valuation of goodwill. This is disclosed in note 14 to the consolidated financial statements. The value in use ('VIU') approach was used to estimate the recoverable amount of the OTC Energy, Carlton, Volatility Performance Fund, X-Change Financial Access, Volcap, Tangent, Marex Spectron Europe Limited and Arfinco CGUs while the fair value less cost of disposal ('FVLCD') approach was used to assess the recoverable amount of Marex Clearing Services and CSC CGUs. Both of these approaches require management judgement in the estimation of future cash flows, including revenue growth, and the selection of a suitable discount rate. As a result, these assessments are inherently subjective with an increased risk of material misstatement due to fraud or error. As a result of the goodwill impairment assessment performed at 30 September 2022, management identified an impairment of $53.9 million for OTC Energy CGU largely due to declining budgeted performance and macro-economic factors, such as high inflation and interest rates. No further impairments were identified as a result of the 31 December 2022 testing.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls relating to the impairment of goodwill. We performed detailed analysis of the Group's assumptions used in the annual impairment review, in particular the cash flow projections, forecast future growth rates, and discount rates used by the Group in its impairment tests of the CGUs. We challenged cash flow projections and growth rates by evaluating recent performance, trend analysis and comparing growth rates to those achieved historically and to external market data where available. We involved valuation specialists to independently derive a reasonable range of discount rates using available external peer group data which we compared to the rates used by the Group. Together with our valuation specialists, we also tested the mathematical accuracy of the goodwill model. We performed scenario analyses; stressed key assumptions with reference to historical performance; and assessed for impairment triggers between 30 September 2022 and 31 December 2022. Additionally, given the sensitivity of the VIU and FVLCD models to reasonably possible changes in the revenue and discount rate assumptions, we reviewed management's sensitivity disclosures in note 14.
Key observations	We concur with the Directors' conclusion that no impairment was required for any of the Group's CGUs except the OTC Energy CGU in the current year and concluded that the disclosures are reasonable.

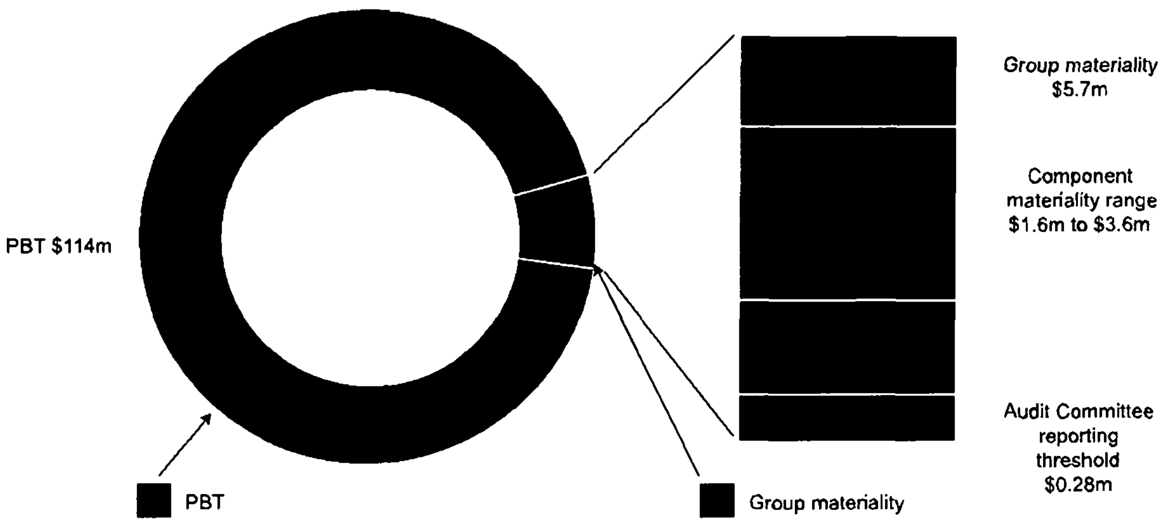
6. Our application of materiality

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	$5.7 million	$2.9 million
Basis for determining materiality	5% of normalised pre-tax profit We have used 5% of the normalised profit before tax as a basis for determining materiality.	3% of net assets Parent Company materiality equates to 3% of net assets, which is capped at 50% of Group materiality.
Rationale for the benchmark applied	We have determined normalised profit before tax as profit before tax less non-recurring items such as gain on bargain purchase arising on acquisition and impairment of goodwill. In determining the Group materiality, we considered a number of factors, including the needs and interests of the users of the Group financial statements. Adjusted profit before tax is considered to be the key metric for the users of the financial statements.	The Parent Company holds the Group's investments. 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. However, given the size of the entity's balance sheet, we have capped materiality at 50% of Group's materiality.



Independent Auditor's Report to the Members of Marex Group plc (continued)

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	70% of Group materiality	70% of Parent Company materiality
Basis and rationale for determining 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 performance materiality was set at 70% of Group materiality for the 2022 audit. . In determining performance materiality, we considered the following factors: – The quality of the control environment and whether we were able to rely on controls; – Degree of centralisation and commonality of controls and processes; – The uncertain economic environment; – The nature, volume and size of uncorrected misstatements arising in the previous audit; and management's willingness to correct misstatements in the current period.	

6.3. Error reporting threshold

We agreed with the Audit and Compliance Committee that we would report to the Committee all audit differences in excess of $287k, for Group and $144k for Parent Company, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Compliance Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

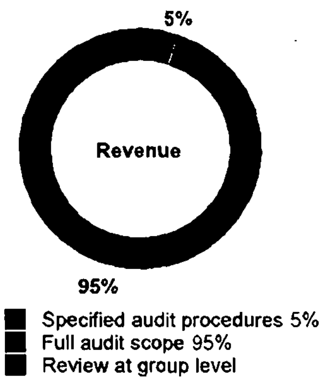
7. An overview of the scope of our audit

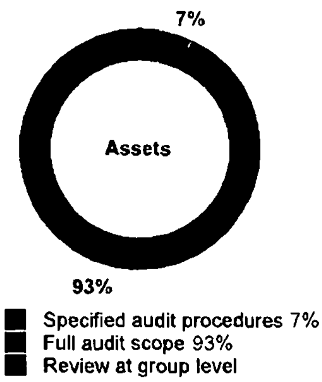
7.1. Identification and scoping of components

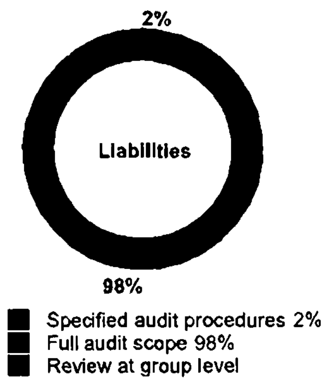
Our Group audit scope focused primarily on 2 locations, the UK and the USA (2021: 2 locations, the UK and the USA) with 14 subsidiaries (2021: 13 subsidiaries) subject to a full scope audit and 19 subsidiaries (2021: 7 subsidiaries) subject to specified audit procedures. In aggregate, these subsidiaries represent the principal business units within each of the Group's operating segments.

These subsidiaries account for 99% (2021: 100%) of the Group's total assets, 99% (2021: 100%) of the Group's total liabilities, 99% (2021: 99%) of the Group's revenue and 99% (2021: 99%) of the Group's expenses. The acquisition of the ED&F Man Capital Markets division during the current year resulted in one additional ED&F Man Capital Markets entity being scoped in as a full scope audit.
The change in number of subsidiaries which are scoped in for specified audit procedures relates to new subsidiaries acquired as part of ED&F Man Capital Markets division acquisition and the acquisition of Arfinco SA. There have been no other significant changes to our audit approach compared to the prior year.

The subsidiaries were selected based on their quantitative contribution to the Group and qualitative risk factors. Our audits of each of the subsidiaries were performed using lower levels of materiality based on their size relative to the Group. The materiality for each subsidiary audit ranged from $1.6 million to $3.6 million (2021: $0.97 million to $2.2 million). We tested the Group's consolidation process and carried out analytical procedures to confirm that there were no significant risks of material misstatement in the aggregated financial information of the remaining subsidiaries not subject to a full scope audit or specified audit procedures.







7.2. Our consideration of the control environment

The Group uses a number of different IT systems across components, and we worked with our IT specialists to test the General IT controls for relevant systems. We relied on controls on limited areas and further improvements are required in order for us to adopt a wider controls-reliant approach across the Group.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group continues to develop its assessment of and response to the potential impacts of environmental, social and governance ('ESG') related risks, including climate change, as outlined in the Strategic Report on page 32.

We held discussions with management to understand the process for identifying climate-related risks, the consideration of mitigating actions and the impact on the Group's financial statements which can be found in the Task Force on Climate-related Financial Disclosures ('TCFD') section of the Strategic Report. Management do not expect any material climate change-related financial impact on their business. We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions based on our understanding of the nature of the Group's underlying operations through inquiries of management and review of the minutes and regulatory correspondence.

We evaluated the climate-related disclosure in note 4 of the consolidated financial statements and we read the climate-related disclosures included in the Strategic Report section of the annual report and considered whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The Group audit team maintained dialogue with all component auditors in the UK and the USA, throughout all phases of the audit and received written reports from component auditors setting out the results of their audit procedures. Physical and virtual site visits were undertaken by the Senior Statutory Auditor that involved discussing and challenging the audit approach with the component teams and any findings arising from their work, meeting with local management, attending planning and closing meetings and reviewing relevant audit working papers on risk areas.

The Group engagement team interacted regularly with the component teams during various stages of the audit and were responsible for the scope and direction of the audit process. The Group audit team performed a remote file review of the work performed by all component auditors and in person file reviews where practicable.

8. Other information

The other information comprises the information included in the annual report including the Strategic 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.

Independent Auditor's Report to the Members of Marex Group plc (continued)

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 the Directors, management, internal audit and the audit and compliance committee about their own identification and assessment of the risks of irregularities including those that are specific to the Group's sector;
- Any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations 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 is in the Day 1 Profit and Loss recognition of structured notes. 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, FCA regulations, 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.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit and compliance committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and regulators, including the FCA;
- In addressing the risk of fraud in Day 1 Profit and Loss recognition of structured notes, we sent out direct independent confirmations to evaluate existence of the underlying notes and tracing through to pricing supplements and reperformed assessments to determine whether Day 1 Profit and Loss should have been deferred and not included in the ledger due to fraud or error; 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 significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In 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.

David Roberts, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
London, United Kingdom
12 April 2023

Consolidated Income Statement
For the Year Ended 31 December 2022

	Notes	2022 $m	2021 $m
Revenue	5	**1,344.4**	1,114.2
Operating expenses	7	**(1,326.3)**	(1,052.5)
Finance income	10	**106.2**	13.8
Finance expense	10	**(22.6)**	(7.5)
Operating profit		**101.7**	68.0
Impairment of goodwill	14	**(53.9)**	—
Other income	11	**74.4**	1.9
Other expense	11	**(0.6)**	—
Profit before taxation		**121.6**	69.9
Tax	12	**(23.4)**	(13.4)
Profit after taxation		**98.2**	56.5
Earnings per share			
Basic (cents per share)	39	**0.84**	0.51

Consolidated Statement of Other Comprehensive Income
For the Year Ended 31 December 2022

	Notes	2022 $m	2021 $m
Profit after taxation		**98.2**	56.5
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss when specific conditions are met:			
Loss on revaluation of financial instruments		**—**	(1.1)
Gain / (loss) on cash flow hedge reserve	36	**2.7**	(2.4)
Deferred tax on cash flow hedge reserve	12(a)	**(0.5)**	—
Items that will not be recycled to profit and loss:			
Change in fair value due to own credit risk		**(4.0)**	(0.3)
Deferred tax on change in own credit risk	12(a)	**1.2**	—
(Loss) / gain on revaluation of investments	17(a)	**(0.6)**	0.4
Deferred tax on revaluation of investments	12(a)	**0.3**	(0.3)
Other comprehensive loss, net of tax		**(0.9)**	(3.7)
Total comprehensive income		**97.3**	52.8

All operations are continuing for the current and prior years.

The notes on pages 81 to 151 form part of these financial statements.

Statements of Financial Position
As at 31 December 2022

Registration Number 05613060

		Group			Company	
		31 December 2022	31 December 2021	1 January 2021	31 December 2022	31 December 2021
	Notes	$m	$m	$m	$m	$m
			Restated	Restated		
Assets						
Non-current assets						
Goodwill	14	**155.5**	208.9	198.4	—	—
Intangible assets	15	**21.6**	17.5	11.1	—	—
Property, software and equipment	16	**15.8**	7.9	7.4	—	—
Right-of-use asset	34	**33.7**	17.0	16.2	—	—
Investments	17(a)	**16.4**	8.9	8.5	**3.7**	3.9
Investments in associates/subsidiaries	18,17(b)	**5.6**	5.9	5.5	**502.7**	416.8
Deferred tax	26	**7.6**	4.0	0.6	**0.2**	—
Subordinated loans due from group undertakings	20	—	—	—	**352.6**	289.1
Treasury instruments (unpledged)	21(a)	—	69.0	23.5	—	—
Treasury instruments (pledged as collateral)	21(b)	**133.5**	799.7	473.5	—	—
Financial institution notes		—	1.0	—	—	—
Total non-current assets		**389.7**	1,139.8	744.7	**859.2**	709.8
Current assets						
Inventory	22	**35.8**	80.1	8.8	—	—
Trade and other receivables (restated)	23	**4,685.2**	2,018.8	893.9	**5.5**	5.4
Cash and cash equivalents		**910.1**	712.0	291.5	—	—
Equity instruments (restated)	35(d)	**410.0**	8.1	0.1	—	—
Derivative instruments (restated)	25	**480.8**	496.5	242.1	**0.2**	—
Stock borrowing	35(d)	**1,894.6**	—	—	—	—
Treasury instruments (unpledged)	21(a)	**247.6**	38.2	65.3	—	—
Treasury instruments (pledged as collateral)	21(b)	**2,338.6**	616.5	934.3	—	—
Reverse repurchase agreements	21(d)	**4,346.0**	144.3	142.3	—	—
Corporation tax		**5.5**	10.3	7.7	**0.1**	—
Total current assets		**15,354.2**	4,124.8	2,586.0	**5.8**	5.4
Total assets		**15,743.9**	5,264.6	3,330.7	**865.0**	715.2

The notes on pages 81 to 151 form part of these financial statements. Refer to notes 3(c) and 38 for the 2021 Group balances that have been restated.

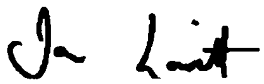
Statements of Financial Position
As at 31 December 2022 (continued)

Registration Number 05613060		Group			Company	
		31 December 2022	31 December 2021	1 January 2021	31 December 2022	31 December 2021
	Notes	$m	$m	$m	$m	$m
			Restated	Restated		
Liabilities						
Current liabilities						
Repurchase agreements	21d, 24	**4,381.4**	140.4	140.0	**—**	—
Derivative instruments (restated)	25	**294.3**	199.4	175.9	**2.9**	—
Short securities	35(d)	**986.8**	—	—	**—**	—
Trade and other payables (restated)	27	**6,647.6**	3,291.2	2,167.0	**363.2**	311.4
Stock lending	35(d)	**1,396.9**	—	—	**—**	—
Corporation tax		**8.9**	2.1	1.5	**—**	—
Short-term borrowings	24(a)(b)(c)	**148.7**	—	—	**—**	—
Debt securities	35(d)	**435.0**	463.6	130.0	**—**	—
Lease liability	34	**6.8**	6.0	5.7	**—**	—
Provisions	28	**2.6**	0.9	0.3	**—**	—
Total current liabilities		**14,309.0**	4,103.6	2,620.4	**366.1**	311.4
Non-current liabilities						
Lease liability	34	**32.1**	17.0	18.7	**—**	—
Debt securities	35(d)	**725.0**	663.1	246.8	**59.4**	50.0
Deferred tax liability	26	**0.1**	3.2	1.0	**0.1**	—
Total non-current liabilities		**757.2**	683.3	266.5	**59.5**	50.0
Total liabilities		**15,066.2**	4,786.9	2,886.9	**425.6**	361.4
Total net assets		**677.7**	477.7	443.8	**439.4**	353.8
Equity						
Share capital	30,33	**0.1**	0.1	176.2	**0.1**	0.1
Share premium	33	**134.3**	134.3	134.3	**134.3**	134.3
Retained earnings	33	**455.3**	346.6	132.7	**215.3**	219.3
Revaluation reserve	33	**(3.7)**	(0.3)	1.0	**—**	0.1
Additional Tier 1 capital (AT1)	32	**97.6**	—	—	**97.6**	—
Own shares	31	**(7.9)**	—	—	**(7.9)**	—
Cash flow hedge reserve	33	**1.6**	(0.6)	1.8	**—**	—
Other reserve	33	**0.4**	(2.4)	(2.2)	**—**	—
Total equity		**677.7**	477.7	443.8	**439.4**	353.8

The Company reported a retained loss for the year ended 31 December 2022 of $15,161,996 (2021: $21,496,204 retained profit).

The notes on pages 81 to 151 form part of these financial statements. Refer to notes 3(c) and 38 for the 2021 Group balances that have been restated.

The financial statements on pages 74 to 151 were approved and authorised for issue by the Board of Directors on 12 April 2023 and are signed on its behalf by:



I T Lowitt
Director
12 April 2023

Statements of the Changes in Equity and Movements in Reserves For the Year Ended 31 December 2022

Group	Share capital $m	Share premium $m	Retained earnings $m	Revaluation reserve $m	Additional (AT1) capital $m	Own shares $m	Cash flow hedge reserve $m	Other reserve $m	Total $m
At 1 January 2021	176.2	134.3	132.7	1.0	—	—	1.8	(2.2)	443.8
Profit for the period	—	—	56.4	—	—	—	—	—	56.4
Ordinary dividends paid	—	—	(20.0)	—	—	—	—	—	(20.0)
Share capital reduction	(176.1)	—	176.1	—	—	—	—	—	—
Share-based payments	—	—	1.2	—	—	—	—	—	1.2
Gain on revaluation of investments	—	—	—	0.4	—	—	—	—	0.4
Deferred tax on revaluation of investments	—	—	—	(0.3)	—	—	—	—	(0.3)
Loss on revaluation of financial instruments	—	—	—	(1.1)	—	—	—	—	(1.1)
Loss on cash flow hedge reserve	—	—	—	—	—	—	(2.4)	—	(2.4)
Change in fair value due to own credit risk	—	—	—	(0.3)	—	—	—	—	(0.3)
Other movements	—	—	0.2	—	—	—	—	(0.2)	—
At 31 December 2021 and 1 January 2022	**0.1**	**134.3**	**346.6**	**(0.3)**	**—**	**—**	**(0.6)**	**(2.4)**	**477.7**
Profit for the period	—	—	98.2	—	—	—	—	—	98.2
Additional (AT1) capital	—	—	—	—	97.6	—	—	—	97.6
AT1 dividends paid	—	—	(6.6)	—	—	—	—	—	(6.6)
Treasury shares	—	—	—	—	—	(7.9)	—	—	(7.9)
Share-based payments	—	—	17.8	—	—	—	—	—	17.8
Loss on revaluation of investments	—	—	—	(0.6)	—	—	—	—	(0.6)
Deferred tax	—	—	—	1.2	—	—	(0.5)	0.3	1.0
Gain on cash flow hedge reserve	—	—	—	—	—	—	2.7	—	2.7
Change in fair value due to own credit risk	—	—	—	(4.0)	—	—	—	—	(4.0)
Other movements	—	—	(0.7)	—	—	—	—	2.5	1.8
At 31 December 2022	**0.1**	**134.3**	**455.3**	**(3.7)**	**97.6**	**(7.9)**	**1.6**	**0.4**	**677.7**

Statements of the Changes in Equity and Movements in Reserves For the Year Ended 31 December 2022 (continued)

Company	Share capital $m	Share premium $m	Retained earnings $m	Revaluation reserve $m	Additional (AT1) capital $m	Own Shares $m	Total $m
At 1 January 2021	176.2	134.3	40.5	(0.3)	—	—	350.7
Profit for the period (note 40)	—	—	21.5	—	—	—	21.5
Ordinary dividends paid	—	—	(20.0)	—	—	—	(20.0)
Share capital reduction	(176.1)	—	176.1	—	—	—	—
Share-based payments	—	—	1.2	—	—	—	1.2
Gain on revaluation of investments	—	—	—	0.5	—	—	0.5
Deferred tax on revaluation of equity items	—	—	—	(0.1)	—	—	(0.1)
At 31 December 2021	**0.1**	**134.3**	**219.3**	**0.1**	—	—	**353.8**
Loss for the period (note 40)	—	—	(15.2)	—	—	—	(15.2)
Additional (AT1) capital	—	—	—	—	97.6	—	97.6
AT1 dividends paid	—	—	(6.6)	—	—	—	(6.6)
Share-based payments	—	—	17.8	—	—	—	17.8
Treasury shares	—	—	—	—	—	(7.9)	(7.9)
Loss on revaluation of investments	—	—	—	(0.3)	—	—	(0.3)
Deferred tax on revaluation of investments	—	—	—	0.2	—	—	0.2
Other movements	—	—	(0.1)	—	—	—	(0.2)
At 31 December 2022	**0.1**	**134.3**	**215.2**	—	**97.6**	**(7.9)**	**439.3**

Cash Flow Statements
For the Year Ended 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Notes	$m	$m	$m	$m
			Restated		
Profit before taxation		**121.6**	69.9	**(15.2)**	22.2
Adjustment to reconcile profit before taxation to net cash flows:					
Amortisation of intangible assets	15	**3.9**	2.5	—	—
Loss on disposal of intangibles	15	**0.6**	0.1	—	—
Depreciation of property, software and equipment	16	**4.4**	3.3	—	—
Depreciation of right-of-use asset	34	**5.5**	4.5	—	—
Bargain purchase gain on acquisitions	11	**(71.6)**	—	—	—
Impairment of goodwill	11	**53.9**	—	—	—
Impairment of investment in subsidiary	17a	—	—	**32.3**	—
Increase in provisions	28	**1.7**	0.6	—	—
Finance income	10	**(106.2)**	(13.8)	**(22.8)**	(10.3)
Finance expense	10	**22.6**	7.5	**4.6**	4.1
Change in provision for doubtful debts	23(b)	**8.5**	(0.8)	—	—
Profit recognised from an associate	18	**0.3**	(0.3)	—	—
Lease liability revaluation	34	**(1.3)**	(0.3)	—	—
Other revaluations		**2.6**	(0.4)	—	—
Share-based payments	42	**16.7**	1.2	**16.7**	
Operating cash flows before changes in working capital		**63.2**	74.0	**15.6**	16.0
Working capital adjustments:					
Increase / (decrease) in trade and other receivables (restated)		**3,174.8**	(1,569.3)	**0.1**	(0.5)
(Decrease) / increase in trade and other payables (restated)		**(2,873.8)**	1,119.9	**51.8**	80.6
Decrease in derivative instruments – assets (restated)		**31.6**	198.3	**(0.2)**	—
Increase in derivative instruments – liabilities (restated)		**79.5**	23.7	**2.9**	—
Decrease in treasury instruments – unpledged		**(140.4)**	(18.4)	—	—
Increase in treasury instruments – pledged as collateral		**(353.6)**	(11.4)	—	—
Decrease/ (increase) in financial institution notes		**1.0**	(1.0)	—	—
Decrease / (increase) in inventory		**44.3**	(71.4)	—	—
Net movement in repurchase agreements		**39.2**	0.4	—	—
Net movement in stock borrowing		**489.1**	—	—	—
Cash inflow / (outflow) from operating activities		**554.9**	(255.2)	**70.2**	96.1
Corporation tax paid		**(18.0)**	(18.3)	**(1.7)**	(0.6)
Net cash inflow / (outflow) from operating activities		**536.9**	(273.5)	**68.5**	95.5

The notes on pages 81 to 151 form part of these financial statements. Refer to notes 3(c) and 38 for 2021 Group balances that have been restated.

Cash Flow Statements
For the Year Ended 31 December 2022 (continued)

	Notes	Group 2022 $m	Group 2021 $m Restated	Company 2022 $m	Company 2021 $m
Investing activities					
Purchase of intangible assets	15	**(4.2)**	(3.5)	**—**	—
Purchase of property, software and equipment	16	**(5.2)**	(3.8)	**—**	—
Increase in subordinated loan receivable	20	**—**	—	**(63.5)**	(128.1)
Purchase of equity instruments		**(401.9)**	(8.0)	**(118.1)**	(1.1)
Investment in convertible bond		**(0.4)**	—	**—**	—
Interest received		**68.6**	13.0	**26.7**	7.8
Net cash from acquisitions		**(36.9)**	(12.5)	**—**	—
Net cash outflow from investing activities		**(380.0)**	(14.8)	**(154.9)**	(121.4)
Financing activities					
Increase in debt securities		**33.3**	742.4	**9.4**	50.0
Payment of lease liabilities	34	**(6.6)**	(7.2)	**—**	—
Additional (AT1) capital (net of costs)	32	**97.6**	—	**97.6**	—
Decrease in short-term borrowings	24(a)	**(49.9)**	—	**—**	—
Purchase of own shares	31	**(7.9)**	—	**(7.9)**	—
Dividends paid (2022: AT1 / 2021: ordinary)	32,13	**(6.6)**	(20.0)	**(6.6)**	(20.0)
Interest paid		**(18.7)**	(6.4)	**(6.1)**	(4.1)
Net cash inflow from financing activities		**41.2**	708.8	**86.4**	25.9
Net increase in cash and cash equivalents		**198.1**	420.5	**—**	—
Cash and cash equivalents					
Cash at banks and on hand and short-term deposits at 1 January		**712.0**	291.5	**—**	—
Increase in cash		**198.1**	420.5	**—**	—
Cash and cash equivalents at 31 December		**910.1**	712.0	**—**	—

The notes on pages 81 to 151 form part of these financial statements. Refer to notes 3(c) and 38 for 2021 Group balances that have been restated.

Notes to the Financial Statements For the Year Ended 31 December 2022

1 General Information

Marex Group plc (the 'Company') is incorporated in England and Wales under the Companies Act. The Company changed its name from *Marex Spectron Group Limited and re-registered as a public company on 24 May 2021.* The address of the registered office is 155 Bishopsgate, London, EC2M 3TQ. The principal activities of the Group and the nature of the Group's operations are set out in note 6 and in the Strategic Report.

The Group and Company financial statements are presented in US dollars ('USD') which is also the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 3(i).

2 Adoption of New and Revised Standards

(a) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group and the Company have applied a number of amendments to International Financial Reporting Standards ('IFRSs') and a new interpretation issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a *contract comprises the costs that relate directly to the contract.* Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018 - 2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that use s the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

2 Adoption of New and Revised Standards (continued)

(b) New and revised IFRSs in issue, but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued, but are not yet effective and, in some cases, had not yet been adopted:

Amendment to IAS 1	Clarification in the definition of current and non-current liabilities, effective on or after 1 January 2023.
IFRS 17 Insurance Contracts	Application of IFRS 17 to insurance contracts, replacing IFRS 4 and sets out principles for the recognition, presentation and disclosure of insurance contracts within the scope of IFRS 17. Effective on or after 1 January 2023.
Amendments to IFRS 4	Extension to the temporary exemption from applying IFRS 9. Effective 1 January 2023.
Amendments to IAS 1 and IFRS Practice Statement 2	Introduction of disclosure requirements of material accounting policies. Effective on or after 1 January 2023.
Amendments to IAS 12	Clarification to the accounting treatment of deferred tax assets arising from a single transaction. Effective on or after 1 January 2023.
Amendments to IAS 8	Update to definition of accounting estimates. Effective on or after 1 January 2023.
Amendments to IFRS10 and IAS 28	Update to treatment of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The effective date of the amendments has yet to be set by the IASB.

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

3 Significant Accounting Policies

(a) Basis of accounting

The consolidated financial statements of the Group and the standalone financial statements of Marex Group plc have been prepared in accordance with IFRSs as issued by the IASB as well as interpretations issued by the IFRS Interpretations Committee ('IFRIC') as endorsed by the UK Endorsement Board ('UKEB').

The Company has taken the exemption in section 408(3) of the Companies Act 2006 not to present a standalone income statement, standalone statement of comprehensive income and related notes that form part of the Company financial statements.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

3 Significant Accounting Policies

(c) Restatement

During the year ended 31 December 2022 management identified two adjustments relating to prior years which were accounting errors as defined under IAS 8. Accordingly, two adjustments were made to the prior year comparatives as discussed below.

(i) Presentation of client money held at exchanges, clearing houses and brokers

Previously, segregated client funds at exchanges, clearing houses and brokers governed by the UK FCA's Client Assets Sourcebook ('CASS') rules (which comprise client funds held in segregated client money accounts) were held on the Group's Statement of Financial Position within Trade and other receivables.The corresponding liabilities to clients and counterparties were included within Trade and other payables. These segregated client funds have been excluded from the Group's Statement of Financial Position to better reflect the statutory trust status of such monies, including the restrictions placed on the Group's ability to control the funds, as well as increase comparability with the Group's peers.

This has had a material effect on the information reported in the Statement of Financial Position at the beginning of the preceding period and additional comparative information detailing the quantitative impacts and impact on prior year comparatives are set out for each financial statement line item that has been affected. Refer to the restated balances within note 38 which impacts client money, Trade and other receivables and Trade and other payables.

(ii) Presentation of amounts due to/from a prime broker

A subsidiary of the Group, Marex Financial enters into synthetic derivative transactions in the normal course of business through a Prime Brokerage account held with another financial institution. This account has a single daily settlement requirement and should there be a default or should all underlying positions be liquidated, the account balance would be settled with a single cash flow. In prior years, the synthetic derivative transactions were partially grossed up on the balance sheet and disclosed in the derivative note 25, however, since the balance on the Prime Broker account represents a single right it is presented as a single asset under derivative assets. This has had a material effect on the information reported on the balance sheet at the beginning of the preceding period, additional comparative information detailing the quantitative impacts and impact on prior year comparatives are set out within note 38.

(d) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; and
- expected to be realised within 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading; and
- it is due to be settled within 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(e) Going concern

The Directors have assessed the going concern assumptions during the preparation of the Group's consolidated financial statements. The Group believes that no events or conditions, including those related to the Covid-19 pandemic and the Ukraine war, give rise to doubt about the ability of the Group to continue operating in the next reporting period. This conclusion is drawn based on the knowledge of the Group, the estimated economic outlook and identified risks, which has been modelled to be included within several stress tests. The results of the stress test highlighted that the Group had sufficient liquidity and capital to satisfy its regulatory requirements. The Group has sufficient cash and headroom in its credit facilities. Therefore, it expected that it will be able to meet contractual and expected maturities and covenants. Consequently, it has been concluded that it is reasonable to continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

3 Significant Accounting Policies (continued)

(f) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the cost of the acquisition (including the fair value of deferred and contingent consideration) of a business combination, over the share in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed, and equity instruments issued, plus any direct costs of acquisition.

Goodwill has an indefinite useful economic life and is measured at cost less any accumulated impairment losses. It is tested for impairment annually and whenever there is an indicator of impairment. Where the carrying value exceeds the higher of the value in use or fair value less cost to sell, an impairment loss is recognised in the income statement.

(g) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable taking into account any trade discounts and volume rebates granted by the Group.

The Group generates revenue from the following segments:

- Market Making revenue is where the Group acts as the principal, typically recognised on a fair value basis whereby movements in fair values of the positions are recognised in the income statement.
- Clearing revenue is recognised on a trade date basis. Interest income directly attributed to the trading activities of the Group which is earned on balances held at exchanges, clearing houses and brokers and on overdrawn client balances is also included in Clearing revenue and is recorded on an accruals basis.
- Agency and Execution revenue is where the Group acts as an agent and earns a commission and is recognised on a trade date basis.
- Hedging and Investment Solutions revenue is recognised in accordance with IFRS 9 and is derived from derivatives and structured notes. Financial assets and liabilities (including derivatives and issued structured notes) are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value. All derivatives and structured notes (financial liabilities) are classified as fair value through profit and loss.

The differences between the fair value (or model value) and the transaction price is referred to as Day 1 P&L. The Group recognises Day 1 P&L on initial recognition where one or more of the following conditions are satisfied:

- Day 1 gain is insignificant, currently assessed on a trade-by-trade basis.
- Fair value is based on observable prices/inputs.
- Fair value is based on observable and unobservable inputs provided the unobservable inputs are insignificant to the Day 1 gain.

In all other cases, the instrument is initially recognised at transaction prices and the recognition of Day 1 P&L is deferred. The deferred Day 1 P&L is generally amortised through the term of the deal or to the date when unobservable inputs become observable (if sooner) unless specific factors relevant to the trade require a specific recognition pattern.

Debt securities comprise the Group's issued debt instruments which contain hybrid financial instruments. Hybrid financial instruments are composed of debt components and embedded derivatives. A valuation reserve is held against the structured notes book. The main valuation adjustment in determining fair value for financial assets and financial liabilities is an adjustment for bid-offer valuation. The structured notes book is macro hedged and the reserve is held against the entire book.

In accordance with IFRS 9, financial liabilities may be designated at fair value, with gains and losses taken in the income statement within revenue.

Financial instruments held for trading purposes are fair valued and subsequent gains and losses are recognised in the income statement.

(h) Dividend income

Dividend income from investments measured at fair value through profit and loss, and at fair value through other comprehensive income, is recognised in Other income when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

(i) Finance income and expense

Interest income disclosed within finance income consists of bank interest income, interest income on financial instruments and client margin finance interest. Finance expense consists of bank interest expense, borrowing costs such as the credit facility expense and interest in respect of lease liabilities. Finance income is recognised in the income statement as it accrues using the effective interest rate method. Finance expense is recognised on an amortised cost basis using the effective interest rate ('EIR') method as described in IFRS 9. The EIR is calculated considering all transaction costs relating to the issue of debt. Transaction costs accounted for on an amortised cost basis are those incremental costs that are directly attributable to the issue of debt. An incremental cost is one that would not have been incurred had the debt not been issued.

Interest income earned on balances held at exchanges, clearing houses, brokers and on overdrawn client balances is included in Clearing revenue.

(j) Foreign currency translation

The Group and Company financial statements are presented in US dollars, which is also the currency of the primary economic environment (the functional currency) and the presentational currency of the Group.

For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions entered into by Group entities in a currency other than USD are recorded at the rates prevailing when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange differences arising on the retranslation of monetary assets and liabilities are similarly recognised immediately in the income statement, with the exception of cash flow hedges and net investment hedges, which are deferred in equity.

On consolidation, the results of overseas operations are translated into USD at rates approximating to those prevailing when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rates ruling at the prevailing date.

(k) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement benefits: defined contribution schemes

The Group operates defined contribution schemes. Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

(l) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes 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 by the balance sheet date. In June 2022, Marex issued an AT1 instrument. Under IAS12 whilst the coupon on the AT1 is taken to equity, the related tax relief is recognised in Profit and Loss which generates a material tax reconciling item as detailed in note 12.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Marex has a policy of only recognising a deferred tax asset in respect of tax losses where the Group company in question has re-established a pattern of profitable trading, and it is considered, based on all of the current and forecast evidence available, that the relevant tax losses recognised will be utilised within a 3-year time horizon. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 Significant Accounting Policies (continued)

(l) Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(m) Property, software and equipment

Property, software and equipment includes own use properties, leasehold improvements, information technology hardware, externally purchased and internally generated software, as well as communication and other similar equipment. Property, software and equipment is measured at cost less accumulated depreciation and accumulated impairment losses and is reviewed at each reporting date for indication of impairment. Software development costs are capitalised only when the costs can be measured reliably and it is probable that future economic benefits will arise.

Depreciation of property, software and equipment begins when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management). Depreciation is calculated on a straight-line basis over an asset's estimated useful life. The estimated useful economic lives of the Group's property, software and equipment are:

Leasehold improvements	over the remaining length of the lease or 20% per annum straight-line, where appropriate
Computer equipment	20% to 50% per annum straight-line
Software	20% to 50% per annum straight-line
Furniture, fixtures and fittings	20% to 50% per annum straight-line

An item of property, software and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Software

This classification relates to internally generated software (such as Neon) which is only capitalised if it can be demonstrated that it is technically feasible for it to be used, can and will be developed, is expected to generate future economic benefits, and the expenditure can be reliably measured. The requirement for recognising this type of software as Property, software and equipment is that it is essential for the operation of the hardware already capitalised as computer equipment on the balance sheet. Amortisation is calculated on a straight-line basis over an estimated economic useful life of two to five years, representing the period that the Group expects to benefit from using or selling the products developed.

(n) Intangible assets

Software

Software which is classified as an intangible asset relates specifically to software which is not essential to the operation of the hardware that is already capitalised on the balance sheet. Typically, this relates to hosted software solutions. This software has a finite useful economic life of between two and five years and is amortised in the consolidated income statement on a straight-line basis over the period of the licence.

The intangible asset relating to this software is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated income statement when the asset is derecognised.

Trademarks

Trademarks are measured initially at purchase cost and are treated as if they have an indefinite useful life, therefore they are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired. If any such indications exist, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amounts of the cash-generating unit to which the asset belongs.

Customer relationships and brands

Customer relationships relate to the stable and established customer base which provides a recurring stream of income. Brands relate to the name under which business activity is conducted. Both customer relationships and brands are measured initially at purchase cost and amortised on a straight-line basis over their estimated useful lives of 10 years and 20 years respectively. At each reporting date the Group reviews the carrying amounts to determine whether there is any indication that those assets have suffered an impairment loss.

(o) Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful lives are undertaken annually. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets in which the asset belongs for which there are separately identifiable cash flows).

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Where the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the income statement.

(p) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. The statement of profit or loss reflects the Group's share of the results of operations of the associate. The aggregate of the Group's share of profit or loss of an associate is recorded within revenue. The financial statements of the associate are prepared for the same reporting period as the Group and, where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(q) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The EIR method is a method of calculating the amortised cost of a financial instrument and allocating interest income or expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

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.

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

Financial assets that meet both of the following conditions and have not been designated as at fair value through profit and loss ('FVTPL') are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet both of the following conditions and have not been designated as at FVTPL are measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets.

The Group may make the following irrevocable election and/or designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The following accounting policies apply to the subsequent measurement of financial assets.

3 Significant Accounting Policies (continued)

(q) Financial instruments (continued)

Amortised cost and effective interest rate method

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the EIR method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the contrary, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the EIR method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the EIR rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Debt instruments classified as amortised cost

Debt instruments classified as amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets held at amortised cost include US Treasury Notes (classified as financial instruments on the balance sheet) and trade receivables.

Investments in equity designated as at FVTOCI

On initial recognition, the Group made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead it will be transferred to retained earnings. The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition; and
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL are updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. ECL are a probability-weighted estimate of credit losses based on both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and forward-looking expectation.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(q) Financial instruments

Significant increases in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating; and
- significant deterioration in external market indicators of credit risk for a particular financial instrument.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk, based on all of the following: (1) the financial instrument has a low risk of default in accordance with either internal or external credit ratings; (2) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (3) adverse changes in economic and business conditions in the long term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group has rebutted the 30 days past due presumption.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that each criterion is capable of identifying a significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables and other assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group) or partially.

The Group considers that, when a financial asset is more than 180 days past due, the number of days past due is sufficient evidence of a significant deterioration in the credit quality of the client in most circumstances. The Group has rebutted the 90 days past due presumption. At this point the Group performs a qualitative review of the financial assets on a client-by-client basis to determine whether the Group has reasonable and supportable information to demonstrate whether a default event has occurred.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no reasonable expectation of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Impairment of financial assets

Measurement and recognition of expected credit losses

At the reporting date, an allowance is required for the 12-month (Stage 1) ECL. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECL.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, less any collateral held.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments; and
- external credit ratings where available.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3 Significant Accounting Policies (continued)

(q) Financial instruments (continued)

Derecognition of financial assets

On derecognition of a financial asset 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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'.

The Group classifies its financial liabilities into the following categories, depending on the purpose for which the liability was assumed:

- FVTPL: this category includes financial instruments held for trading as well as debt securities in issue. They are carried in the balance sheet at fair value with changes in fair value recognised in the income statement or, in the case of changes in fair value due to own credit changes, through other comprehensive income.
- Other financial liabilities include the following items: trade and other payables and other short-term monetary liabilities which are recognised at amortised cost, and bank borrowings; such interest-bearing liabilities are subsequently measured at amortised cost using the EIR method, which ensures that any interest expense over the period to repayment is recognised at a constant rate on the balance of the liability carried in the statement of financial position.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. In circumstances where a financial liability is replaced by the same lender, yet the contractual terms are substantially different or modified, the original financial liability will be derecognised at the point of contractual exchange and the new financial liability recognised.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention and ability to settle on a net basis, or to realise the assets and liabilities simultaneously.

Derivative instruments

The Group uses derivative financial instruments, such as forward currency contracts, over-the-counter ('OTC') precious and base metal contracts, agriculture contracts, energy contracts and equities, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Marex Solutions utilises the services of a Prime Broker to enter into derivative contracts that are used to hedge its structured notes issuance business. The agreement provides for net settlement of daily margin calls and in addition, should there be a default event, this would also be settled on a net basis. On this basis the Group has determined that the balance representing cash held at the broker and various derivative instruments should be shown net as 'Amounts due from exchanges, clearing houses and other counterparties' within Trade and Other Receivables.

Issued debt and equity instruments

The Group applies IAS 32 Financial Instruments: Presentation to determine whether funding is either a financial liability (debt) or equity. Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Group having an obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and the proceeds included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised (other than for AT1 securities) when approved for payment by the Board of Directors and treated as a deduction from equity. Distributions paid to holders of AT1 securities are shown as dividends and are treated as a deduction from equity.

(r) Inventories

The Group has physical holdings of commodities held for trading purposes. These are held at fair value less costs to sell and relate to the recycled metals trading division.

The Group holds cryptocurrencies, both for its own account in order to generate a treasury return, and to complement its client structured note business, where the Firm issues certificates linked to the performance of cryptocurrencies, such as Bitcoin and Ethereum. The Group classifies cryptocurrency holdings as inventories on the balance sheet measured at fair value less costs to sell, in accordance with the broker-trader exemption (IAS 2.3). The fair values of cryptocurrencies held as assets are determined based on generally accepted prices and are classified as a Level 1 valuation.

The Company has holdings of carbon emission certificates held for trading purposes. These are held at fair value less costs to sell.

The cost of inventories including the changes in their fair value is recognised in the income statement within the line 'Operating expenses'.

(s) Physical commodity contracts

The Group trades in physical commodity contracts for the purposes of trading. As such, these contracts meet the definition of a derivative financial instrument and therefore are recorded at fair value on the balance sheet with changes in fair value reflected within cost of trades. These contracts qualify for disclosure as per the financial instruments in note 3(q).

(t) Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk on firm commitments. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The effective portion of changes in the fair value of foreign currency forward contracts that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(u) Repurchase and reverse repurchase ('repo') agreements

Repurchase agreements are a form of secured borrowing whereby the Group receives a loan or cash in exchange for the transfer of collateral, generally in the form of marketable securities subject to an agreement to receive the securities back at a fixed price in the future. The consideration received is measured at amortised cost.

The Group borrows cash collateralised through securities that are subject to a commitment to return. The securities are included on the balance sheet as the Group retains the risks and rewards of ownership. Consideration received is accounted for as a loan asset at amortised cost, unless it is designated at fair value through profit or loss.

(v) Stock borrowing and lending

The Group undertakes the borrowing and lending of securities in the normal course of business. Securities borrowed and securities loaned transactions in equity and corporate debt securities are accounted for as collateralised financing transactions and are recorded at the amount of cash collateral advanced plus accrued interest. Securities borrowed transactions facilitate the settlement process and require the Group to deposit cash or other collateral with the lenders. The Group monitors the market value of securities borrowed and securities loaned on a daily basis, with additional collateral obtained and refunded as necessary.

(w) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short-term deposits. Cash and cash equivalents exclude cash held at banks under client segregation rules ('Client Money').

(x) Client money

As required by the UK FCA's Client Assets Sourcebook ('CASS') rules and the CFTC's client money rules, the Group maintains certain balances on behalf of clients with banks, exchanges, clearing houses and brokers in segregated accounts. Segregated assets governed by CASS rules and the related liabilities to clients, whose recourse is limited to segregated accounts, are not included in the Group's balance sheet where the Group is not beneficially entitled thereto and does not share any of the risks or rewards of the assets. Excess Firm cash placed in US segregated accounts to satisfy US regulations and securities held in US segregated accounts are recognised on the Group's balance sheet.

(y) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (assets including, but not limited to, tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using its incremental borrowing rate. The incremental borrowing rate is based on the relevant risk-free rate and the Group's average borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3 Significant Accounting Policies (continued)

(y) Leases (continued)

The Group as lessee

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, software and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses" in profit and loss (see note 34).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

Leases for which the Group is a lessor are classified as operating leases. When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as an operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(z) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the time value of money is material).

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

(aa) Debt securities

Debt securities are the Group's issued debt instruments which contain hybrid financial instruments. Hybrid financial instruments are composed of debt components and embedded derivatives. A valuation reserve is held against the structured notes book. The main valuation adjustment in determining fair value for financial assets and financial liabilities is an adjustment for bid-offer valuation. The structured notes book is macro hedged and the reserve is held against the entire book. In accordance with IFRS 9, financial liabilities may be designated at fair value, with gains and losses taken in the income statement within revenue.

(ab) Own shares

Own shares represent the shares of the Company that are held in treasury or by the employment benefit trust. Own shares are recorded at cost and deducted from equity. Own shares issued to beneficiaries under share award plans are recorded as a transfer to retained earnings.

(ac) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 42.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

4 Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised. Significant judgements and estimates are necessary in relation to the following matters:

(a) Judgements

The following are critical judgements, apart from those involving estimations, that the Directors have made in the process of preparing the financial statements.

- Accounting for an entity where the Group owns more than 50% of its shares

The Group considers that it does not control the Cambridge Machines Gemini Fund Limited, a fund incorporated in the Isle of Man, although its investment of $5.2 million represents a stake of approximately 80% (at the time of investment), and the Group is the single largest shareholder, the shares that it holds do not contain any voting rights. Whilst it can be demonstrated that the Group has significant influence, owing to the Board and governance structure in place for the Fund, it does not have control, resulting in the Group applying the equity method of accounting for the investment (refer to note 3(p) and note 18).

The Group does not expect climate-related risks to have a material impact on the consolidated financial statements.

(b) Estimates

- Impairment of non-financial assets

The Group's impairment testing for goodwill and non-financial assets with indefinite useful lives is based on the fair value less costs of disposal. The fair value less costs of disposal calculation is based on available data from similar assets or observable market prices less incremental costs for disposing of the assets and is estimated by using the pre-tax price earnings multiples derived from adjusting comparative peer multiples. This multiple is applied to the pre-tax earnings of each cash generating unit ('CGU') arising in the period. Note 14 describes the assumptions used together with an analysis of the sensitivities to changes in key inputs.

- Day 1 Profit and Loss ('P&L') deferral

The differences between the fair value (or model value) and the transaction price is referred to as Day 1 P&L. Significant unobservable market parameters are periodically used to determine the fair value at inception. Where significant unobservable parameters are used in the fair value, the difference between the transaction price and fair value is amortised over the life of the transaction and fully recognised when the inputs become observable or when the position is derecognised. The Group estimates these unobservable input parameters using market information and historical data.

The main risk sensitivities associated with the Day 1 deferred trades are $0.4 million Vega risk and $(0.1) million Correlation risk, per a 1% change in risk. This suggests that for a 1% increase in volatility the portfolio value for the Day 1 deferred trades will increase by $0.4 million, and for a 1% increase in correlation the portfolio value will drop by $0.1m.

- Own credit spread

The Group determines its own credit spread regularly based on a model using observable market inputs. Management estimates the own credit spread through using market observable credit spreads and paid credit spreads for public distributed products of the Group. The estimated own credit sensitivity to a 1 basis point move in credit spread is $0.2 million. Hence an increase in own credit spread of 1 basis point will lead to a charge of $0.2 million recognised in other comprehensive income.

5 Revenue

Management has reviewed the structure of the segments for financial reporting. Going forward, Marex will be organised into four distinct business segments: Market Making; Clearing (previously contained both Clearing and Execution); Agency and Execution (which now includes Execution, Price Discovery and Data & Advisory); and Hedging and Investment Solutions (previously called Solutions). Agency and Execution also includes certain operations for the provision of liquidity in financial securities markets which were acquired as part of the ED&F Man Capital Markets division acquisition. Comparatives for 2021 have been re-presented to reflect these 2022 segments.

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

	Group					
	Commission	Financial trading	Physical trading	Interest income	Other income	Total
31 December 2022	$m	$m	$m	$m	$m	$m
Market Making	**4.9**	**172.8**	**341.7**	—	**0.3**	**519.7**
Clearing	**401.0**	**7.9**	—	**42.1**	**18.6**	**469.6**
Agency and Execution	**201.8**	**18.9**	—	**51.9**	**12.5**	**285.1**
Hedging and Investment Solutions	—	**70.0**	—	—	—	**70.0**
Revenue	**607.7**	**269.6**	**341.7**	**94.0**	**31.4**	**1,344.4**

	Group					
	Commission	Financial trading	Physical trading	Interest income	Other income	Total
31 December 2021	$m	$m	$m	$m	$m	$m
Market Making	4.8	141.1	301.3	—	—	447.2
Clearing	362.7	7.8	—	8.5	11.4	390.4
Agency and Execution	178.1	4.9	—	—	11.5	194.5
Hedging and Investment Solutions	—	82.1	—	—	—	82.1
Revenue	545.6	235.9	301.3	8.5	22.9	1,114.2

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

	Group			
	America	Europe	Asia	Total
31 December 2022	$m	$m	$m	$m
Market Making	**19.1**	**489.0**	**11.6**	**519.7**
Clearing	**215.4**	**220.2**	**34.0**	**469.6**
Agency and Execution	**162.7**	**105.4**	**17.0**	**285.1**
Hedging and Investment Solutions	—	**66.0**	**4.0**	**70.0**
Revenue	**397.2**	**880.6**	**66.6**	**1,344.4**

	Group			
	America	Europe	Asia	Toal
31 December 2021	$m	$m	$m	$m
Market Making	9.4	432.6	5.2	447.2
Clearing	190.1	179.4	20.9	390.4
Agency and Execution	91.1	90.8	12.6	194.5
Hedging and Investment Solutions	—	80.9	1.2	82.1
Revenue	290.6	783.7	39.9	1,114.2

6 Segmental Analysis

For management purposes, the Group is organised into separate operating segments, based on the services provided, as follows:

- Market Making provides liquidity to counterparties across the metals, energy and agricultural markets, where the Group acts as a principal, buying and selling commodities on its own account.
- Clearing provides clients with clearing services in metals, agricultural products and financial futures and options.
- Agency and Execution is where the Group acts as an agent to OTC trades, using specialist knowledge and relationships of the brokers to match buyers and sellers in the OTC market, specifically in the Energy business.
- Hedging and Investment Solutions is a client service business providing tailored hedging and investment solutions. The objective of the business is to serve clients' requirements and effectively manage risk via traded markets (internal and external). The performance and risks of the portfolio are managed, evaluated and reported on a fair value basis (IFRS 9).

Operating segments and reporting segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance, has been identified as the Group's Executive Committee. The CODM regularly reviews the Group's operating results in order to assess performance and to allocate resources. The CODM considers the business from an offering perspective further bifurcated by product. There is a judgement in relation to the methodology by which costs are allocated between the Control and Support functions to the various front office businesses.

Net revenue consists of revenue plus net finance income less cost of trade and bad debt expense. Cost of trade mainly represents clearing fees, commission expenses and purchases of physical metals. For the purposes of management reporting, net revenue does not contain the implied interest cost relating to the issued debt securities.

Non-operating exclusions represent impairment charges, transaction costs, management fees, adjustments to contingent consideration, one-off significant legal matters and share disposals.

Control & Support unallocated costs relate to the central costs which have not been allocated to the individual businesses.

Reconciliation of 2022 net revenue to profit before taxation:

	Market Making $m	Clearing $m	Agency and Execution $m	Hedging and Investment Solutions $m	Control and Support $m	Totals $m
Net revenue[1]	**161.3**	**214.4**	**226.0**	**99.8**	**—**	**701.5**
Other direct costs	(11.2)	(17.8)	(24.8)	(12.7)	(62.4)	(128.9)
Compensation	(79.2)	(56.2)	(160.4)	(40.9)	(102.2)	(438.9)
Allocations	(11.5)	(46.3)	(21.4)	(18.3)	97.5	—
Operating expenses	**(101.9)**	**(120.3)**	**(206.6)**	**(71.9)**	**(67.1)**	**(567.8)**
Depreciation and amortisation	(0.2)	(0.3)	(0.2)	(0.1)	(11.2)	(12.0)
Adjusted operating PBT[1]	**59.2**	**93.8**	**19.2**	**27.8**	**(78.3)**	**121.7**
ED&F Man Capital Markets acquisition (net)						61.5
Goodwill impairment in Energy CGU						(53.9)
Other non-operating exclusions						(7.7)
Profit before taxation (as reported)						**121.6**

1 Net revenue and adjusted operating profit before tax are alternate performance measures used in the Group's KPIs.

Within net revenue, finance income relates to interest earned on balances due from customers, clients and exchanges, which for statutory reporting purposes is reported within cost of trade. For statutory purposes, contained within revenue is the implied interest cost relating to the structured notes. This is excluded from net revenue, leading to a higher figure for net Hedging and Investment Solutions business unit revenue compared with statutory revenue.

6 Segmental Analysis (continued)

Reconciliation of 2021 net revenue to profit before taxation:

	Market Making $m	Clearing $m	Agency and Execution $m	Hedging and Investment Solutions $m	Control and Support $m	Totals $m
Net revenue[1]	131.3	136.1	187.3	87.9	—	542.6
Other direct costs	(9.9)	(15.5)	(18.8)	(7.0)	(41.0)	(92.2)
Compensation	(59.7)	(50.3)	(131.9)	(38.0)	(81.6)	(361.5)
Allocations	(16.4)	(31.6)	(15.5)	(11.1)	74.6	—
Operating expenses	(86.0)	(97.4)	(166.2)	(56.1)	(48.0)	(453.7)
Depreciation and amortisation	(0.2)	(1.9)	—	—	(7.2)	(9.3)
Adjusted operating PBT[1]	45.1	36.8	21.1	31.8	(55.2)	79.6
IPO preparation costs						(6.6)
Other non-operating exclusions						(3.2)
Profit before taxation (as reported)						69.8

1 Net revenue and adjusted operating profit before tax are alternate performance measures used in the Group's KPIs.

Within net revenue, finance income relates to interest earned on balances due from customers, clients and exchanges, which for statutory reporting purposes is reported within cost of trade. For statutory purposes, contained within revenue is the implied interest cost relating to the structured notes. This is excluded from net revenue, leading to a higher figure for net Hedging and Investment Solutions business unit revenue compared with statutory revenue.

A reconciliation to the 2022 income statement is given below:

	Revenue $m	Operating expenses $m	Finance income $m	Finance expense $m	Operating profit $m	Other income $m	Other expense $m	Profit before taxation $m
Revenue	**1,310.7**	**—**	**—**	**(0.4)**	**1,310.3**	**1.6**	**—**	**1,311.9**
Cost of trade	**—**	**(630.2)**	**—**	**—**	**(630.2)**	**—**	**—**	**(630.2)**
Net interest income	**33.9**	**(89.6)**	**106.2**	**(21.2)**	**29.3**	**—**	**—**	**29.3**
Bad debt	**—**	**(9.5)**	**—**	**—**	**(9.5)**	**—**	**—**	**(9.5)**
Net revenue[1]	**1,344.6**	**(729.3)**	**106.2**	**(21.6)**	**699.9**	**1.6**	**—**	**701.5**
Other direct costs	**(0.1)**	**(130.0)**	**—**	**—**	**(130.1)**	**1.2**	**—**	**(128.9)**
Compensation	**—**	**(438.9)**	**—**	**—**	**(438.9)**	**—**	**—**	**(438.9)**
Depreciation and amortisation	**—**	**(12.0)**	**—**	**—**	**(12.0)**	**—**	**—**	**(12.0)**
Adjusted operating PBT[1]	**1,344.5**	**(1,310.2)**	**106.2**	**(21.6)**	**118.9**	**2.8**	**—**	**121.7**
Non-operating exclusions	**(0.1)**	**(16.1)**	**—**	**(1.0)**	**(17.2)**	**71.6**	**(54.5)**	**(0.1)**
Profit before tax (as reported)	**1,344.4**	**(1,326.3)**	**106.2**	**(22.6)**	**101.7**	**74.4**	**(54.5)**	**121.6**

1 Net revenue and adjusted operating profit before tax are alternate performance measures used in the Group's KPIs.

A reconciliation to the 2021 income statement is given below:

	Revenue $m	Operating expenses $m	Finance income $m	Finance expense $m	Operating profit $m	Other income $m	Other expense $m	Profit before taxation $m
Revenue	1,114.5	—	—	—	1,114.5	—	—	1,114.5
Cost of trade	—	(580.9)	—	—	(580.9)	—	—	(580.9)
Net interest income	—	0.7	13.8	(6.6)	7.9	—	—	7.9
Bad debt	—	(0.8)	—	—	(0.8)	—	—	(0.8)
Other income	—	—	—	—	—	1.9	—	1.9
Net revenue[1]	1,114.5	(581.0)	13.8	(6.6)	540.7	1.9	—	542.6
Other direct costs	—	(92.2)	—	—	(92.2)	—	—	(92.2)
Compensation	—	(361.5)	—	—	(361.5)	—	—	(361.5)
Depreciation and amortisation	—	(9.3)	—	—	(9.3)	—	—	(9.3)
Adjusted operating PBT[1]	1,114.5	(1,044.0)	13.8	(6.6)	77.7	1.9	—	79.6
Non-operating exclusions	(0.3)	(8.6)	—	(0.9)	(9.8)	—	—	(9.8)
Profit before tax (as reported)	1,114.2	(1,052.6)	13.8	(7.5)	67.9	1.9	—	69.8

1 Net revenue and adjusted operating profit before tax are alternate performance measures used in the Group's KPIs.

7 Operating Expenses

Operating expenses include the following charges / (credits):

		Group	
	Notes	2022 $m	2021 $m
Staff costs	9	**447.5**	359.2
Cost of trade		**699.9**	578.8
Amortisation of intangible assets	15	**3.9**	2.5
Depreciation of property, software and equipment	16	**4.2**	3.3
Loss on disposal of intangibles assets		**—**	0.1
Impairments charged / (credited) on trade and other receivables	23(b)	**10.5**	(0.2)
Charges under operating leases		**11.1**	10.3
Foreign exchange (gains) / losses		**(0.3)**	0.5

8 Auditor's Remuneration

The analysis of the auditor's remuneration is as follows:

	Group	
	2022	2021
	$m	$m
Fees payable to the auditor of the Group and its subsidiaries for the audit of the annual accounts		
Audit of the Group's annual accounts	**0.9**	0.4
Audit of the Company's subsidiaries	**1.8**	1.6
Total audit fees payable to the Group's auditor	**2.7**	2.0
Fees payable to other auditors for the audit of the Group's annual accounts	**0.4**	—
Fees payable to other auditors for the audit of subsidiaries' financial statements	**0.6**	0.5
Total audit fees	**3.7**	2.5

	2022	2021
	$m	$m
Fees payable to the auditors of the Group and its subsidiaries for other services comprise:		
Audit-related assurance services	**0.1**	0.4
Other services	**0.3**	0.4
Total non-audit fee	**0.4**	0.8

Audit fees for the Company for the year ended 31 December 2022 and the prior year were paid by another group undertaking.

9 Staff Costs

	Group	
	2022	2021
	Number	Number
Front Office	**695**	615
Control and Support	**546**	447
Average monthly number of staff	**1,241**	1,062

	Group	
	2022	2021
	$m	$m
Aggregate wages and salaries	**391.4**	325.7
Share-based compensation expense	**16.7**	1.2
Employer's national insurance contributions and similar taxes	**26.7**	21.4
Short-term monetary benefits	**7.3**	7.1
Defined contribution pension cost	**3.8**	2.6
Apprenticeship levy	**0.4**	0.3
Redundancy payments	**1.2**	0.9
Total staff costs	**447.5**	359.2

As at 31 December 2022, there were contributions totalling $1,232,528 (2021: $525,229) payable to the defined contribution pension scheme by the Group.

10 Finance Income and Expense

	Group	
	2022	2021
	$m	$m
Finance income		
Bank interest income	**29.1**	0.2
Interest income on financial instruments	**76.4**	13.1
Client margin financing interest	**0.7**	0.5
	106.2	13.8

	Group	
Finance expense		
Bank interest expense	**(16.9)**	(1.8)
Credit facilities interest expense	**(4.7)**	(4.8)
Lease interest expense	**(1.0)**	(0.9)
	(22.6)	(7.5)

Finance income does not include interest earned on balances held at exchanges, clearing houses, brokers and on overdrawn client balances which is included in Clearing revenue. For the year ended 31 December 2022 this amounted to $93.4 million (2021: $8.6 million).

Finance expense does not include the implied financing cost of the structured notes, which is reported as a deduction against revenue. For the year ended 31 December 2022 this was a cost of $55.1 million (2021: $16.2million). Interest expense payable on customer balances as well as to clearing houses and exchanges is included within Operating expenses. For the year ended 31 December 2022 this amounted to $59.0 million (2021: $2.4 million).

For further details on the credit facilities refer to note 24.

11 Other Income and Expenses

	Group	
	2022	2021
	$m	$m
Other Income		
R&D tax expenditure credit	**1.2**	1.8
Bargain purchase gain on acquisitions	**71.6**	—
Other	**1.6**	0.1
	74.4	1.9

During 2022, Marex undertook a full review of activities undertaken in 2021 that would potentially qualify for HMRC's Research & Development Expenditure Credit. The result of this review is that c. $9.3 million of qualifying expenditure was identified. At the applicable rate of 13% for 2021, this has resulted in a taxable credit to Profit and loss of $1.2 million. The net of tax credit is then used to reduce Marex's UK corporation tax liability.

	Group	
	2022	2021
	$m	$m
Other expenses		
Impairment of brand	**(0.6)**	—
	(0.6)	—

12 Taxation

(a) Tax charge

	Notes	Group 2022 $m	2021 $m
Current tax			
UK corporation tax on profit for the year		**19.0**	14.7
Foreign corporation tax on profit for the year		**4.8**	1.4
Total UK and Foreign corporation tax		**23.8**	16.1
Adjustment in respect of prior years:			
UK corporation tax		**0.8**	0.2
Foreign corporation tax		**(0.1)**	—
Total adjustments in respect of prior years		**0.7**	0.2
		24.5	16.3
Deferred tax			
Origination and reversal of temporary differences		**(1.0)**	(1.7)
Adjustment in respect of prior years – other		**(0.1)**	(1.2)
	26	**(1.1)**	(2.9)
Tax charge for the year	12(b)	**23.4**	13.4
Deferred tax charge relating to items recognised in OCI			
Items that may be reclassified subsequently to profit and loss		**0.5**	—
Items that will not be recycled to profit and loss		**(1.5)**	0.3
		(1.0)	0.3

(b) Reconciliation between tax charge and profit before tax

The Group's reconciliation between tax charge and profit before tax is based on its domestic UK tax rate. The tax assessed for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). This is driven by material non-deductible acquisition expenses incurred during the year and the effect of overseas tax rates, particularly in respect of the Group's activities in the United States. This is offset by the adjustments for non-taxable profit and loss movements in respect of goodwill and tax deductions taken in respect of the Group's Additional Tier 1 notes issuance in 2022. The headline rate of UK corporation taxation increased from 19% to 25% on 1 April 2023. This will impact the current tax charge for 2023 and future periods.

Taxation for non-UK jurisdictions is calculated at the prevailing rate. The only country which has implemented corporate tax rate changes that have impacted the non-UK tax charge reported in 2022 is France where the rate decreased from 26.5% in 2021 to 25% in 2022. The Group's operations in France in 2022 made up a small proportion of the overall Group therefore this change did not have a material impact on the Group's effective tax rate.

The Group's future tax charge will be sensitive to the geographic mix of profits earned, the tax rates in force and changes to the tax rules in the jurisdictions in which the Group operates. In particular, the Group is closely monitoring developments in relation to Pillar 2 of the OECD Base Erosion and profit shifting project around a global minimum tax rate of 15%. In December 2021, the OECD released the Pillar 2 model rules, also referred to as the 'Global Anti-Base Erosion' or 'GLOBE' rules. The UK is expected to implement these model rules for accounting periods beginning on or after 31 December 2023 and has released draft legislation and commentary. The Group is expected to meet the criteria to be subject to these rules. The Group currently has trading operations in Ireland and the UAE which are subject to tax at a headline rate of less than 15% however in 2022 these operations did not form a material part of the overall Group revenue and both countries are expected to introduce domestic legislation to increase the applicable corporate tax rate to 15%. As such, at this time and as currently drafted, it is not expected that the rules will have a material impact on the Group, although there will be an additional compliance burden at Group level as a result of their introduction.

(b) Reconciliation between tax charge and profit before tax (continued)

	Group	
	2022	2021
	$m	$m
Profit before tax	**121.6**	69.9
Expected tax expense based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	**23.1**	13.3
Explained by:		
Effect of overseas tax rates	**1.0**	(0.7)
Income not subject to tax	**(0.2)**	—
Expenses not deductible for tax purposes	**4.2**	1.6
Non-taxable goodwill adjustments	**(2.3)**	—
Movements in deferred tax not recognised	**(1.0)**	0.1
Payments on financial instruments in reserves	**(1.3)**	—
Foreign exchange and other differences	—	0.2
Tax rate change	**(0.8)**	—
Prior year adjustments	**0.7**	(1.1)
Tax charge for the year	**23.4**	13.4

13 Dividends Paid and Proposed

No dividends were paid to ordinary shareholders during the year ended 31 December 2022 (2021: $20,000,000). Dividends per weighted number of shares amount to $nil (2021: $0.15). No dividend has been proposed at the year end (2021: $nil).

Refer to note 32 for dividends paid to holders of Additional Tier 1 securities.

14 Goodwill

	Group	
	2022	2021
	$m	$m
Cost		
At 1 January	**219.9**	209.4
Additions during the year	**0.5**	10.5
Cost at 31 December	**220.4**	219.9
Accumulated impairment losses	**(11.0)**	(11.0)
Impairment of Energy CGU	**(53.9)**	—
Net book value at 31 December	**155.5**	208.9

14 Goodwill (continued)

(a) Goodwill impairment testing

For the purpose of impairment testing, goodwill has been allocated to the CGUs which represent the level at which goodwill is monitored and managed:

	Group	
	2022	2021
	$m	$m
Group goodwill by CGU:		
Energy	**78.4**	132.3
Agriculture	**11.4**	11.4
Rosenthal Collins Group ('RCG')	**10.5**	10.5
ProTrader	**3.3**	3.3
CSC Commodities UK Limited	**20.6**	20.6
Marex Spectron Europe Limited	**2.0**	2.0
Tangent Trading Holdings Limited	**4.2**	4.2
Volatility Performance Fund S.A.	**10.7**	10.7
X-Change Financial Access LLC	**6.1**	6.1
Volcap Trading Partners Limited	**7.8**	7.8
Arfinco S.A.	**0.5**	—
As at 31 December	**155.5**	208.9

The Group performed the annual impairment test as at 30 September 2022 and 31 December 2021. In assessing whether impairment is required, the carrying value of the CGU is compared with the recoverable amount, which is determined by calculating both fair value less cost of disposal ('FVLCD') and the value in use ('VIU'). The higher of these two amounts is compared with the carrying value of the CGU. If either the VIU or the FVLCD is higher than the carrying value, no impairment is necessary.

For 30 September 2022 annual impairment testing, the recoverable amount of the Energy CGU of $131,702,000 based on its VIU was determined to be lower than its carrying value of $185,579,000 and an impairment charge of $53,887,000 was recognised due to the combination of current market conditions and increased discount rates. The growth rate on the underlying revenues for the CGU was 0.8% (2021: 3.0%) over the five-year projected period with a post-tax discount rate of 11.3% (2021: 8.9%). The pre-tax discount rate applicable was 14.6%. No further impairments were identified as a result of the annual testing. As at 31 December 2022, the review of indicators of impairment did not require further testing.

(b) Key assumptions

- The fair value less cost of disposal is determined by applying a price earnings multiple to the post-tax earnings of each CGU arising in the period, after adjusting for exceptional items and for the effect of any organisational changes to the CGU. The price earnings multiples applied are derived from comparable peer companies.
- Comparable peers are those against whom our stakeholders evaluate our performance, whilst the price earnings multiples are obtained from third party market data providers. The provision of data from third party data sources, such as Bloomberg, would suggest that this data and therefore any valuation conducted using this data would contain only observable market data. However, as management applies a level of judgement in the application of this data and in determining the price earnings multiple.
- In assessing the VIU, a discounted cash flow model is used covering a five-year projected period, which drives the valuation of the CGUs. VIU was calculated using post-tax discount rates, using post-tax cash flows and an equivalent pre-tax discount rate was determined. Future projections are based on the most recent financial projections considered by the Board as at the valuation date which are used to project pre-tax cash flows, after this period a steady state cash flow is used to derive a terminal value for the CGU.

The following inputs represent key assumptions for the VIU calculations:

- Underlying revenue growth varied depending on the CGU that this was being assessed for, this was between 0.8% and 7.9% over the five-year projected period, based on historic growth or the expectation of growth of the CGU.
- Total direct costs are expected to grow by 3.2% over the five-year projected period for all CGUs; driven by inflation in the near term.
- The stable terminal growth rate for all CGUs was expected to be 2% and has been used to approximate an inflationary increase.
- Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the market assessment of the weighted average cost of capital derived from observable inputs at the valuation date. Post-tax discount rates varied depending on the location of the underlying operations of the CGU ranging from 8.5% to 11.3% and pre-tax discount rates ranged from 9.9% to 14.6%.

Assuming that all other inputs remain constant, for the CGUs' values to equate to their carrying values:

- Post-tax discount rates would have to be increased ranging from 1.6% to 24.9%.
- Terminal growth rates factored in the terminal value would have to turn into a contraction rate in excess of 0.2%.
- Revenue growth over the forecasted period would have to reduce by 1.0% to 16.7%.

The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken.

15 Intangible Assets

	Group				
	Trademarks	Customer Relationships	Brands	Software	Total
	$m	$m	$m	$m	$m
Cost					
At 1 January 2021	—	8.9	0.7	9.8	19.4
Additions on acquisitions	—	5.4	0.2	—	5.6
Additions	—	—	—	3.5	3.5
Disposals	—	—	—	(0.1)	(0.1)
At 31 December 2021	**—**	**14.3**	**0.9**	**13.2**	**28.4**
Additions on acquisitions	—	**3.2**	**0.1**	**1.1**	**4.4**
Additions	—	—	—	**4.2**	**4.2**
Disposals	—	—	**(0.7)**	—	**(0.7)**
At 31 December 2022	—	**17.5**	**0.3**	**18.5**	**36.3**
Impairment provisions and amortisation					
At 1 January 2021	—	0.7	0.1	7.6	8.4
Charge for the year	—	1.0	—	1.5	2.5
At 31 December 2021	**—**	**1.7**	**0.1**	**9.1**	**10.9**
Charge for the year	—	**1.6**	**0.1**	**2.2**	**3.9**
Disposals	—	—	**(0.1)**	—	**(0.1)**
At 31 December 2022	**—**	**3.3**	**0.1**	**11.3**	**14.7**
Net book value					
At 31 December 2022	—	**14.2**	**0.2**	**7.2**	**21.6**
At 31 December 2021	—	12.6	0.8	4.1	17.5

Customer relationships, with a net book value of $14,200,000 (2021: $12,600,000), mainly relate to the acquisitions of RCG $2,400,000 (2021: $2,800,000), Volcap $4,800,000 (2021:$5,300,000) and XFA $4,000,000 (2021: $4,500,000). The remaining amortisation periods are 6.25 years for RCG, 8.75 years for Volcap and 8 years for XFA.

The classification of software within Intangible assets relates to software which is not critical to the operation of hardware. Software that is critical to the operation of associated hardware is classified within Property, software and equipment.

	Company	
	Trademarks	Total
	$'000	$'000
Cost		
At 31 December 2021, 1 January 2022	**46**	**46**
Impairment provisions and amortisation		
At 31 December 2022	**(46)**	**(46)**
Net book value		
At 31 December 2022	**—**	**—**

16 Property, Software and Equipment

	Group				
	Leasehold improvements $m	Computer equipment $m	Software $m	Furniture, fixtures and fittings $m	Total $m
Cost					
At 1 January 2021	7.2	21.0	4.2	4.3	36.7
Additions on acquisitions	—	0.1	—	—	0.1
Additions	0.3	1.2	2.0	0.3	3.8
Disposals	—	—	—	—	—
At 1 January 2022	**7.5**	**22.3**	**6.2**	**4.6**	**40.6**
Additions on acquisitions	**5.3**	**0.6**	—	**1.2**	**7.1**
Additions	**1.1**	**2.2**	**1.6**	**0.3**	**5.2**
Disposals	—	—	—	—	—
At 31 December 2022	**13.9**	**25.1**	**7.8**	**6.1**	**52.9**
Depreciation					
At 1 January 2021	6.0	18.6	1.0	3.8	29.4
Charge for the year	0.3	1.6	1.2	0.2	3.3
Disposals	—	—	—	—	—
At 1 January 2022	**6.3**	**20.2**	**2.2**	**4.0**	**32.7**
Charge for the year	**0.5**	**2.1**	**1.6**	**0.2**	**4.4**
Disposals	—	—	—	—	—
At 31 December 2022	**6.8**	**22.3**	**3.8**	**4.2**	**37.1**
Net book value					
At 31 December 2022	**7.1**	**2.8**	**4.0**	**1.9**	**15.8**
At 31 December 2021	1.2	2.1	4.0	0.6	7.9

The classification of software within Property, software and equipment relates to software which is critical to the operation of the associated hardware.

17 Investments

(a) Investments

	Group		Company	
	2022	2021	2022	2021
	$m	$m	$m	$m
Cost				
At 1 January	**8.9**	8.5	**3.9**	3.4
Additions	**8.1**			
Revaluation	**(0.6)**	0.4	**(0.2)**	0.5
At 31 December	**16.4**	8.9	**3.7**	3.9
Listed investments	**10.5**	3.8	**2.1**	2.2
Unlisted investments	**5.9**	5.1	**1.6**	1.7
At 31 December	**16.4**	8.9	**3.7**	3.9

Investments comprise shares and seats held in clearing houses which are deemed relevant to the Group's trading activities and are classified as FVTOCI financial assets and recorded at fair value, with changes in fair value reported in equity. The fair value for these investments is determined based on the latest available traded price.

(b) Investments in subsidiaries

	Company	
	2022	2021
	$m	$m
Cost		
At 1 January	**416.8**	414.5
Additions	**118.2**	2.3
Impairment of investment	**(32.3)**	—
At 31 December	**502.7**	416.8

17 Investments (continued)

(c) Group subsidiaries and undertakings

The subsidiaries of the Company as at 31 December 2022 are as follows:

Subsidiaries held directly

Name / Registered office	Country of incorporation/ Principal place of business	Class	Proportion of ownership interest	Nature of business
CSC Commodities UK Limited 155 Bishopsgate, London, EC2M 3TQ[1]	England and Wales	Ordinary Shares	100%	Services company
Marex European Holdings Limited Suite 401, Q House, Furze Road, Sandyford Business Park, Sandyford, Dublin 18	Ireland	Ordinary Shares	100%	Holding company
Marex Financial 155 Bishopsgate, London, EC2M 3TQ[2]	England and Wales	Ordinary Shares	100%	Commodities and financial instruments broker and clearer
Marex France SAS 100/102 Avenue de Suffren, 75015, Paris	France	Ordinary Shares	100%	Alternative Investment Fund manager
Marex Hong Kong Limited 17/F One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay	Hong Kong	Ordinary Shares	100%	Futures and options broking
Marex North America Holdings Inc. 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Ordinary Shares	100%	Holding company
Marex Spectron Europe Limited Suite 401, Q House, Furze Road, Sandyford Business Park, Sandyford, Dublin 18[3]	Ireland	Ordinary Shares	100%	Energy broking
Marex Spectron International Limited 155 Bishopsgate, London, EC2M 3TQ[4]	England and Wales	Ordinary Shares	100%	Energy OTC broking
Marex Spectron USA, LLC 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Membership interest	100%	OTC derivatives
Spectron Services Limited 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Ordinary Shares	100%	Services and holding company
Tangent Trading Holdings Limited, 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Ordinary Shares	100%	Holding company
Volatility Performance Fund S.A. 30 Boulevard Royal, 2449	Luxembourg	Ordinary Shares	100%	Fund vehicle

Branches

[1] CSC Commodities UK Limited operates branches in the following countries:
- United States of America – 80 State Street, Albany, New York, NY12207-2543
- Gibraltar – 28 Irish Town

[2] Marex Financial operates branches in the following countries:
- Australia - Level 2, Suite 204, 111 Harrington Street, Sydney, NSW 2000
- Israel - 7 Rival Street, Tel-Aviv-Yafo, Israel, 6777840

[3] Marex Spectron Europe Limited operates a branch in the following country:
- Germany – Romerstrasse 31, 63486 Bruchköbel, Frankfurt

[4] Marex Spectron International Limited operates branches in the following countries:
- Canada (Alberta) - Suite 400, 4th Floor, 110-9th Avenue SW, Calgary, Alberta
- Canada (Québec) - 1250 boulevard René-Lévesque West, 39th Floor. Montréal, Québec, H3B4W8
- United States of America - 360 Madison Avenue, Third Floor, New York 10017

(c) Group subsidiaries and undertakings (continued)

Subsidiaries held indirectly

Name / Registered office	Country of incorporation/ Principal place of business	Class	Proportion of ownership interest	Nature of business
Arfinco S.A. 4 Impasse des Gendarmes, 78000, Versailles	France	Ordinary Shares	100%	Broker
Carlton Commodities 2004 LLP 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Partnership interest	N/A	Commodity and option trading
Marex Australia Pty Limited[5] Suite 2, Level 13, 88 Philip Street, Sydney, NSW 2000	Australia	Ordinary Shares	100%	Broker
Marex Brazil Participações Ltda. Avenida Selma Parada (Bailarina), 505, nº 802 e 804, Jardim Madalena, CEP 13091-605, Cidade de Campinas, Estado de São Paulo	Brazil	Ordinary Shares	100%	Service company
Marex Capital Markets Inc. 600 Mamaroneck Avenue, #400, Harrison, NY10528	United States of America	Ordinary Shares	100%	Broker dealer
Marex Client Services Inc.[5] 140 East 45th Street, 10th Floor, New York, NY10017	United States of America	Ordinary Shares	100%	Margin financing
Marex Derivative Products Inc.[5] 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Ordinary Shares	100%	Swap dealer
Marex Fund S.A. SICAV-RAIF 30 boulevard Royal, 2449	Luxembourg	Ordinary Shares	100%	Fund vehicle
Marex HK Asia Limited Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong	Hong Kong	Ordinary Shares	100%	Energy Broking
Marex Holdings Limited[5] Clarendon House, 2 Church Street, Hamilton, HM 11	Bermuda	Ordinary Shares	100%	Holding company
Marex International Holdings Limited[5] 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Ordinay Shares	100%	Holding company
Marex MENA Limited[5] Unit S404, Level 4, Emirates Financial Towers, Dubai International Financial Centre, Dubai, 507074	Dubai International Finance Centre	Ordinary Shares	100%	Investment company
Marex Netherlands B.V. Weteringschans 165 C, 1017 XD Amsterdam	Netherlands	Ordinary Shares	100%	Environmental product trading
Marex North America LLC 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Membership Interest	100%	Commodities and financial instruments broker and clearer
Marex North America Securities, LLC 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Membership Interest	100%	Broker dealer
Marex Professional Trading Services Inc.[5] 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Ordinary Shares	100%	Market Making and Foreign exchange trading
Marex Services Inc.[5] 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Ordinary Shares	100%	Holding and services company
Marex Services Limited[5] 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Ordinary Shares	100%	Dormant

17 Investments (continued)

(c) Group subsidiaries and undertakings (continued)

Subsidiaries held indirectly

Name / Registered office	Country of incorporation/ Principal place of business	Class	Proportion of ownership interest	Nature of business
Marex Spectron Asia Pte. Ltd. 8 Marina View, 33-06 Asia Tower 1, Singapore, 018960	Singapore	Ordinary Shares	100%	Freight broking
Marex Spectron USA LLC 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Membership interest	100%	OTC Derivatives
Marex Trading International Limited 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Ordinary Shares	100%	Trade facilitation
Marex US Holdings Inc.[5] 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Ordinary Shares	100%	Holding company
Spectron Energy (Asia) Pte Ltd. 8 Marina View, 33-06 Asia Tower 1, Singapore, 018960	Singapore	Ordinary Shares	100%	Energy broking
Spectron Energy Inc. 3411 Silverside Road, Tatnall Building #104, Wilmington, New Castle, Delaware, DE19810	United States of America	Ordinary Shares	100%	Energy broking
Starsupply Petroleum Europe B.V. 20th Floor, Hofpoort Building, Hofplein 20, Rotterdam	Netherlands	Ordinary Shares	100%	Physical oil brokerage
Tangent Trading Limited 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Ordinary Shares	100%	Recycled metals trading
Volcap Trading Partners Limited 155 Bishopsgate, London, EC2M 3TQ	England and Wales	Ordinary Shares	100%	Broker and Structured note distributor
Volcap Trading Partners France SAS 12 Rue Vivienne Lot 3, 75002 Paris	France	Ordinary Shares	100%	Dormant
X-Change Financial Access, LLC 350 S Northwest Hwy, Suite 300, Park Ridge, Illinois, IL 60068	United States of America	Membership interest	100%	Trade execution
Xeram CEEMA Limited[5] Pindou, 4, Egkomi, Nicosia, 2409	Cyprus	Ordinary Shares	100%	Dormant

Year end

All subsidiaries have a financial year end of 31 December with the exception of Carlton Commodities 2004 LLP and Volatility Performance Fund S.A. which both have a year end of 31 March and the newly acquired ED&F Capital Markets entities ([5]) which all have a year end of 30 September and are in the process of being changed to 31 December.

Other Related Entities

Name	Country of incorporation	Class	Nature of business
Intertrust Employee Benefit Trustee Limited, 44 Esplanade, St Helier, Jersey, JE4 9WG	Jersey	Ordinary Shares	Trustee of the Employee Benefit Trust

18 Investment in an Associate

In July 2020, the Group invested $5,200,000 which equated to an 80% interest in Cambridge Machines Gemini Fund Limited (the 'Fund'), which assesses investment opportunities in the global futures markets using Bayesian statistical methods. The Fund is incorporated in the Isle of Man and is a private entity that is not listed on any public exchanges. The Group's interest in the Fund is accounted for using the equity method and is not consolidated in the consolidated financial statements as the Group does not have control over the Fund. The following table illustrates the summarised financial information of the Group's investment in the Fund:

	Group	
	2022	2021
	$m	$m
At 1 January	**5.9**	5.6
(Loss) / profit recognised in the consolidated income statement	**(0.3)**	0.3
At 31 December	**5.6**	5.9

	Share of net assets	Share of net assets
	$m	$m
Current assets	**10.4**	10.1
Current liabilities	**(0.3)**	(0.1)
Equity	**10.1**	10.0
Share in equity	**55.8%**	58.8%
Carrying amount of the investment	**5.6**	5.9

The Group's percentage share in equity is subject to dilution depending on share subscriptions by other investors.

19 Business Combinations

(a) Acquisition of Arfinco SA

On 1 February 2022, the Group, through Spectron Services Limited, a wholly owned subsidiary, acquired all of the issued share capital of Arfinco SA ('Arfinco') for the consideration noted below. Arfinco has developed a broad offering in trade execution services for commodities futures and options.

	FX rate	Group
		$m
Cash consideration (€2,929,000)	1.1271 $/€	**3.3**
Total consideration		**3.3**

Recognised amounts of identifiable net assets:	
Tangible fixed assets	**—**
Intangible assets	**2.0**
Other assets	**0.8**
Cash and cash equivalents	**0.6**
Trade and other receivables	**0.4**
Trade and other payables	**(0.5)**
Deferred tax liability	**(0.5)**
Total identifiable assets and liabilities	**2.8**
Goodwill	**0.5**

19 Business Combinations (continued)

(a) Acquisition of Arfinco SA (continued)

Identifiable net assets

On 1 February 2022, the valuation of the customer relationships of Arfinco was $1,946,000 and the valuation of the Arfinco brand $61,000. These were calculated by an independent valuation specialist. They were both calculated using the excess earnings method.

Receivables

The fair value of the receivables approximates to their book value.

Acquisition-related costs

Acquisition-related costs (included in administrative expenses) amount to $190,000

Contribution to Group's results

Arfinco SA contributed $1,610,000 revenue and $157,000 to the Group's profit for the period between the date of acquisition and the reporting date. If the acquisition of the business and assets had been completed on the first day of the financial year, Group revenue for the year would have increased by $157,000 and Group profit would have increased by $13,000.

Goodwill

The goodwill recognised on acquisition related to expected growth and revenue synergies with the Group's existing offering in trade execution services for commodities futures and options and the valuation of Arfinco's workforce which cannot be separately recognised as an intangible asset.

(b) Acquisition of the business and selected assets of ED&F Man Capital Markets Limited

On 1 October 2022, the Group, through Marex Financial, a wholly owned subsidiary, acquired the business clients (clearing, metals, FF&O and FX), certain staff and selected assets of ED&F Man Capital Markets Limited, which is a limited liability company incorporated in England and Wales.

	Group
	$m
Cash consideration	**43.9**
Total consideration	**43.9**
Recognised amounts of identifiable net assets:	
Tangible fixed assets	**0.3**
Right-of-use assets	**0.1**
Cash and cash equivalents	**149.9**
Trade and other receivables	**4.2**
Prepayments and accrued income	**3.9**
Other debtors	**8.4**
Margins with brokers, exchanges and clearing houses	**115.4**
Receivable secured on default funds	**60.0**
Lease liabilities	**(0.1)**
Margins due to brokers, exchanges and clearing houses	**(2.5)**
Trade and other payables	**(283.6)**
Total identifiable assets and liabilities	**56.0**
Bargain purchase gain	**12.1**

Receivables

The fair value of the receivables approximates to their book value. The gross contractual amounts of trade receivables are $4,430,000. The best estimate at the acquisition date of the contractual cash flows not expected to be collected is $200,000.

Acquisition-related costs

Acquisition-related costs (included in administrative expenses) amount to $3,785,000.

Contribution to Group's results

The business and assets acquired from ED&F Man Capital Markets Limited contributed $33,107,000 revenue and $12,825,000 to the Group's profit for the period between the date of acquisition and the reporting date. If the acquisition of the business and assets had been completed on the first day of the financial year, Group revenue for the year would have increased by $84,451,000 and Group profit would have increased by $3,357,000.

(b) Acquisition of the business and selected assets of ED&F Man Capital Markets Limited (continued)

Provisional accounting

The initial accounting for the acquisition of certain assets and liabilities of ED&F Man Capital Markets Limited has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised.

Bargain purchase gain

A bargain purchase gain of $12,129,000 was recognised as a result of the asset purchase. The transaction resulted in a gain due to the discount applied of $12,129,000 to the tangible net assets acquired and has been recognised within the Group's consolidated profit and loss in other income. The transaction resulted in a gain due to the desire of the seller to exit the capital markets business segment.

(c) Acquisition of ED&F Man Capital Markets Australia Pty Ltd

On 11 November 2022, the Group, through Spectron Services Limited, a wholly owned subsidiary, acquired all of the issued share capital of ED&F Man Capital Markets Australia Pty Ltd (renamed Marex Australia Pty Ltd) for the consideration noted below. Marex Australia Pty Ltd is a limited liability company incorporated in Australia, and operates as a broker and executes commodity futures, financial futures and other fixed income securities transactions for the accounts of its customers on a give-up basis.

	Group
	$m
Cash consideration	**1.4**
Total consideration	**1.4**

Recognised amounts of identifiable net assets:	
Tangible fixed assets	**0.2**
Right-of-use assets	**0.3**
Cash and cash equivalents	**1.5**
Trade and other receivables	**0.5**
Trade and other payables	**(0.8)**
Lease liabilities	**(0.3)**
Total identifiable assets and liabilities	**1.4**

Receivables

The fair value of the receivables approximates to their book value. The gross contractual amounts receivable is $493,000. The best estimate at the acquisition date of contractual cash flows not expected to be collected is $10,000.

Acquisition-related costs

No acquisition-related costs were allocated to this acquisition given the size of the acquired entity.

Contribution to Group's results

Marex Australia Pty Ltd contributed $355,000 revenue and $452,000 of loss to the Group's profit for the period between the date of acquisition and the reporting date. If the acquisition of Marex Australia Pty Ltd had been completed on the first day of the financial year, Group revenue for the year would have been $2,008,000 more and Group profit would have been $4,298,000 less.

Provisional accounting

The initial accounting for the acquisition of Marex Australia Pty Ltd has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised.

19 Business Combinations (continued)

(d) Acquisition of ED&F Man Capital Markets Holdings Limited and ED&F Man Capital Markets US Holdings Inc

On 1 December 2022, the Group, through Marex North America Holdings Inc, a wholly owned subsidiary of the Company, acquired the entire share capital of ED&F Man Capital Markets US Holdings Inc (renamed Marex US Holdings Inc) together with its subsidiaries. Marex US Holdings Inc is a company incorporated in the United States. On 1 December 2022, the Group, through Spectron Services Limited, a wholly owned subsidiary, acquired the entire share capital of ED&F Man Capital Markets Holdings Limited (renamed Marex Holdings Limited) together with its subsidiaries. Marex Holdings Limited is a limited liability company incorporated in Bermuda. These entities were acquired for the consideration noted below. The ED&F Man Capital Markets acquisition enhances Marex's client offering and capabilities to serve clients. The acquisition creates a leading franchise in the US.

	Group
	$m
Cash consideration	183.0
Total consideration	**183.0**
Recognised amounts of identifiable net assets:	
Tangible fixed assets	6.4
Right-of-use-assets	15.1
Intangible assets	2.4
Cash and cash equivalents	44.7
Trade receivables	2,178.8
Margins with brokers, exchanges and clearing houses	3,341.4
Investments	7.9
Prepayments and accrued income	7.1
Marketable securities	702.3
Derivative financial instruments	15.4
Securities purchased under agreements to resell	8,420.7
Other debtors	86.0
Deferred tax asset	5.0
Trade and other payables	(4,360.0)
Lease liabilities	(15.1)
External loans	(198.6)
Other creditors	(1,582.0)
Derivative financial instruments	(15.4)
Securities sold under agreements to repurchase	(8,420.8)
Total identifiable assets and liabilities	**241.3**
Bargain purchase gain	**58.3**

Receivables

The fair value of the receivables approximates to their book value.The gross contractual amounts of trade receivables are $2,179,318,000. The best estimate at the acquisition date of the contractual cash flows not expected to be collected is $475,000.

Acquisition-related costs

Acquisition-related costs (included in administrative expenses) amount to $2,426,000

Contribution to Group's results

The acquired entities contributed $78,357,000 revenue and $3,041,000 to the Group's profit for the period between the date of acquisition and the reporting date. If the acquisition had been completed on the first day of the financial year, Group revenue for the year would have increased by $505,607,000 and Group profit would have increased by $25,754,000.

Provisional accounting

The initial accounting for the acquisitions have only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised.

Bargain purchase gain

A bargain purchase gain of $58,276,000 was recognised as a result of the acquisitions. The transaction resulted in a gain due to the discount applied to the purchase and adjustment required by IFRS 3; the gain has been recognised within the Group's consolidated profit and loss in other income. The transaction resulted in a gain due to the desire of the seller to exit the capital markets business segment.

(e) Acquisition of ED&F Man Capital Markets MENA Limited

On 1 December 2022, the Group, through Spectron Services Limited, a wholly owned subsidiary, acquired all of the issued share capital of ED&F Man Capital Markets MENA Limited (renamed Marex MENA Limited) for the consideration noted below. Marex MENA Limited is a limited liability company incorporated in the Dubai International Financial Centre and is engaged in advising on financial products, dealing in investments as principal, dealing in investments as agent and arranging deals in investments.

	Group
	$m
Cash consideration	5.3
Total consideration	**5.3**
Recognised amounts of identifiable net assets:	
Tangible fixed assets	0.2
Right-of-use assets	0.2
Cash and cash equivalents	3.5
Trade receivables	1.4
Prepayments and accrued income	2.8
Other debtors	0.1
Due from exchanges, clearing houses and other counterparties	1.2
Trade and other payables	(2.6)
Lease liabilities	(0.3)
Total identifiable assets and liabilities	**6.5**
Bargain purchase gain	**1.2**

Receivables

The fair value of the trade receivables approximates to their book value. The gross contractual amounts of trade receivables are $1,486,000. The best estimate at the acquisition date of the contractual cash flows not expected to be collected is $109,000.

Acquisition-related costs

No acquisition-related costs were allocated to this acquisition given the size of the acquired entity.

Contribution to Group's results

Marex MENA Limited contributed $3,655,000 revenue and $319,000 to the Group's profit for the period between the date of acquisition and the reporting date. If the acquisition of Marex MENA Limited had been completed on the first day of the financial year, Group revenue for the year would have increased by $15,083,000 and Group profit would have increased by $1,894,000.

Provisional accounting

The initial accounting for the acquisition of Marex MENA Limited has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised.

Bargain purchase gain

A bargain purchase gain of $1,223,000 was recognised as a result of the acquisition of Marex MENA Limited, and this has been recognised within the Group's consolidated income statement in other income. The transaction resulted in a gain due to the discount applied to the purchase totalling $1,223,000. The transaction resulted in a gain due to the desire of the seller to exit the capital markets business segment.

19 Business Combinations (continued)

(f) Acquisition of Starsupply Petroleum Europe B.V.

On 12 March 2021, the Group acquired all of the issued share capital of Starsupply Petroleum Europe B.V. ('Starsupply') for the consideration noted below. Starsupply is a Rotterdam-based execution-only broker of physical oil-based products. Starsupply expands Marex's capabilities in physical markets which currently include gasoline, fuel oil and shipping franchises.

	FX rate	Group
		$m
Cash consideration (€3,380,000)	1.1964 $/€	**4.0**
Total consideration		**4.0**
Recognised amounts of identifiable net assets:		
Tangible fixed assets		**0.1**
Cash and cash equivalents		**0.1**
Trade and other receivables		**1.3**
Trade and other payables		**(0.2)**
Total identifiable assets and liabilities		**1.3**
Goodwill		**2.7**

Goodwill

The goodwill recognised on acquisition relates to the company's expected growth and to the value of Starsupply's workforce, which cannot be separately recognised as an intangible asset. The goodwill was allocated to the Energy CGU for annual impairment testing (note 14).

(g) Acquisition of Volcap Trading Partners Limited

On 1 October 2021, the Group, through Spectron Services Limited, a wholly-owned subsidiary, acquired all of the issued share capital of Volcap Trading Partners Limited and its subsidiary, Volcap Trading Partners France SAS (together 'Volcap') for the consideration noted below. Volcap has built an award-winning soft commodity and bespoke structured product business that designs, structures and implements investment strategies across a wide range of financial assets.

	FX rate	Group
		$m
Cash consideration (€5,308,000)	1.1597 $/€	**6.2**
Cash consideration ($1,600,000)		**1.6**
Cash consideration (£1,011,000)	1.3551 $/£	**1.4**
Deferred consideration		**0.3**
Deferred contingent consideration		**3.0**
Total consideration		**12.5**
Recognised amounts of identifiable net assets:		
Cash and cash equivalents		**0.6**
Trade and other receivables		**0.5**
Trade and other payables		**(0.8)**
Intangible assets		**5.6**
Deferred tax liability		**(1.3)**
Total identifiable assets and liabilities		**4.6**
Goodwill		**7.9**

Deferred consideration

Deferred consideration relates to the amount payable in respect of potential adjustments to the book values of the tangible net assets acquired which are only to be determined after the acquisition date.

Deferred contingent consideration

The deferred contingent consideration is calculated on a specified percentage of Volcap's profit after tax.The amount of $2,974,000 is the fair value of the Group's estimated cash outflow, discounted to present value.

Identifiable net assets

On 1 October 2021, the valuation of the customer relationships of Volcap was $5,445,000 and the valuation of the Volcap brand was $150,000. These were calculated by an independent valuation specialist. They were both calculated using the excess earnings method.

Goodwill

The goodwill recognised on acquisition relates to the expected growth, revenue synergies with the Group's existing commodities and structured product businesses, and in addition to the valuation of Volcap's workforce, which cannot be separately recognised as an intangible asset.

20 Subordinated Loans due from Group Undertakings

	Company	
	2022	2021
	$m	$m
Marex North America LLC	**303.0**	239.5
Marex Financial	**49.6**	49.6
	352.6	289.1

The revolving subordinated loan agreement with Marex North America LLC was renewed during the year ended 31 December 2022 with the approval of the CME. The facility has a drawing termination date of 31 January 2023, maturity date of 31 January 2026 and total credit line of $355,000,000 (2021: $280,000,000). The subordinated borrowings of $303,000,000 (2021: $239,500,000) are unsecured and carried interest at three-month LIBOR plus 3.25% for the first nine months, and SOFR plus 4.00% for the last 3 months of the year (2021: three-month LIBOR plus 3.25%). The subordinated borrowings qualify as equity capital as defined by the CFTC regulation 1.17d.

The Company extended a subordinated loan of $49,625,000 to its subsidiary, Marex Financial. The facility has a maturity date of 1 June 2031 with an optional call date of 1 June 2026 and total credit line of $49,625,000. The subordinated borrowings of $49,625,000 are unsecured and carry interest at a fixed rate of 8%.The subordinated borrowings qualify as Tier 2 equity capital under Prudential regulations (Prudential Regulation Authority or PRA).

21 Treasury Instruments - Unpledged and Pledged

(a) Unpledged

Unpledged treasury instruments comprise $247,654,320 (2021: $107,083,674) US Treasuries which will fully mature by 9 March 2023.

	Group	
	2022	2021
	$m	$m
Treasury instruments (non-current)	—	68.9
Treasury instruments (current)	**247.6**	38.2
	247.6	107.1

(b) Pledged as collateral

Treasury instruments pledged as collateral comprise US Treasuries which will fully mature by 31 July 2025. At year end, the Group has pledged $2,522,466,425 (2021: $1,560,491,697) US Treasuries to counterparties as collateral for financing transactions. Financial instruments which have been pledged in this way are held under certain terms and conditions set out in specific agreements with each counterparty. In these agreements it is generally stated that whilst the US Treasury is pledged at the counterparty the Group cannot:

- sell or transfer the financial instrument;
- dispose of the financial instrument; or
- have any third party rights associated with the financial instrument whereby it can be used as security towards any further financing activities.

	Group	
	2022	2021
	$m	$m
Treasury instruments (non-current)	**133.5**	799.7
Treasury instruments (current)	**2,338.6**	616.5
	2,472.1	1,416.2

(c) Unpledged and pledged non-current / current analysis

	Group	
	2022	2021
	$m	$m
Treasury instruments (non-current)	**133.5**	868.7
Treasury instruments (current)	**2,586.2**	654.7
	2,719.7	1,523.4

21 Treasury Instruments - Unpledged and Pledged (continued)

(d) Repurchase agreements

	Group	
	2022	2021
	$m	$m
Reverse repurchase agreements	**4,346.0**	144.3
Repurchase agreements	**(4,381.4)**	(140.4)
	(35.4)	3.9

22 Inventory

	Group	
	2022	2021
	$m	$m
Cryptocurrency - Trading	**1.5**	45.3
Carbon emission certificates - Trading	**26.0**	13.6
Cryptocurrency and Carbon emission certificates (see below)	**27.5**	58.9
Scrap metals	**8.3**	21.2
Total inventories at fair value less cost to sell	**35.8**	80.1

All inventories are held at fair value less cost to sell. The fair value movements charged to profit and loss are as follows:

	Cost	Fair value movement	Inventory
	2022	2022	2022
Cryptocurrency and carbon emission certificates	$m	$m	$m
Ethereum, USD Coin and other cryptocurrencies	**5.8**	**(4.3)**	**1.5**
EUA emissions	**24.6**	**1.4**	**26.0**
	30.4	**(2.9)**	**27.5**

	Cost	Fair value movement	Inventory
	2021	2021	2021
Cryptocurrency and carbon emission certificates	$m	$m	$m
Bitcoin	34.0	(11.8)	22.2
Ethereum	28.1	(5.0)	23.1
EUA emissions	10.0	3.6	13.6
	72.2	(13.3)	58.9

23 Trade and Other Receivables

	Group		Company	
	2022	2021	2022	2021
	$m	$m	$m	$m
Amounts due from exchanges, clearing houses and other counterparties (restated)	**4,046.7**	1,738.7	—	—
Amounts due from group undertakings	—	—	—	2.0
Trade debtors	**141.1**	58.2	**1.4**	—
Default funds and deposits	**352.7**	157.6	—	—
Loans receivable	**18.2**	13.3	—	—
Other tax and social security taxes	**7.3**	5.9	**1.7**	0.2
Other debtors	**103.5**	36.0	**1.2**	1.3
Prepayments	**15.7**	9.1	**1.2**	1.9
	4,685.2	2,018.8	**5.5**	5.4

Included in the amounts due from exchanges, clearing houses and other counterparties are segregated balances of $2,474,321,985 (2021: $940,975,976) and non-segregated balances of $1,572,379,266 (2021: $797,696,024).

Included in other debtors is $10,221,122 (2021: $12,197,349) which is due in more than one year, relating to sign-on bonuses which are awarded to employees and amortised over the term of the contract.

Trade and other receivables are assessed on an individual basis for impairment, with a provision of $14,892,793 (2021: $5,822,000) recognised for the Group's entire exposure on the impaired trade and other receivables. The provision is inclusive of specific provisions and amounts recognised under expected credit losses. The Directors consider that the carrying amounts of trade and other receivables are not materially different to their fair value.

Restatement

2021 comparative balances have been restated as indicated in the above table. Segregated client funds at exchanges, clearing houses and brokers governed by the UK FCA's Client Assets Sourcebook ('CASS') rules have been excluded from the Group's Statement of Financial Position.

Additional comparative information detailing the quantitative impacts and impact on prior year comparatives is set out in note 38.

(a) Ageing of past due, but not impaired, trade debtors

	Group	
	2022	2021
	$m	$m
Less than 30 days	**121.0**	40.0
31 to 60 days	**4.3**	5.5
61 to 90 days	**2.4**	4.4
91 to 120 days	**3.2**	1.6
More than 120 days	**10.1**	6.7
	141.1	58.2

(b) Reconciliation of the movement in impairment allowance

	Group			
	2022			
	Stage 1	Stage 2	Stage 3	Total
	$m	$m	$m	$m
At 1 January	—	—	**5.8**	**5.8**
Bad debt provision on acquisition	—	—	**0.6**	**0.6**
Bad debts written off	—	—	**(1.1)**	**(1.1)**
Bad debt provision released	—	—	**(0.9)**	**(0.9)**
Charged to the consolidated income statement	**1.5**	—	**9.0**	**10.5**
At 31 December	**1.5**	—	**13.4**	**14.9**

23 Trade and Other Receivables (continued)

(b) Reconciliation of the movement in impairment allowance (continued)

	Group			
	2021			
	Stage 1 $m	Stage 2 $m	Stage 3 $m	Total $m
At 1 January	—	—	6.6	6.6
Bad debts written off	—	—	(0.6)	(0.6)
Credited to the consolidated income statement	—	—	(0.2)	(0.2)
At 31 December	—	—	5.8	5.8

24 Short-Term Borrowings

(a) Loans and repurchase agreements

	Group	
	2022 $m	2021 $m
Bank loans and credit facilities	**148.7**	—
Repurchase agreements	**4,381.4**	140.4
Borrowings at amortised cost	**4,530.1**	140.4

For the repurchase agreements, the collateral provided to the lenders is recorded as a financial instrument and totals $4,252,500,000 (2021: $144,275,000).

(b) Secured credit agreements

The Group, through one of its acquired ED&F Man Capital Markets entities, has a $85,000,000 five year secured credit agreement with PGIM Private Capital, a division of PGIM Inc. ('PGIM'). Pursuant to the credit agreement certain assets of this subsidiary have been pledged and are subject to a lien in favour of PGIM to secure the loan including debts owed to the subsidiary under Promissory Notes with certain other affiliates, the subsidiary's common stock and seats/shares in the Chicago Board of Trade owned by the subsidiary. The interest rate, which resets periodically, is 6.75% plus the greater of LIBOR or 1%. The average daily undrawn commitment fee is 1% of the undrawn amount. The subsidiary is required to make quarterly principal payments in the amount of 1.25% of the original balance, with the remaining balance due at maturity. Commitment fees on the unutilised amount and interest on the utilised amount are payable quarterly. A premium will be payable if payment of all or a portion of the principal is made prior to 36 months from the closing date. At the year end the balance due on this loan was $80,812,500 plus costs associated with terminating the loan early of $4,831,000. This loan has been classified as a short-term borrowing as the subsidiary repaid the loan and early termination costs in full after the year end (refer to note 41).

The Group, through one of its acquired ED&F Man Capital Markets entities, has access to a $125,000,000 uncommitted secured credit facility arranged by a leading financial institution. There was an outstanding borrowing of $8,000,000 as at 31 December 2022 (2021: $nil).

(c) Subordinated facility

The Group, through one of its acquired ED&F Man Capital Markets entities, has a $55,000,000 facility. As at 31 December 2022 the full amount of the facility was utilised. The borrowing is subordinated to the claims of general creditors, are covered by agreements approved by FINRA (a US regulatory body), and are included by the subsidiary for the purposes of computing net capital under the SEC's Uniform Net Capital Rule. To the extent that these borrowings are required for the subsidiary's continued compliance with minimum net capital requirements, they may not be repaid. The borrowing facility matures on 16 April 2024 and the interest rate, which will reset periodically, is based on SOFR plus 500 basis points. This loan has been classified as a short-term borrowing as the subsidiary has written to FINRA to repay the facility in full after the year end (refer to note 41).

(d) Revolving credit facilities

On 31 March 2021, the Group renewed the revolving credit facility which is committed up to $120,000,000 (2021: $120,000,000) with a renewal date of 30 June 2023. As at 31 December 2022, the facility remained undrawn (2021: undrawn). The credit facility agreement contains certain financial and other covenants.

Interest on the amount utilised is calculated at a floating rate consisting of currency benchmark rate plus a spread. LIBOR transition occurred on 1 October 2021. Prior to transition, interest was calculated as currency LIBOR plus a spread of 220 basis points (2021: LIBOR plus a spread of 190 basis points). Post-transition interest is calculated as currency risk free rate plus credit adjustment spread plus a spread of 220 basis points. Interest on the unutilised portion is charged at a fixed percentage rate of 88 basis points (2021: 76 basis points).

The Group, through one of its acquired ED&F entities, has access to a $160,000,000 364-day committed credit facility arranged by a leading financial institution. Annual commitment fees under this facility are $460,000. There were no outstanding borrowings under this facility as at 31 December 2022 (2021: $nil). The credit facility agreement contains certain financial and other covenants.

25 Derivative Instruments

Derivative assets and derivative liabilities comprise exchange traded and over-the-counter foreign exchange, precious metal, agriculture and energy contracts.

	Group	
	2022	2021
Financial assets	$m	$m
		Restated
Held for trading derivatives carried at fair value through profit or loss that are not designated in hedge accounting relationships:		
Prime broker balance (restated)	**125.3**	249.8
Agriculture forward contracts	**142.8**	141.5
Agriculture option contracts	**30.4**	33.0
Energy forward contracts	**35.9**	9.0
Energy option contracts	**0.6**	0.8
Foreign currency forward contracts (restated)	**66.6**	16.5
Foreign currency option contracts	**3.8**	2.5
Precious metal forward contracts	**0.9**	10.5
Precious metal option contracts	**0.1**	0.1
Credit forward	**0.8**	2.0
Metals Forward	**9.7**	—
Equity option (restated)	**55.1**	29.4
Equity forward (restated)	**0.2**	1.2
Rates forward	**5.1**	0.2
Held for trading derivatives that are designated in hedge accounting relationships:		
Foreign currency forward contracts	**3.5**	—
	480.8	496.5

25 Derivative Instruments (continued)

	Group	
Financial liabilities	2022 $m	2021 $m Restated
Held for trading derivatives carried at fair value through profit or loss that are not designated in hedge accounting relationships:		
Agriculture forward contracts	**113.4**	107.9
Agriculture option contracts	**16.3**	15.4
Energy forward contracts	**18.8**	5.6
Energy option contracts	**0.2**	0.6
Foreign currency forward contracts	**52.3**	20.1
Foreign currency option contracts	**3.2**	0.9
Precious metal forward contracts	**29.8**	17.2
Precious metal option contracts	**0.1**	0.1
Credit forward	**3.2**	0.5
Interest rate forward contracts (2021 restated)	**9.1**	2.3
Crypto forward	**0.9**	1.0
Equity option contracts (2021 restated)	**28.4**	17.4
Metals Forward	**5.5**	—
Equity forward (2021 restated)	**11.5**	9.8
Held for trading derivatives that are designated in hedge accounting relationships:		
Foreign currency forward contracts	**1.6**	0.6
	294.3	199.4

Refer to note 38 for 2021 Group balances that have been restated.

26 Deferred Tax

	Group		Company	
	2022	2021 Reclassed	2022	2021
	$m	$m	$m	$m
Acquired Intangibles	**0.5**	(1.8)	**—**	—
Compensation	**1.9**	(1.2)	**—**	—
Depreciation in excess of capital allowances	**(3.0)**	(0.2)	**—**	—
Lease accounting	**0.3**	0.5	**—**	—
Other short-term timing differences	**2.4**	0.7	**(0.1)**	—
Prepayments	**(0.2)**	—	**—**	—
Revaluation of FVTOCI investments	**(0.3)**	(0.9)	**0.2**	—
Share-based payments	**4.7**	—	**—**	—
Tax losses	**1.2**	3.8	**—**	—
31 December	**7.5**	0.9	**0.1**	—

	Group		Company	
	2022	2021	2022	2021
	$m	$m	$m	$m
At 1 January	**0.9**	(0.4)	**—**	0.1
Credited/(charged) to the income statement (note 12(a))	**1.1**	2.9	**(0.1)**	—
Recognised on acquisition	**4.5**	(1.3)	**—**	—
Charged to other comprehensive income	**1.0**	(0.3)	**0.2**	(0.1)
Foreign exchange differences and other	**—**	—	**—**	—
31 December	**7.5**	0.9	**0.1**	—

	Group		Company	
	2022	2021	2022	2021
	$m	$m	$m	$m
Deferred tax asset	**7.6**	4.0	**0.2**	—
Deferred tax liability	**(0.1)**	(3.2)	**(0.1)**	—
31 December	**7.5**	0.9	**0.1**	—

Reclassification

The 2021 comparatives have been reclassified as follows to align with presentation in the current period: Intangibles ($1,321,000) and Goodwill ($438,000) have been consolidated in Acquired Intangibles ($1,759,000). Prepayments and Other ($553,000) has been separated into Compensation ($1,227,000) and Other short-term timing differences ($674,000).

Business Combinations

The recognition of Marex's deferred tax assets is dependent on the availability of sufficient taxable profits when the timing differences reverse. The acquisitions of Arfinco SA and the ED&F Man Capital Markets division has not changed the probability of the availability of sufficient future taxable profits and therefore, the probability of realising any pre-acquisition deferred tax assets has not changed. As such, no additional disclosure is made.

26 Deferred Tax (continued)

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. Deferred tax balances have been measured using the tax rates that are expected to apply when the asset is realised or the liability is settled based upon the tax rates that have been enacted or substantially enacted by the balance sheet date.

The Finance Act 2021, enacted on 10 June 2021, increases the headline rate of UK corporation tax from 19% to 25% from 1 April 2023. UK deferred tax assets and liabilities have been recognised at 25% where they are expected to unwind after 1 April 2023. The Group has a deferred tax asset in respect of UK share-based compensation costs of $20,412,000 which has been revalued from 19% to 25% as at 31 December 2022; this revaluation is the primary driver of the tax rate change credit recognised in profit and loss of $847,000 in 2022. Non-UK deferred tax assets and liabilities are recognised at the relevant jurisdiction's prevailing tax rate to the extent the Group expects to receive future benefit from them.

Unrecognised deferred tax assets

The Group has unrecognised deferred tax assets in respect of the following:

- Employee compensation deductions of $4,948,350 (2021: $4,948,350). The potential deferred tax asset at 25% is $1,237,088 (2021: $940,187 at 19%). These assets have not been recognised as it is not foreseeable when a tax deduction will arise.
- Tax losses of $14,235,000 (2021: $9,380,000) relate to losses with no expiry date. The increase in these unrecognised losses compared to the prior period is primarily driven by pre-acquisition tax losses in Australia recorded by a company acquired during 2022. These assets are not recognised on the basis of insufficient evidence concerning profits being available against which deferred tax assets could be utilised.
- Investment impairment of $1,260,000 (2021: $nil) relates to the impairment of the Group's investment in exchange seats in the United States and is not expected to generate a tax deduction in future years.

27 Trade and Other Payables

	Group		Company	
	2022	2021	2022	2021
	$m	$m	$m	$m
Trade payables (2021 restated)	**6,189.7**	3,002.9	**—**	—
Amounts due to exchanges, clearing houses and other counterparties	**180.0**	120.1	**—**	—
Amounts due to group undertakings	**—**	—	**353.7**	306.9
Other tax and social security taxes	**5.5**	3.9	**—**	—
Other creditors	**11.9**	4.5	**2.2**	0.1
Accruals	**259.5**	158.9	**7.4**	4.4
Deferred income	**1.0**	0.9	**—**	—
	6,647.7	3,291.2	**363.2**	311.4

Included in trade payables and amounts due to exchanges, clearing houses and other counterparties are segregated balances of $4,715,481,844 (2021: $2,207,156,832) and non-segregated balances of $1,654,168,686 (2021: $915,843,795).

For the Company, amounts due to group undertakings arise mainly due to cash received in order to facilitate another intercompany loan.

The Directors consider that the carrying amount of trade and other payables is not materially different to their fair value.

Restatement

2021 comparative balances have been restated as indicated in the above table. Segregated client funds at exchanges, clearing houses and brokers governed by the UK FCA's Client Assets Sourcebook ('CASS') rules have been excluded from the Group's Statement of Financial Position. The corresponding liabilities to clients and counterparties were previously included within trade payables.

Additional comparative information detailing the quantitative impacts and impact on prior year comparatives is set out in note 38.

28 Provisions

	Group		
	Onerous contracts	Leasehold dilapidation	Total
	2022	2022	2022
	$m	$m	$m
At 1 January	**—**	**0.9**	**0.9**
Movement in the year:			
Provision on acquisition	**3.7**	**0.3**	**4.0**
Decrease during the period	**(1.8)**	**(0.5)**	**(2.3)**
	1.9	**(0.2)**	**1.7**
At 31 December	**1.9**	**0.7**	**2.6**

	Leasehold dilapidation
	2021
	$m
At 1 January	**0.3**
Movement in the year:	
Increase during the year	0.6
Foreign exchange valuation	
	0.6
At 31 December	**0.9**

(a) Leasehold dilapidation

Leasehold dilapidation relates to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease. As the Group exits leases the costs of reinstatement are booked against the provision and as the Group enters new leases estimates are made during the lease of the expected end of lease dilapidation costs.

(b) Onerous contracts

A provision for onerous contracts has been made as a result of the acquisition of certain assets and liabilities of ED&F Man Capital Markets Limited on 1 October 2022 and is expected to be utilised in full by 30 June 2023 as contracts expire. The provision relates to:

- the estimated office costs (rent and service charges) on a leased property in London that is no longer occupied due to the relocation of staff to the Group's London office;
- various IT contracts where the Group is in the process of cancelling these contracts as the related service is not required.

29 Contingent Liabilities

From time to time, the Group's subsidiaries are engaged in litigation in relation to a variety of matters, and it is required to provide information to regulators and other government agencies as part of informal and formal enquiries or market reviews.

The Group's reputation may also be damaged by any involvement or the involvement of any of its employees or former employees in any regulatory investigation and by any allegations or findings, even where the associated fine or penalty is not material.

As outlined above, in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the Group's results or net assets.

30 Share Capital

	Group and Company			
	Issued and fully paid		Issued and fully paid	
	2022	2022	2021	2021
	Number	$'000	Number	$'000
Ordinary Shares of $0.000165 each	**106,491,588**	**18**	106,491,588	18
Non-voting Ordinary Shares of $0.000165 each	**3,986,376**	**1**	3,986,376	1
Deferred Shares of £0.000469 each	**107,462,989**	**69**	106,798,538	69
Growth Shares of $0.000165 each	**24,992,848**	**4**	27,297,003	4
	242,933,801	**92**	244,573,505	92

Following acquisition by the Employee Benefit Trust of Growth Shares from ex-employees, on 21 December 2022, 2,304,155 Growth Shares of US$0.000165 each were redenominated from USD to GBP(£) using the exchange rate USD/GBP(£) $1.22/£1, such that the new denomination of the Growth Shares became £0.000135246. The 2,304,155 Growth Shares of £0.000135246 were then consolidated into 664,451 Growth Shares of £0.000469 each. The 664,451 Growth Shares of £0.000469 each were then re-designated as 664,451 Deferred Shares of £0.000469 each.

On 22 March 2021, the issued share capital of the Company was reduced from $176,240,320 to $92,258 by cancelling and extinguishing capital to the extent of $1.649349 on each Deferred Share of $1.65 each and reducing the nominal value of each Deferred Share from $1.65 to $0.000651, with the amount by which the share capital was reduced being credited to profit and loss reserves. On 10 May 2021 the $0.000651 Deferred Shares were converted from US dollars to sterling and accordingly redenominated as Deferred Shares of £0.000469 each.

	Group and Company				
	Ordinary Shares Number	Non-voting Ordinary Shares Number	Deferred Shares Number	Growth Shares Number	Total Number
At 1 January 2021, 31 December 2021 and 1 January 2022	**106,491,588**	**3,986,376**	**106,798,538**	**27,297,003**	**244,573,505**
Movement 2022	**—**	**—**	**664,451**	**(2,304,155)**	**(1,639,704)**
At 31 December 2022	**106,491,588**	**3,986,376**	**107,462,989**	**24,992,848**	**242,933,801**

The rights of the shares are as follows:

Class of share	Rights
Ordinary Shares	Full voting rights and right to participate in ordinary dividends ranking pari passu with non-voting Ordinary Shares. In the event of a winding up, entitled to a return of capital ranking pari passu with non-voting Ordinary Shares and no right of redemption.
Non-voting Ordinary Shares	As per Ordinary Shares, other than having no voting rights.
Deferred Shares	No voting rights, no right to participate in dividends or distributions and no right to redemption. On a return of capital on a winding up or otherwise, the assets of the Company available for distribution to its members shall be applied in paying a sum equal to £1 to the holders of the Deferred Shares pro rata according to the number of Deferred Shares held by them (rounded to the nearest £0.01, but such that the total paid in aggregate to all the holders shall in no event exceed £1).
Growth Shares	The Company has historically issued Growth Shares to senior management. The Growth Shares entitle the holders thereof to a share of the proceeds from a liquidity event, such as an Initial Public Offering or a sale, if the proceeds exceed some specific level thereby diluting existing ordinary shareholders. The holders of Growth Shares have no voting rights, no rights to participate in dividends, no entitlements to participate in a winding up and cannot impact the timing of a liquidity event. The Growth Shares issued in 2010, 2012 and 2015 vested over 3 to 5 years, although remain subject to 'bad leaver' provisions. The 2016, 2019 and 2020 Growth Shares will only vest on a liquidity event. The Growth Shares do not expire and may be redeemed prior to a liquidity event, or converted into non-voting Ordinary Shares, whereby the Company issues the Growth Share holder a number of non-voting Ordinary Shares equal in value to the redemption price. The Directors' view is that it is currently probable the Growth Shares will be converted into non-voting shares and, therefore, they are treated as equity-settled share-based payments.

31 Own Shares

As at 31 December 2022, the Group (through the Employment Benefit Trust) held 1,901,586 non-voting Ordinary Shares purchased at a total cost of $7,886,000 (2021: $nil). This amount is shown as a debit balance within Total equity.

32 Additional Capital (AT1 securities)

	Group and Company	
	2022	2021
	$m	$m
Issued by Marex Group plc		
Additional Tier 1 - 13.25% fixed rate perpetual subordinated contingent convertible notes	**97.6**	—
At 31 December	**97.6**	—

The AT1 securities are perpetual securities with no fixed maturity and are structured to qualify as AT1 instruments under prevailing capital rules applicable. In 2022, there was one issuance of AT1 instruments, in the form of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Notes, for $97.6 million (2021: $nil) net of issuance costs of $2,395,000 (2021: $nil). There were no redemptions in 2022 (2021: no redemptions).

Interest on the securities, at a fixed rate of 13.250% per annum, is payable semi-annually in arrears in equal instalments on 30 June and 30 December in each year, commencing on 30 December 2022. On the first reset date on 30 December 2027, in the event that the securities are not redeemed, interest will be reset to the five-year semi-annual US treasury securities yield plus a margin of 10.158% per annum. The interest payment is fully discretionary and non-cumulative, and conditional upon the Group being solvent at the time of payment, having sufficient distributable reserves and not being required by the regulatory authorities to cancel an interest payment.

Distributions amounting to $6,625,000 (2021: $nil) were paid in 2022 on the AT1 securities. This amount has been shown in the Statement of Changes in Equity and Movements in Reserves as a charge to Retained earnings.

The securities are perpetual securities with no fixed redemption date. The Group may, in its sole and full discretion, subject to regulatory approval, redeem all (but not some only) of the securities on any day falling in the period commencing on (and including) 30 June 2027 and ending on (and including) the first reset date or on any interest payment date thereafter at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of the Group for certain regulatory or tax reasons, subject to regulatory approval.

The securities, which do not carry voting rights, rank pari passu with holders of Tier 1 instruments (excluding the Group's Ordinary Shares). They rank ahead of the holders of Ordinary Share capital of the Company but junior to the claims of senior creditors of the Group.

All AT1 securities will be converted into ordinary Marex Group plc shares, at a pre-determined price, should the Group's Investment Firms Prudential Regime ('IFPR') CET1 Ratio fall to less than 64%.

33 Reserves

The following describes the nature and purpose of each reserve within total equity:

Reserves	Description
Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount of consideration received over and above the par value of shares.
Retained earnings	Cumulative net gains and losses recognised in the income statement or statement of other comprehensive income.
Revaluation reserve	Cumulative unrealised gains on investments in exchanges that are held as FVTOCI and recognised in equity as well as changes in own credit risk.
Additional (AT1) capital	Net proceeds received from the issuance of perpetual securities with no fixed redemption date.
Cash flow hedge reserve	Cumulative unrealised gains and losses on hedging instruments deemed effective cash flow hedges.
Other reserve	Foreign currency translation reserve.

34 Leases

	Group	
	Right-of-use asset	
	2022	2021
	$m	$m
As at 1 January	**17.0**	16.3
Additions during the year	**22.4**	5.2
Adjustment to initial recognition of right-of-use asset	**(0.3)**	—
Depreciation charged to income statement	**(5.5)**	(4.5)
As at 31 December	**33.7**	17.0

	Lease liability	
	2022	2021
	$m	$m
As at 1 January	**23.0**	24.4
Additions during the year	**22.8**	5.3
Interest expense charged to income statement	**1.0**	0.9
Payment of lease liabilities	**(6.6)**	(7.2)
Foreign exchange revaluation	**(1.2)**	(0.3)
Lease incentive	**(0.1)**	(0.1)
As at 31 December	**38.9**	23.0

	Lease liability	
	2022	2021
	$m	$m
Current liability	**6.8**	6.0
Non-current liability	**32.1**	17.0
As at 31 December	**38.9**	23.0

Other operating lease expenses, including service charges, utilities, property insurance and maintenance, amounted to $5,515,823 (2021: $5,826,271). Operating lease expenses for short-term leases amounted to $535,499 (2021: $655,804).

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position as at 31 December 2022 is 5.0% (2021: 4.2%).

The forward lease agreement on the Washington Plaza office in Paris was deemed effective from 10 January 2023 with a lease value of $12.3 million.

The Group has the following leases that have the option of extension at the end of the lease term:

- Greenway Plaza, Houston - five years;
- Asia Square Towers, Singapore - three years;
- Fourth floor, Bishopsgate lease has an option of a renewal (term unspecified);
- 45th street, New York - five years;
- Montreal - five years.

35 Financial Instruments

(a) Capital risk management

For the purpose of the Group's capital management, capital includes issued share capital, AT1 capital, share premium and all other equity reserves attributable to the equity holders of the parent as disclosed in notes 30, 32 and 33. The primary objective of the Group's capital management is to maximise shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the banks to immediately call in any loans and borrowings that the Group might have withdrawn at that point in time. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current or prior year.

Many of the Group's material operating subsidiaries are subject to regulatory restrictions and minimum capital requirements. As at 31 December 2022, each of these subsidiaries had net capital in excess of the requisite minimum requirements. These requirements are designed to ensure institutions have an adequate capital base to support the nature and scale of their operations. Management of regulatory capital forms an important part of the Group's risk governance structure. A robust programme of regular monitoring and review takes place to ensure each regulated entity is in adherence to local rules and has capital in excess of external and internal limits. Regular submissions are made and constantly maintained with internal limits assessed against the Group's risk appetite, as determined by the Board.

No changes were made in objectives, policies or processes for managing capital during the year.

(b) Debt securities

Debt securities are structured notes issued by the Group's subsidiary Marex Financial (within the Solutions business unit) that offer investors returns that are linked to the performance of a variety of asset classes. The market risk associated with these instruments is economically hedged through holding cryptocurrencies, futures, options and equity instruments in the underlying products. The costs and revenues resulting from the implicit interest costs and the derivative elements within this portfolio are all recognised in Revenue.

(c) Equity instruments

Equity instruments relate to equities purchased to offset the economic exposure arising from the non-host derivative component of the Group's issued debt securities.

35 Financial Instruments (continued)

d) Categories of financial instruments

Below is an analysis of the Group and Company's financial assets and liabilities as at 31 December.

	Group			
	FVTPL	FVTOCI	Amortised cost	Total
Financial assets	$m	$m	$m	$m
Investments	—	**16.4**	—	**16.4**
Treasury instruments	—	—	**2,719.7**	**2,719.7**
Equity instruments	**410.0**	—	—	**410.0**
Derivative instruments	**477.3**	**3.5**	—	**480.8**
Stock borrowing	—	—	**1,894.6**	**1,894.6**
Reverse repurchase agreements	—	—	**4,346.0**	**4,346.0**
Inventory	**35.8**	—	—	**35.8**
Amounts due from exchanges, clearing houses and other counterparties	—	—	**4,046.7**	**4,046.7**
Trade debtors	—	—	**141.0**	**141.0**
Default funds and deposits	—	—	**352.7**	**352.7**
Loans receivable	—	—	**18.2**	**18.2**
Other debtors	—	—	**103.5**	**103.5**
Cash and cash equivalents	—	—	**910.1**	**910.1**
31 December 2022	**923.1**	**19.9**	**14,532.5**	**15,475.5**

	FVTPL	FVTOCI	Amortised cost	Total
Financial assets	$m	$m	$m	$m
Investments	—	8.9	—	8.9
Treasury instruments	—	—	1,523.3	1,523.3
Financial institution notes	—	—	1.0	1.0
Equity instruments (restated)	8.1	—	—	8.1
Derivative instruments (restated)	496.5	—	—	496.5
Reverse repurchase agreements	—	—	144.3	144.3
Inventory	80.1	—	—	80.1
Amounts due from exchanges, clearing houses and other counterparties (restated)	140.9	—	1,597.8	1,738.7
Trade debtors	—	—	58.2	58.2
Default funds and deposits	—	—	157.6	157.6
Loans receivable	—	—	13.3	13.3
Other debtors	—	—	14.8	14.8
Cash and cash equivalents	—	—	712.0	712.0
31 December 2021	725.6	8.9	4,222.2	4,956.8

Restatement

Refer to note 38 for more details.

	Company			
	FVTPL	FVTOCI	Amortised cost	Total
Financial assets	$m	$m	$m	$m
Investments	—	**3.7**	—	**3.7**
Subordinated loans due from group undertakings	—	—	**352.6**	**352.6**
Other debtors	—	—	**1.2**	**1.2**
Derivative instruments	**0.2**	—	—	**0.2**
31 December 2022	**0.2**	**3.7**	**355.2**	**359.1**

	FVTPL	FVTOCI	Amortised cost	Total
Financial assets	$m	$m	$m	$m
Investments	—	3.9	—	3.9
Subordinated loans due from group undertakings	—	—	289.1	289.1
Other debtors	—	—	1.3	1.3
31 December 2021	—	3.9	290.4	294.3

	Group			
	FVTPL	FVTOCI	Amortised cost	Total
Financial liabilities	$m	$m	$m	$m
Repurchase agreements	—	—	**4,381.4**	**4,381.4**
Derivative instruments	**292.7**	**1.6**	—	**294.3**
Short securities	—	—	**986.8**	**986.8**
Amounts due to exchanges, clearing houses and other counterparties	—	—	**180.0**	**180.0**
Trade payables	—	—	**6,189.8**	**6,189.8**
Other creditors	—	—	**11.9**	**11.9**
Deferred income	—	—	**1.0**	**1.0**
Stock lending	—	—	**1,396.9**	**1,396.9**
Short-term borrowings	—	—	**148.7**	**148.7**
Debt securities	**1,160.0**	—	—	**1,160.0**
Lease liability	—	—	**38.9**	**38.9**
31 December 2022	**1,452.7**	**1.6**	**13,335.4**	**14,789.7**

35 Financial Instruments (continued)

(d) Categories of financial instruments (continued)

	Group		
	FVTPL	Amortised cost	Total
Financial liabilities	$m	$m	$m
Repurchase agreements	—	140.4	140.4
Derivative instruments (restated)	198.8	0.6	199.4
Amounts due to exchanges, clearing houses and other counterparties	—	120.1	120.1
Trade payables (restated)	—	3,002.9	3,002.9
Other creditors	—	4.5	4.5
Deferred income	—	0.9	0.9
Lease liability	—	23.0	23.0
Debt securities (restated)	1,126.7	—	1,126.7
31 December 2021	1,325.5	3,292.4	4,617.9

Restatement

Refer to note 38 for more details.

	Company		
	FVTPL	Amortised cost	Total
Financial liabilities	$m	$m	$m
Derivatives instruments	**2.9**	—	**2.9**
Amounts due to group undertakings	—	**353.7**	**353.7**
Other creditors	—	**2.1**	**2.1**
Debt securities	—	**59.4**	**59.4**
31 December 2022	**2.9**	**415.2**	**418.1**

	Amortised cost	Total
Financial liabilities	$m	$m
Amounts due to group undertakings	306.9	306.9
Other creditors	0.1	0.1
Debt Securities	50.0	50.0
31 December 2021	357.0	357.0

(e) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

As a member of the London Metals Exchange ('LME'), the Group is subject to the settlement and margining rules of LME Clear. The majority of products transacted by the Group are LME forward contracts. LME forwards that are in-the-money do not settle in cash until the maturity ('prompt') date, while the Group is required to post margin to cover loss-making contracts daily. In accordance with the LME Clear rules, the Group is able to utilise forward profits to satisfy daily margin requirements which are set-off against loss-making contracts. Consequently, trade payables and amounts due from exchanges, clearing houses and other counterparties are presented on a net basis in the balance sheet. The balance of trade receivables includes offsetting of LME forwards against any cash collateral held with the LME.

The Group nets certain repurchase and reverse repurchase agreements with the same counterparty where the conditions of offsetting are met, including the existence of master netting agreements between the company and its counterparties.

The effect of offsetting is disclosed below:

	Group					
31 December 2022	Gross amount $m	Amounts set-off $m	Net amount presented $m	Non-cash collateral rec'd / (pledged) $m	Cash collateral rec'd / (pledged) $m	Net amount $m
Financial assets						
Amounts due from exchanges, clearing houses and other counterparties	**4,833.1**	**786.4**	**4,046.7**	**—**	**—**	**4,046.7**
Reverse repurchase agreements	**8,743.1**	**(4,397.1)**	**4,346.0**	**(4,162.0)**		**184.0**
Financial liabilities						
Trade payables	**6,976.2**	**786.4**	**6,189.8**	**—**	**—**	**6,189.8**
Repurchase agreements	**8,778.5**	**(4,397.1)**	**4,381.4**	**(4,252.5)**		**128.9**

	Group					
31 December 2021	Gross amount $m	Amounts set-off $m	Net amount presented $m	Non-cash collateral rec'd / (pledged) $m	Cash collateral rec'd / (pledged) $m	Net amount $m
Financial assets						
Amounts due from exchanges, clearing houses and other counterparties (restated)	2,309.2	570.5	1,738.7	—	—	1,738.7
Financial liabilities						
Trade payables (restated)	3,664.2	570.5	3,093.7	(90.8)	—	3,002.9

(f) Financial risk management objectives

The Group's activities expose it to a number of financial risks including credit risk, market risk and liquidity risk, as discussed in the Strategic Report.

The Group manages these risks through various control mechanisms and its approach to risk management is both prudent and evolving.

Overall responsibility for risk management rests with the Board. Dedicated resources within the Risk Department control and manage the exposures of the Group's own positions, the positions of its clients and its exposures to its counterparties, within the risk appetite set by the Board.

Credit risk

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date. Credit risk in the Group principally arises from cash and cash equivalents deposited with third party institutions, exposures from transactions and balances with exchanges and clearing houses, and exposures resulting from transactions and balances relating to customers and counterparties, some of which have been granted credit lines.

The Group only makes treasury deposits with banks and financial institutions that have received approval from the Group's Executive Credit and Risk Committee. These deposits are also subject to counterparty limits with respect to concentration and maturity.

The Group's exposure to customer and counterparty transactions and balances is managed through the Group's credit policies and, where appropriate, the use of initial and variation margin credit limits in conjunction with overall position limits for all customers and counterparties. These exposures are monitored both intraday and overnight. The limits are set by the Group's Executive Credit and Risk Committee through a formalised process.

35 Financial Instruments (continued)

(f) Financial risk management objectives (continued)

Credit quality

The table below does not take into account collateral held.

	Group		Company	
	2022	2021	2022	2021
	$m	$m	$m	$m
AA and above	**8,446.5**	1,348.0	**—**	—
AA-	**1,519.7**	1,070.3	**—**	—
A+	**191.6**	76.8	**—**	—
A	**—**	8.8	**—**	—
A-	**2,851.8**	1,294.0	**—**	—
BBB+	**8.4**	189.7	**—**	—
Lower and unrated	**2,457.6**	969.2	**357.7**	294.3
	15,475.6	4,956.8	**357.7**	294.3

The Group has received collateral in respect of its derivative assets during the year ended 31 December 2022 amounting to $218,743,204 (2021: $126,025,641). Collateral was recognised in amounts due to exchanges, clearing houses and other counterparties.

Market risk

The Group's activities expose it to financial risks primarily generated through foreign exchange, interest rate and commodity market price exposures, which are outlined in the Strategic Report.

Market risk sensitivity

As principally an intermediary (excluding Marex Solutions), the Group's market risk exposure is modest. It manages this market risk exposure using appropriate risk management techniques within predefined and independently monitored parameters and limits.

The Group uses a range of tools to monitor and limit market risk exposures. These include Value-at-Risk ('VaR'), sensitivity analysis and stress testing.

Value at risk

VaR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence.

The VaR model used by the Group is based upon the Monte Carlo simulation technique. This model derives plausible future scenarios from past series of recorded market rates and prices, taking account of inter-relationships between different markets and rates, including interest rates and foreign exchange rates. The model also incorporates the effect of option features on the underlying exposures.

The Monte Carlo simulation model used by the Group incorporates the following features:

- 5,000 simulations using a variance covariance matrix;
- simulations generated using geometric Brownian motion;
- an exceptional decay factor is applied across an estimation period of 250 days; and
- VaR is calculated to a one-day, 99.75% one-tail confidence level.

The Group validates VaR by comparing to alternative risk measures, for example, scenario analysis and exchange initial margins as well as the back testing of calculated results against actual profit and loss.

Although a valuable guide to risk, VaR should always be viewed in the context of its limitations, for example:

- the use of historical data as a proxy for estimating future events may not encompass all potential events, particularly those which are extreme in nature;
- the use of a one-day holding period assumes that all positions can be liquidated or hedged in one-day. This may not fully reflect the market risk arising at times of severe liquidity stress, when a 1-day holding period may be insufficient to liquidate or hedge all positions fully;
- the use of a 99.75% confidence level, by definition, does not take into account losses that might occur beyond this level of confidence;
- the VaR, disclosed below, is calculated on the basis of exposures outstanding at the close of business and, therefore, does not necessarily reflect intraday exposure; and
- VaR is unlikely to reflect loss potential on exposures that only arise under significant market moves.

The Group recognises these limitations by augmenting its VaR limits with other position and sensitivity limit structures. The Group also applies a wide range of stress testing, both on individual portfolios and on the Group's consolidated positions. The VaR as at 31 December 2022 was $1,478,393 (2021: $1,579,167) and the average monthly VaR for the year ended 31 December 2022 was $1,970,504 (2021: $1,532,974).

Value at risk (continued)

The VaR calculation encompasses the activities of the Market Making desks of Metals, Ags, CSC Commodities and Equities. Marex Solutions (see below), the acquired ED&F entities and the remaining Market Making desks are not yet governed within the Group VaR methodology. This is mainly due to the complexity of the products within them that the Group finds cannot be captured within VaR or, as newer acquired entities and newer desks, they have not been integrated yet into the existing VaR infrastructure. Separate stress-based frameworks, and suites of risk sensitivity limits, have been designed and implemented to control these businesses within the Risk Appetite of the Board.

The Group is not yet required to calculate an Economic VaR for capital purposes. However, we endeavour to bring all desks within a VaR framework for consistency of risk management.

Marex Solutions' market risk profile is managed via risk sensitivities according to the prevailing risk factors of the business. This is monitored and controlled daily on a net risk profile for the desk, but additional concentration and scenario-based analyses are carried out.

Traded market risks are monitored by the dedicated risk team for Marex Solutions, and are monitored per asset class and determined by their respective price movements:

- Commodity risk
- Equity risk
- Foreign exchange risk
- Interest rate risk
- Credit spread risk
- Crypto currency market risk

Risk sensitivity calculations are made using a dedicated Risk Engine, whose models have been independently validated by a third-party. They are calculated by altering a risk factor and repricing all products to observe the profit and loss impact of the change - as defined below:

- Delta risk measures the impact of a +1% relative change in price of the reference asset.
- Vega risk measures the impact of a +1% absolute change in implied volatility of the reference asset, applied in parallel across the entire surface.
- Correlation risk measures the impact of a +1% change to implied correlations between reference assets.
- Dividend risk measures the impact of a +1% change to the expected dividend of equity reference assets.
- Foreign exchange risk measures the impact of a +1% relative change in price of the reference currency asset against the US dollar.
- Interest rate delta risk measures the impact of a +1 basis point change to the yield curve of the reference asset, applied in parallel across the entire curve.
- Credit spread delta risk measures the impact of a +1% relative change in price of the reference credit spread.

35 Financial Instruments (continued)

(f) Financial risk management objectives (continued)

Value at risk (continued)

The summary below shows the risk sensitivity exposures for the Marex Solutions business as at 31 December:

	2022 $000	2021 $000
Commodity		
Delta – agriculture	**0.77**	0.81
Delta – energy	**5.41**	4.04
Delta – metals	**1.62**	3.82
Vega – agriculture	**3.67**	9.69
Vega – energy	**6.37**	(5.97)
Vega – metals	**—**	(0.86)
Equity		
Delta	**22.06**	(17.10)
Vega	**397**	499
Correlation	**(583)**	(668)
Dividend	**28.39**	28.32
Foreign exchange		
FX G10 delta	**51**	15
FX EM delta	**39**	7
Rates		
Interest rates delta	**13.49**	(3.58)
Credit spread delta	**6.30**	1.97
Cryptocurrency		
Delta	**(1.18)**	(1.11)
Vega	**25**	45

Foreign currency risk

The Group's policy is to minimise volatility as a result of the translation of foreign currency exposure. As such, management monitors currency exposure on a daily basis and buys or sells currency to minimise the exposure, in addition to the hedging of material future dated GBP commitments through the use of derivative instruments. It is the policy of the Group to enter into foreign exchange forward contracts to cover these specific future-dated GBP commitments.

The associated gains and losses on derivatives hedging GBP commitments are recognised in other comprehensive income and will be removed when the anticipated commitments take place and included in the initial cost of the hedged commitments. The Group has designated certain foreign exchange forward contracts as hedging instruments.

The following table details the foreign currency forward contracts, held within derivatives on the statement of financial position, that are designated in hedging relationships:

	Group			
	2022			
Outstanding contracts	Average forward rates ($/£)	Foreign currency $m	Notional value £m	Fair value assets $m
Derivative designated as cash flow hedges				
Less than 3 months	**1.1357**	**19.5**	**17.2**	**1.3**
3 to 6 months	**1.1357**	**19.5**	**17.2**	**1.3**
6 to 12 months	**1.1513**	**16.5**	**14.3**	**0.9**
		55.5	**48.7**	**3.5**

	Group			
	2022			
Outstanding contracts	Average forward rates ($/£)	Foreign currency $m	Notional value £m	Fair value liabilities $m
Derivative designated as cash flow hedges				
Less than 3 months	**1.3407**	**16.1**	**12.0**	**(1.6)**
		16.1	**12.0**	**(1.6)**

35 Financial Instruments (continued)

(f) Financial risk management objectives (continued)

Foreign currency risk (continued)

	Group			
	2021			
Outstanding contracts	Average forward rates ($/£)	Foreign currency $'000	Notional value $'000	Fair value assets $'000
Derivative designated as cash flow hedges				
Less than 3 months	1.3422	2.5	3.2	—
		2.5	3.2	—

	Group			
	2021			
Outstanding contracts	Average forward rates ($/£)	Foreign currency $m	Notional value $m	Fair value liabilities $m
Derivative designated as cash flow hedges				
Less than 3 months	1.3641	13.4	9.4	(0.2)
3 to 6 months	1.3657	14.3	10.5	(0.1)
6 to 12 months	1.3644	28.7	21.0	(0.3)
		56.4	40.9	(0.6)

The Group has future foreign currency exposure related to material future dated GBP commitments. The Group has entered into foreign exchange forward contracts (for terms not exceeding fourteen months) to hedge the exchange rate risk arising from these anticipated future commitments, which are designated as cash flow hedges.

As at 31 December 2022, the aggregate amount of gains/(losses) under foreign exchange forward contracts deferred in the cash flow hedge reserve relating to the exposure on these anticipated future commitments is a gain of $2,069,152 (2021: $594,967). It is anticipated that these commitments will become due monthly over the course of the next fourteen months, at which time the amount deferred in equity will be reclassified to profit and loss.

As at 31 December 2022 no ineffectiveness (2021: $nil) has been recognised in profit and loss arising from the hedging of these future dated GBP commitments.

Interest rate risk

The Group is exposed to interest rate risk on cash, investments, derivatives, client balances and bank borrowings.

The main interest rate risk is derived from interest-bearing deposits in which the Group invests surplus funds and bank borrowings.

The Group's exposure to interest rate fluctuations is limited through the offset that exists between the bulk of its interest-bearing assets and interest bearing liabilities. Since the return paid on client liabilities is generally reset to prevailing market interest rates on an overnight basis, the Group is only exposed for the time it takes to reset its investments which are held at rates fixed for a maturity which does not exceed three months, with the exception of US Treasuries, which have a maturity of up to two years.

During 2020 and 2021, the Group reviewed all key contracts with respect to the transition away from IBORs to alternate reference rates. Material risk areas of focus for the Group's IBOR transition activities included:

- client agreements, including OTC ISDA agreements;
- external and internal funding agreements;
- pricing activities; and
- operations and systems changes to cater for a transition to risk free rates (see Operational risk below)

A working group headed up by the Legal department reviewed each of these areas and changes have been made to contracts that referenced IBORs as required. Client agreements now reference alternate risk free rates as appropriate and for ISDA agreements the new ISDA Protocol has been implemented. In some cases, where IBOR rates will continue to be readily available for some time, no changes were required by year end. All significant issues were satisfactorily dealt with ahead of the 31 December 2021 transition deadline.

Operational risk

Operational risk is the risk of loss arising through failures associated with personnel, processes or systems, or from external events. It is inherent in every business organisation and covers a wide spectrum of issues. Operational risk is managed through systems and procedures in which processes are documented, authorisation is independent, and transactions are monitored and reconciled. Treasury systems and other systems were updated during 2021 to fully manage the transition to alternative benchmark rates, though there is a risk that not all systems were identified and updated. To mitigate this, the Group has plans in place for alternate manual procedures with relevant controls to address any issues that arise.

The Group maintains disaster recovery or contingency facilities to support operations and ensure business continuity. The invocation of these facilities is regularly tested.

Compliance or Regulatory risk arises from a failure or inability to comply with the laws, regulations or codes applicable specifically to entities within the Group. Non-compliance can lead to fines, public reprimands, enforced suspensions of services or, in extreme cases, withdrawal of authorisation to operate.

Subsidiaries within the Group are subject to authorisation by the LME,CME, DGCX, London Stock Exchange, SGX, Euronext, ICE Futures and Eurex. In the UK, the FCA regulates the Group under consolidated supervision.

Concentration risk

To mitigate the concentration of credit risk exposure to a particular single customer, counterparty or group of affiliated customers or counterparties, the Group monitors these exposures carefully and ensures that these remain within pre-defined limits. Large exposure limits are determined in accordance with appropriate regulatory rules.

Further concentration risk controls are in place to limit exposure to clients or counterparties within single countries of origin and operation through specific country credit risk limits as set by the Board Risk Committee.

The largest concentration of cash balances as at 31 December 2022 was 65% (2021: 28%) to a UK-based, AA rated global banking group (2021: UK-based, AA- rated global banking group).

The largest concentration of exposures to exchanges, clearing houses and other counterparties as at 31 December 2022 was 44% to ICE (2021: 28%) and 26% to the CME (2021: 34%).

Liquidity risk

The Group defines liquidity risk as the failure to meet its day-to-day capital and cash flow requirements. Liquidity risk is assessed and managed under the Individual Capital and Risk Assessment (ICARA) and Liquidity Risk Framework. To mitigate liquidity risk, the Group has implemented robust cash management policies and procedures that monitor liquidity daily to ensure that the Group has sufficient resources to meet its margin requirement at clearing houses and third party brokers. In the event of a liquidity issue arising, the Group has recourse to existing global cash resources, after which it could draw down on a $429 million (2021: $120 million) committed revolving credit facility (note 24(c)).

There are strict guidelines followed in relation to products and tenor into which excess liquidity can be invested. Excess liquidity is invested in highly liquid instruments, such as cash deposits with financial institutions for a period of less than three months and US Treasuries with a maturity of up to two years.

The financial liabilities are based upon rates set on a daily basis, apart from the financing of the warrant positions and the credit facility where the rates are set for the term of the loan. For assets not marked-to-market, there is no material difference between the carrying value and fair value.

35 Financial Instruments (continued)

(f) Financial risk management objectives (continued)

Liquidity risk (continued)

Liquidity risk exposures

The following table details the Group's available committed financing facilities including committed credit agreements:

Secured borrowings and committed revolving credit facilities:		Group 2022 $m	2021 $m
Amount used	24(a)	**148.7**	—
Amount unused	24(c)	**280.0**	120.0
		428.7	120.0

The following table details the Group's contractual maturity for non-derivative financial liabilities. Debt securities are presented discounted based on earliest expected call dates. Lease liabilities are undiscounted and contractual.

	Group					
	On demand $m	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	More than 5 years $m	Total $m
Repurchase agreements	**1,874.5**	**2,500.4**	**6.5**	—	—	**4,381.4**
Short securities	**676.8**	**310.0**	—	—	—	**986.8**
Amounts due to exchanges, clearing houses and other counterparties	**180.0**	—	—	—	—	**180.0**
Trade payables	**5,652.9**	**160.8**	**376.0**	—	—	**6,189.7**
Other creditors	**5.6**	**5.2**	**1.1**	—	—	**11.9**
Deferred income	—	**1.0**	—	—	—	**1.0**
Stock lending	**1,004.0**	**392.9**	—	—	—	**1,396.9**
Short-term borrowings	—	**148.7**	—	—	—	**148.7**
Debt securities	—	**121.7**	**284.0**	**696.2**	**58.1**	**1,160.0**
Lease liabilities	—	**2.2**	**6.5**	**24.5**	**7.6**	**40.8**
At 31 December 2022	**9,393.8**	**3,642.9**	**674.1**	**720.7**	**65.7**	**14,497.2**

Liquidity risk (continued)

	Group					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	$m	$m	$m	$m	$m	$m
Repurchase agreements	—	140.4	—	—	—	140.4
Amounts due to exchanges, clearing houses and other counterparties	120.1	—	—	—	—	120.1
Trade payables (restated)	3,001.7	1.2	—	—	—	3,002.9
Other creditors	—	4.5	—	—	—	4.5
Deferred income	—	0.9	—	—	—	0.9
Lease liabilities	—	1.8	4.2	17.3	1.2	24.5
Debt securities	—	103.1	361.5	661.4	0.7	1,126.7
At 31 December 2021	3,121.8	251.9	365.7	678.7	1.9	4,420.0

	Company				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	$m	$m	$m	$m	$m
Amounts due to group undertakings	**353.7**	—	—	—	**353.7**
Other creditors	—	**2.1**	—	—	**2.1**
Debt securities	—	—	**59.4**	—	**59.4**
At 31 December 2022	**353.7**	**2.1**	**59.4**	—	**415.2**

	Company				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	$m	$m	$m	$m	$m
Amounts due to group undertakings	306.9	—	—	—	306.9
Other creditors	—	0.1	—	—	0.1
Debt securities	—	—	50.0	—	50.0
At 31 December 2021	306.9	0.1	50.0	—	357.0

35 Financial Instruments (continued)

(f) Financial risk management objectives (continued)

Liquidity risk (continued)

Shown below is the Group's contractual maturity for non-derivative financial assets:

	Group				
	On demand $m	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	Total $m
Treasury instruments	—	**2,497.8**	**221.9**	—	**2,719.7**
Equity instruments	**410.0**	—	—	—	**410.0**
Stock borrowing	**1,894.6**	—	—	—	**1,894.6**
Repurchase agreements	**2,004.3**	**2,335.2**	**6.5**	—	**4,346.0**
Amounts due from exchanges, clearing houses and other counterparties	**565.3**	**3,409.0**	**48.2**	**24.2**	**4,046.7**
Trade debtors	**25.1**	**107.4**	**8.6**	—	**141.1**
Default funds and deposits	**192.3**	**160.4**	—	—	**352.7**
Loans receivable	—	**17.9**	—	**0.3**	**18.2**
Other debtors	**5.3**	**77.5**	**6.7**	**14.0**	**103.5**
Cash and cash equivalents	**910.1**	—	—	—	**910.1**
At 31 December 2022	**6,007.0**	**8,605.2**	**291.9**	**38.5**	**14,942.6**

	Group				
	On demand $m	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	Total $m
Treasury instruments	92.4	—	692.9	738.0	1,523.3
Financial institution notes	—	—	—	1.0	1.0
Equity instruments	8.1	—	—	—	8.1
Repurchase agreements	—	144.3	—	—	144.3
Amounts due from exchanges, clearing houses and other counterparties	1,738.7	—	—	—	1,738.7
Trade debtors	—	57.0	1.2	—	58.2
Default funds and deposits	—	157.6	—	—	157.6
Loans receivable	13.3	—	—	—	13.3
Other debtors	0.1	10.8	3.4	0.5	14.8
Cash and cash equivalents	712.0	—	—	—	712.0
At 31 December 2021	2,564.6	369.7	697.5	739.5	4,371.3

Liquidity risk (continued)

Shown below is the Company's expected undiscounted contractual maturity for non-derivative financial assets:

	Company				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	$m	$m	$m	$m	$m
Subordinated loans due from group undertakings	—	—	—	**352.6**	**352.6**
Other debtors	**1.2**	—	—	—	**1.2**
At 31 December 2022	**1.2**	—	—	**352.6**	**353.8**

	Company				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	$m	$m	$m	$m	$m
Subordinated loans due from group undertakings	—	—	—	289.1	289.1
Other debtors	1.3	—	—	—	1.3
At 31 December 2021	1.3	—	—	289.1	290.4

Both assets and liabilities are included to understand the Group's liquidity risk management, as the liquidity is managed on a net asset and liability basis.

The following table details the Group's expected contractual maturity for derivative financial assets and derivative financial liabilities:

	Group				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Derivative instruments	$m	$m	$m	$m	$m
Assets	—	**128.4**	**154.5**	**197.9**	**480.8**
Liabilities	—	**(134.1)**	**(124.9)**	**(35.3)**	**(294.3)**
At 31 December 2022	—	**(5.7)**	**29.6**	**162.6**	**186.5**

	Group				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Derivative instruments	$m	$m	$m	$m	$m
Assets (restated)	—	136.4	86.9	273.2	496.5
Liabilities (restated)	—	(93.6)	(60.9)	(44.9)	(199.4)
At 31 December 2021	—	42.8	26.0	228.3	297.1

Derivative assets and liabilities do not meet the offsetting criteria in IAS 32, but the entity has the right of offset in the case of default, insolvency or bankruptcy. Consequently, the gross amount of derivative assets of $355,500,000 (2021: $246,700,000) and the gross amount of derivative liabilities of $294,300,000 (2021: $199,400,000) are presented separately in the Group's Statement of Financial Position.

35 Financial Instruments (continued)

(f) Financial risk management objectives (continued)

Fair value measurement

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Level 2 pricing for investments is based on the latest traded price. The Level 2 pricing for derivative instruments and debt securities are determined using quantitative models that require the use of multiple market inputs including commodity prices, interest and foreign exchange rates to generate continuous yield or pricing curves and volatility factors, which are used to value the position. The Level 3 pricing for derivative instruments is determined using quantitative models that require the use of multiple market inputs including commodity prices, interest and foreign exchange rates to generate continuous yield or pricing curves and volatility factors in addition to unobservable inputs, which are used to value the position.

Own credit

Under IFRS 9, changes in fair value related to own credit risk for other financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income. The changes in own credit risk recognised in other comprehensive income are subsequently transferred within equity to retained earnings in the same period as the sales fee income is deemed earned. The Group determines its own credit spread regularly based on a model using observable market inputs. Management estimates the own credit spread through using market observable credit spreads and paid credit spreads for public distributed products of the Group. The estimated own credit sensitivity to a 1 basis point move in credit spread is $0.2 million. Hence an increase in own credit spread of 1 basis point will lead to a charge of $0.2 million recognised in other comprehensive income.

The following table shows an analysis of the financial assets and liabilities recorded at fair value shown in accordance with the fair value hierarchy. No assets or liabilities have been transferred between levels within the fair value hierarchy during 2022 or 2021.

	Group			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets – FVTPL:				
Inventory	—	**35.8**	—	**35.8**
Equity instruments	**410.0**	—	—	**410.0**
Derivative instruments	—	**474.7**	**2.6**	**477.3**
Financial assets – FVTOCI:				
Investments	**4.9**	**11.5**	—	**16.4**
Derivative instruments	—	**3.5**	—	**3.5**
Financial liabilities – FVTOCI:				
Derivative instruments	—	**(1.6)**	—	**(1.6)**
Financial liabilities – FVTPL:				
Derivative instruments	—	**(287.9)**	**(4.8)**	**(292.7)**
Debt securities	—	**(1,160.0)**	—	**(1,160.0)**
At 31 December 2022	**414.9**	**(924.0)**	**(2.2)**	**(511.3)**

Fair value measurement (continued)

	Group			
	Level 1	Level 2	Level 3	Total
	$m	$m	$m	$m
Financial assets – FVTPL:				
Inventory	—	80.1	—	80.1
Equity instruments	8.1	—	—	8.1
Derivative instruments (restated)	—	495.1	1.4	496.5
Amounts due from exchanges, clearing houses and other counterparties	140.9	—	—	140.9
Financial assets – FVTOCI:				
Investments	3.8	5.1	—	8.9
Derivative instruments	—	—	—	—
Financial liabilities – FVTOCI:				
Derivative instruments	—	(0.6)	—	(0.6)
Financial liabilities – FVTPL:				
Derivative instruments	—	(196.4)	(2.4)	(198.8)
Contingent consideration	—	(3.0)	—	(3.0)
Debt securities	—	(1,126.7)	—	(1,126.7)
At 31 December 2021	152.8	(746.4)	(1.0)	(594.6)

35 Financial Instruments (continued)

(f) Financial risk management objectives (continued)

The following table summarises the movements in the Level 3 balances during the year.

Asset and liability transfers between Level 2 and Level 3 are primarily due to either an increase or decrease in observable market activity related to an input or a change in the significance of the unobservable input, with assets and liabilities classified as Level 3 if an unobservable input is deemed significant. There were no transfers between any levels during the year (2021: no transfers).

Reconciliation of Level 3 fair value measurements of financial assets

	Group	
	2022	2021
	$m	$m
Balance at 1 January	**1.4**	0.2
Purchases	**0.9**	0.9
Settlements	**(0.6)**	(0.6)
Total gains or losses in the period recognised in the income statement:		
Market Making revenue	**0.9**	0.9
Balance at 31 December	**2.6**	1.4

Reconciliation of Level 3 fair value measurements of financial liabilities

	Group	
	2022	2021
	$m	$m
Balance at 1 January	**2.4**	—
Purchases	**1.6**	1.6
Settlements	**(0.1)**	(0.1)
Total gains or losses in the period recognised in the income statement:		
Market Making revenue	**0.9**	0.9
Balance at 31 December	**4.8**	2.4

The Group's management believes, based on the valuation approach used for the calculation of fair values and the related controls, that the Level 3 fair values are appropriate. The impact of reasonably possible alternative assumptions from the unobservable input parameters shows no significant impact on the Group's profit, comprehensive income or shareholders' equity. The Group deems the total inventory of Level 3 financial assets and liabilities to be immaterial and therefore any sensitivities calculated on these balances are also deemed to be immaterial.

36 Cash Flow Hedge Reserve

	Group	
	2022	2021
	$m	$m
At 1 January	**(0.6)**	1.8
Gain / (loss) on revaluation	**2.7**	(2.4)
At 31 December	**2.1**	(0.6)

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit and loss only when the hedged transaction impacts the profit and loss or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

37 Client Money (segregated)

As required by the UK FCA's Client Assets Sourcebook ('CASS') rules and the CFTC's client money rules, the Group maintains certain balances on behalf of clients with banks, exchanges, clearing houses and brokers in segregated accounts. Segregated assets governed by the UK FCA's CASS rules and the related liabilities to clients, whose recourse is limited to segregated accounts, are not included in the Group's balance sheet where the Group is not beneficially entitled thereto and does not share any of the risks or rewards of the assets. Excess Group cash placed in US segregated accounts to satisfy US regulations and securities held in US segregated accounts are recognised on the Group's balance sheet.

	Group	
	2022	2021
		Restated
	$m	$m
Segregated assets at banks (not recognised)	**4,447.4**	1,848.5
Segregated assets at exchanges, clearing houses and other counterparties (not recognised)	**3,442.8**	1,176.5
Segregated assets at exchanges, clearing houses and other counterparties (recognised)	**5,059.4**	2,378.7
	12,949.6	5,403.7

As at 31 December 2022, $120,118,732 (2021: $48,645,259) of excess Group cash placed in segregated accounts to satisfy US regulations has been recorded within cash and cash equivalents and client liabilities.

Further details of this restatement of 2021 balances are given in note 38.

38 Restatement

As detailed in note 3(c), during the year ended 31 December 2022 management identified two adjustments relating to prior years which were accounting errors as defined under IAS 8. Accordingly, adjustments have been made to the prior year comparatives as detailed in this note.

(1) Previously segregated client funds at exchanges, clearing houses and brokers governed by the UK FCA's Client Assets Sourcebook rules (which comprise client funds held in segregated client money accounts) were held on the Group's Statement of Financial Position within Amounts due from exchanges, clearing houses and other counterparties. This has had a material effect on the information reported in the balance sheet at the beginning of the preceding period, additional comparative information detailing the quantitative impacts and impact on prior year comparatives are set out below for the affected financial statement line items.

(2) A subsidiary of the Group, Marex Financial enters into synthetic derivative transactions in the normal course of business through a Prime Brokerage account held with another financial institution. This account has a single daily settlement requirement and should there be a default or should all underlying positions be liquidated, the account balance would be settled with a single cash flow. In prior years, the synthetic derivative transactions were partially grossed up on the balance sheet and disclosed in the derivative note 25, however, since the balance on the Prime Broker account represents a single right it is presented as a single asset under derivative assets. This has had a material effect on the information reported on the balance sheet at the beginning of the preceding period, additional comparative information detailing the quantitative impacts and impact on prior year comparatives are set out below for the affected financial statement line items.

38 Restatement (continued)

The following shows the relevant line items in the statement of financial position that have changed as a result of the restatement.

	Group			
	31 December 2021 As reported $m	Change in Prime brokerage $m	Change in Segregated client funds $m	31 December 2021 Restated $m
Assets				
Equity instruments	92.2	(84.1)	—	8.1
Derivative instruments	827.1	(330.6)	—	496.5
Trade and other receivables	3,247.4	(52.1)	(1,176.5)	2,018.8
Total current assets	5,768.1	(466.8)	(1,176.5)	4,124.8
Total assets	6,907.9	(466.8)	(1,176.5)	5,264.6
Liabilities				
Derivative instruments	691.5	(492.1)	—	199.4
Trade and other payables	4,449.6	18.1	(1,176.5)	3,291.2
Total current liabilities	5,754.1	(474.0)	(1,176.5)	4,103.6
Debt securities	655.9	7.2	—	663.1
Total non-current liabilities	676.1	7.2	—	683.3
Total liabilities	6,430.2	(466.8)	(1,176.5)	4,786.9

	Group			
	1 January 2021 As reported $m	Change in Prime brokerage $m	Change in Segregated client funds $m	1 January 2021 Restated $m
Assets				
Equity instruments	52.1	(52.0)	—	0.1
Derivative instruments	199.6	42.5	—	242.1
Trade and other receivables	1,320.5	(1.0)	(425.6)	893.9
Total current assets	3,022.1	(10.5)	(425.6)	2,586.0
Total assets	3,766.8	(10.5)	(425.6)	3,330.7
Liabilities				
Derivative instruments	236.4	(60.5)	—	175.9
Trade and other payables	2,542.6	50.0	(425.6)	2,167.0
Total current liabilities	3,056.5	(10.5)	(425.6)	2,620.4
Total liabilities	3,323.0	(10.5)	(425.6)	2,886.9

Client money

	Group	
	31 December 2021 As reported $m	1 January 2021 As reported $m
Segregated assets at banks (not recognised)	1,848.5	1,063.0
Segregated assets at exchanges, clearing houses and other counterparties	3,555.2	2,032.6
	5,403.7	3,095.6

	Group	
	31 December 2021 Restated $m	1 January 2021 Restated $m
Segregated assets at banks (not recognised)	1,848.5	1,063.0
Segregated assets at exchanges, clearing houses and other counterparties (not recognised)	1,176.5	425.6
Segregated assets at exchanges, clearing houses and other counterparties (recognised)	2,378.7	1,607.0
	5,403.7	3,095.6

Trade and other receivables

	Group			
	31 December 2021 Restated $m	31 December 2021 As reported $m	1 January 2021 Restated $m	1 January 2021 As reported $m
Amounts due from exchanges, clearing houses and other counterparties	1,738.7	2,967.3	673.5	1,100.1
Amounts due from group undertakings	—	—	—	—
Trade debtors	58.2	58.2	47.0	47.0
Default funds and deposits	157.6	157.6	102.3	102.3
Loans receivable	13.3	13.3	17.6	17.6
Other tax and social security taxes	5.9	5.9	4.7	4.7
Other debtors	36.0	36.0	37.4	37.4
Prepayments	9.1	9.1	11.4	11.4
	2,018.8	3,247.4	893.9	1,320.5

38 Restatement (continued)

Trade and other payables

	Group			
	31 December 2021 Restated $m	31 December 2021 As reported $m	1 January 2021 Restated $m	1 January 2021 As reported $m
Trade payables	3,002.9	4,161.3	2,034.0	2,409.6
Amounts due to exchanges, clearing houses and other counterparties	120.1	120.1	—	—
Other tax and social security taxes	3.9	3.9	3.3	3.3
Other creditors	4.5	4.5	10.2	10.2
Accruals	158.9	158.9	119.0	119.0
Deferred income	0.9	0.9	0.5	0.5
	3,291.2	4,449.6	2,167.0	2,542.6

Derivatives

	Group			
	31 December 2021 Restated	31 December 2021 As reported	1 January 2021 Restated	1 January 2021 As reported
Financial assets	$m	$m	$m	$m
Held for trading derivatives carried at fair value through profit or loss that are not designated in hedge accounting relationships:				
Prime broker balance (restated)	249.8	—	51.8	—
Agriculture forward contracts	141.5	141.5	94.9	94.9
Agriculture option contracts	33.0	33.0	37.5	37.5
Energy forward contracts	9.0	9.0	6.1	6.1
Energy option contracts	0.8	0.8	4.3	4.3
Foreign currency forward contracts (restated)	16.5	16.7	28.9	28.9
Foreign currency option contracts	2.5	2.5	3.6	3.6
Precious metal forward contracts	10.5	10.5	4.4	4.4
Precious metal option contracts	0.1	0.1	0.6	0.6
Credit forward	2.0	2.0	0.7	0.8
Equity option (restated)	29.4	606.9	6.4	12.2
Equity forward (restated)	1.2	9.6	1.1	3.8
Equity contracts for difference (restated)	—	1.3	—	0.7
Rates forward	0.2	0.2	—	—
Valuation reserve (restated)	—	(7.0)	—	—
Held for trading derivatives that are designated in hedge accounting relationships:				
Foreign currency forward contracts	—	—	1.8	1.8
	496.5	827.1	242.1	199.6

Derivatives (continued)

	Group			
Financial liabilities	31 December 2021 Restated $m	31 December 2021 As reported $m	1 January 2021 Restated $m	1 January 2021 As reported $m
Held for trading derivatives carried at fair value through profit or loss that are not designated in hedge accounting relationships:				
Agriculture forward contracts	107.9	107.9	95.9	95.9
Agriculture option contracts	15.4	15.4	12.5	12.5
Energy forward contracts	5.6	5.6	3.9	3.9
Energy option contracts	0.6	0.6	0.5	0.5
Foreign currency forward contracts	20.1	20.1	26.8	26.8
Foreign currency option contracts	0.9	0.9	2.6	2.6
Precious metal forward contracts	17.2	17.2	18.3	18.3
Precious metal option contracts	0.1	0.1	0.3	0.3
Credit forward	0.5	0.5	1.9	2.0
Interest rate forward contracts	2.3	2.3	0.1	0.1
Crypto forward	1.0	1.0	—	—
Equity option contracts (restated)	17.4	504.8	3.3	57.1
Equity forward (restated)	9.8	13.0	9.8	15.6
Equity contracts for difference (restated)	—	1.4	—	0.8
Valuation reserve (restated)	—	0.1	—	—
Held for trading derivatives that are designated in hedge accounting relationships:				
Foreign currency forward contracts	0.6	0.6	—	—
	199.4	691.5	175.9	236.4

39 Earnings Per Share

Basic earnings per share is calculated by dividing the profits attributable to the shareholders of the Group for the year by the weighted average number of Ordinary Shares and non-voting Ordinary Shares outstanding during the year.

	Group	
	2022	2021
Profit attributable to equity holders of the Group ($m)	**91.6**	56.5
Weighted average number of ordinary shares during the year	**109,146,580**	110,477,964
Basic earnings per share ($)	**0.84**	0.51

40 Company Profit and Loss

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its income statement for the year. The Company reported a retained loss for the year ended 31 December 2022 of $15,161,996 (2021: $21,496,204 retained profit).

41 Events after Balance Sheet Date

(a) €300m Group notes Issuance

On 26 January 2023 the Group (through the Company) priced an inaugural €300m five-year senior unsecured debt issuance. A coupon of 8.375% is payable annually and the maturity date is 2 February 2028.

(b) Acquisitions

On 1 February 2023 the Group acquired a group of companies from OTCex S.A. (and six private individuals) for an initial consideration of €54.5 million (based on an estimated adjusted net tangible asset amount and subject to a 'true up') with potential additional earn-out consideration of c. €5 million payable based on the performance of the acquired companies over a four-year period commencing on the acquisition date.

(c) Repayment of secured term loan and subordinated facility

On 24 February 2023 the Group repaid in full the $80,812,500 PGIM term loan referred to in note 24(b) and was released from all of the associated security held. On 24 March 2023 the Group repaid in full the unsecured $55,000,000 subordinated loan referred to in note 24(b).

(d) Interim dividend

On 4 April 2023 the Company paid an interim dividend of $25,000,000 to ordinary shareholders.

42 Related Party Transactions

(a) Parent and ultimate controlling party

In these financial statements 'Group' comprises the Company and its subsidiaries and subsidiaries refers to the entities controlled by the Company as disclosed in note 17(c).

In the Directors' opinion, the immediate parent and ultimate controlling party of the Company is Amphitryon Limited, a company incorporated in Jersey, Channel Islands.

(b) Key management personnel

The remuneration paid to key management personnel for their services to the Group was as follows:

	Group	
	2022	2021
	$m	$m
Aggregate wages and salaries	**47.3**	41.7
Short-term monetary benefits	**0.2**	0.2
Defined contribution pension cost	**0.1**	0.2
Management Incentive Plan	**12.9**	0.9
	60.5	43.0

The remuneration of the highest paid Director for their services to the Group was $6,462,031 (2021: $5,064,343). No pension contributions were made on their behalf whilst they were a Director of the Group (2021: $nil). As at 31 December 2022, there were 12 key management personnel in the Group's defined contribution pension scheme (2021: 11).

(c) Key management personnel transactions

In July 2022 the Company offered certain current and former employees the opportunity to sell some or all of the beneficial interest held in Non-Voting Ordinary Shares, acquired in March 2021, to the Employee Benefit Trust. Pursuant to that offer, in October 2022 the beneficial interest in 5,000 non-voting Ordinary Shares was acquired at market value from key management personnel.

(d) Transactions with entities having significant influence over the Group

Balances and transactions between the Company and its subsidiaries which are related parties have been eliminated on consolidation and are not disclosed in this note.

The Group paid management fees to parties associated with the ultimate Parent company based on a percentage of the Group's profitability amounting to $3,311,970 (2021: $2,078,403).

(e) Share-based payment

The Group operates currently with three equity-settled share-based remuneration schemes for Executive Directors and certain senior management. All are United Kingdom tax authority unapproved schemes. There are specific vesting requirements to note, with the exception that the employee to whom these awards were granted must not depart from the Group, and such an action would require a forfeiture of some or all of the award depending on the conditions under which the employee were to leave.

The cost of the employee service received in respect of the shares granted is recognised in the income statement over the period that the employee provides service. The cost of the service is calculated by reference to the fair value of shares at the grant date, the number of shares expected to vest under the schemes, and the probability that the performance and service conditions will be met. The fair value of the shares was calculated by applying an estimated price-earnings multiple to the earnings per share of the Group.

Under the Deferred Bonus Plan, the members of the scheme are awarded a fixed number of shares vesting in three equal tranches over the three years following the date of grant. As the awards were based on the employees' annual performance, the grant date has been deemed to be the year for which the bonus had been awarded; as such, the 2022 deferred bonus scheme grant date was 2022 (and the 2021 deferred bonus scheme grant date was 2021).

Under the Retention Long Term Incentive Plan, the members of the scheme are awarded a variable number of shares three years after the grant date. The number of shares awarded is determined by reference to a hurdle return on equity of the Group and to growth targets for the profit after tax of the Group over the three-year period. As the service conditions and performance years begin in 2022, no cost has been recognised in 2021.

The charge for the year arising from share-based payment schemes was as follows:

	Group	
	2022	2021
	$m	$m
Deferred Bonus Plan	**6.7**	1.2
Retention Long Term Incentive Plan	**10.0**	—
Total equity-settled share-based payments	**16.7**	1.2

Share award plans

The weighted average fair value per award granted and number of awards at the balance sheet date were as follows:

	Group			
	2022	2022	2021	2021
	$	No.	$	No.
	Weighted average fair value per award granted in the year	Number of awards outstanding	Weighted average fair value per award granted in the year	Number of awards outstanding
Deferred Bonus Plan	**7.92**	**2,655,082**	4.33	746,529
Retention Long Term Incentive Plan	**N/A**	**3,036,036**	5.41	3,119,214

Deferred bonus plan

	Group	
	2022	2021
	No.	No.
Outstanding at the begining of the year	**746,529**	—
Granted during the year	**1,908,553**	746,529
Outstanding at the end of the year	**2,655,082**	746,529

The weighted average fair value of the awards granted under the deferred bonus plan shares at the year end was $6.82.

Retention long term incentive plan

	Group	
	2022	2021
	No.	No.
Outstanding at the begining of the year	**3,119,214**	—
Granted during the year	—	3,119,214
Forfeited during the year	**(83,178)**	—
Outstanding at the end of the year	**3,036,036**	3,119,214

The weighted average fair value of the awards granted under the retention long term incentive plan at the year end was $5.41

Glossary

The following definitions apply throughout this Annual Report

Adjusted operating PAT APM based on adjusted operating profit PBT less adjusted tax (using effective tax rate)

Adjusted operating PBT APM based on operating profit before tax (PBT) and excluding non-operating items

Adjusted operating PBT Margin APM calculated as Adjusted operating PBT divided by Net revenue

Adjusted return on equity APM calculated as Adjusted operating PAT (amended to deduct AT1 interest) divided by total equity attributable to ordinary shareholders

APAC Asia Pacific region

APM Alternative Performance Measure, i.e. non IFRS financial measure used by management

AT1 Additional Tier 1 Capital

Board The Board of Directors of Marex Group plc

BPS Basis points (1 bp = 0.01%)

CAGR Compound Annual Growth Rate

CASS FCA Client Asset Sourcebook

CEO Chief Executive Officer

CFO Chief Financial Officer

CFTC Commodity Futures Trading Commission

CGU Cash Generating Unit

CME Chicago Mercantile Exchange

CO2e Carbon dioxide equivalent

CODM Chief Operating Decision Maker

Company Marex Group plc

CRO Chief Risk Officer

CRR Capital Requirements Regulation

ECL Expected credit loss

EIR Effective interest rate

EMEA Europe, Middle East, and Africa region

EPS Earnings per share

ESG Environmental, Social, and Governance

ESMA: European Securities and Markets Authority

EU European Union

EU ETS European Union Emissions Trading Scheme

EUA European Union Allowance

EWRM Enterprise-Wide Risk Management Framework

FCA Financial Conduct Authority

FIA Futures Industry Association

FRC Financial Reporting Council

FVLCD Fair value less cost of disposal

FVTOCI Fair value through other comprehensive income

FVTPL Fair value through profit and loss

GHG Greenhouse Gas (emissions)

Gross Revenue or simply revenue; statutory revenue

Group Marex Group plc and its subsidiaries

HK Hong Kong

IAS International Accounting Standards

IASB International Accounting Standards Board

ICARA Internal Capital Adequacy and Risk Assessment

ICE Intercontinental Exchange

IFPR Investment Firms Prudential Regime

IFRS International Financial Reporting Standards

KPI Key Performance Indicator

kWh Kilowatt hour

LME London Metal Exchange

LSE London Stock Exchange

M&A Mergers and Acquisitions

MCM ED&F Man Capital Markets division

MiFID II Markets in Financial Instruments Directive

MLRO Money Laundering Reporting Officer

Net revenue APM based on reported revenue plus net finance income less cost of trade and bad debt expense

NFA National Futures Association

NII Net interest income

Non-operating items For the purpose of calculating APMs certain items are excluded such as: impairment charges, transaction costs, management fees, adjustments to contingent consideration, one-off significant legal matters and share disposals

OCI Other comprehensive income

OECD Organisation for Economic Co-operation and Development

OFTR Own Funds Threshold Requirement

OTC Over the counter

PAT Profit after tax

PBT Profit before tax

Pillar 1 Minimum capital requirements under CRD IV

Pillar 3 Disclosure requirements under CRD IV

RCF Revolving Credit Facility

REPO Repurchase agreement (a form of short-term borrowing)

R-LTIP Retention Long-Term Incentive Plan

ROE Return on Equity

ROTE Return on Tangible Equity

SEC Securities and Exchange Commission

SECR Streamlined Energy and Carbon Reporting

TCFD Task Force on Climate-Related Financial Disclosures

Tier 1 capital Primary source of regulatory capital

Tier 2 debt Secondary source of regulatory capital

Total capital ratio Expresses the Group's capital as a percentage of total risk exposure

Total risk exposure Calculated in accordance with article 92(3) of CRR (Pillar 1 divided by 8%)

UK United Kingdom

UKEB UK Endorsement Board

US United States of America

VaR Value at Risk

VER Voluntary Emission Reduction

VIU Value in use

COMPANY INFORMATION

Country of Incorporation	England and Wales
Legal Form	Public limited company
Directors	C R Stent I T Lowitt R M Pickering S L Ing R B Nagioff J C Cohen K N Graf von Schweinitz P R Tonucci J M Isaacs CBE Lord S Fink
Company Secretary	S Linsley
Registered Office	155 Bishopsgate, London, EC2M 3TQ
Auditor	Deloitte LLP Hill House, 1 Little New Street, London, EC4A 3TR
Bankers	HSBC Bank plc 8 Canada Square, London, E14 5HQ BMO Harris Bank N.A. 111 W. Monroe St. Chicago, Illinois 60603 Barclays Bank plc 1 Churchill Place, London, E14 5HP Lloyds Bank plc 25 Gresham Street, London, EC2V 7HN ICBC (London) plc 81 King William Street, London, EC4N 7BG